SEB

# Offering to subscribe for shares in Skandinaviska Enskilda Banken AB

Joint Global Coordinators and Joint Bookrunners

**Goldman Sachs International** | **Morgan Stanley** | **SEB Enskilda** | **UBS Investment Bank**

Co-Managers

**Banca IMI** | **CALYON** | **Fox-Pitt Kelton** | **ING Wholesale Banking** | **MeesPierson** | **Nomura International** | **Societe Generale Corporate & Investment Banking**

*The date of this Prospectus is March 9, 2009.*

# Skandinaviska Enskilda Banken AB

*(a public limited banking company organised under the laws of the Kingdom of Sweden)*

## Offering of up to 1,507,015,171 New A Shares
## Subscription price: SEK 10 per New A Share

This prospectus (this "**Prospectus**") relates to an offering of not more than 1,507,015,171 new series A shares (the "**New A Shares**") of Skandinaviska Enskilda Banken AB (publ), a public limited banking company (Sw: *publikt bankaktiebolag*) organised under the laws of the Kingdom of Sweden (the "**Issuer**"). The New A Shares will initially be offered to holders of the Issuer's currently outstanding series A shares (the "**A Shares**") and series C shares (the "**C Shares**", and together with the A Shares, the "**Existing Shares**").

Subject to the terms and conditions set out in this Prospectus, holders of the Existing Shares as of March 11, 2009 (the "**Record Date**") will be granted 11 transferable preferential subscription rights (each, a "**Subscription Right**") for each registered Existing Share held. For every 5 Subscription Rights, the exercising holder may subscribe for one New A Share against payment of a subscription price of SEK 10 per New A Share (the "**Subscription Price**"). On March 3, 2009, the closing price of the A Shares on NASDAQ OMX Stockholm was SEK 31 per A Share. Holders of Subscription Rights may exercise their Subscription Rights from and including March 13, 2009 until and including March 27, 2009 (the "**Subscription Period**"), after which Subscription Rights not exercised will expire valueless and become null and void. Shareholders who do not wish to exercise their Subscription Rights must thus sell their Subscription Rights to benefit from their value. The Subscription Period may be extended.

Subscription Rights properly exercised by way of payment of the Subscription Price during the Subscription Period will be exchanged for one paid subscription share (Sw: *betald tecknad aktie*) ("**BTA**") per 5 Subscription Rights. A number of existing shareholders of the Issuer owning 43.7% of the Issuer's share capital have undertaken to subscribe for their pro rata share of the Offering (as defined below) corresponding to a total of 659,091,870 New A Shares, as described in "Underwriting and supplementary information". During the Subscription Period, Subscription Rights issued to shareholders not entitled to participate in the Rights Offering (as defined below) will be sold on behalf of such shareholders.

The offering of New A Shares to be issued upon the exercise of Subscription Rights (the "**Rights Offering**") will include (i) a public offering to retail and institutional investors in the Kingdom of Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Luxembourg, Norway, and the United Kingdom and (ii) an international offering to institutional investors, including to qualified institutional buyers ("**QIBs**") in the United States of America (the "**United States**" or "**U.S.**") as defined in Rule 144A ("**Rule 144A**") under the Securities Act of 1933, as amended (the "**Securities Act**"), and in offshore transactions in compliance with Regulation S under the Securities Act ("**Regulation S**"), and in each case in accordance with other applicable securities laws.

The results of the Rights Offering are expected to be announced on or around March 31, 2009.

During the Subscription Period, the Issuer will permit the subscription of additional New A Shares by shareholders and other persons. After the Subscription Period has expired, the Issuer's board of directors will make allocations of New A Shares not subscribed for pursuant to the exercise of Subscription Rights ("**Secondary Allocations**") as follows: (i) firstly, to persons who have subscribed for New A Shares pursuant to Subscription Rights, (ii) secondly, to persons who have subscribed for New A Shares without Subscription Rights, and (iii) to the extent New A Shares remain unsubscribed, to a group of shareholders of the Issuer and a syndicate consisting of Goldman Sachs International ("**Goldman Sachs International**"), Morgan Stanley & Co. International plc ("**Morgan Stanley**") and UBS Limited ("**UBS**" or "**UBS Investment Bank**" and, together with Goldman Sachs International and Morgan Stanley, the "**Underwriters**") who have agreed to underwrite the remaining New A Shares subject to certain terms and conditions. The Underwriters may sell the New A Shares allocated to them pursuant to the Secondary Allocations in a global offering (the "**Global Offering**") in offshore transactions in compliance with Regulation S and in accordance with other applicable securities laws or to QIBs in the U.S. in reliance on Rule 144A and in accordance with other applicable securities laws. The Rights Offering and Secondary Allocations, including the Global Offering, are referred to in this Prospectus as the "**Offering**".

The A Shares are listed on NASDAQ OMX Stockholm under the symbol "SEB A". Trading in Subscription Rights is expected to take place on NASDAQ OMX Stockholm during the period from March 13, 2009 through March 24, 2009. Trading in BTAs (subscribed for pursuant to Subscription Rights) is expected to take place on NASDAQ OMX Stockholm during the period from March 13 through April 1, 2009. From March 9, 2009, the Existing Shares are traded on NASDAQ OMX Stockholm "ex-subscription right". Trading of the New A Shares (subscribed for pursuant to Subscription Rights) on NASDAQ OMX Stockholm is expected to commence on or about April 3, 2009.

**An investment in the Subscription Rights, the BTAs and the New A Shares involves risks. See "Risk factors" beginning on page 12.**

**The Subscription Rights, BTAs and New A Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold (i) within the United States, except in transactions exempt from registration under the Securities Act, or (ii) outside the United States, except in offshore transactions in reliance on Regulation S. In the United States, only persons that are QIBs may acquire Subscription Rights or BTAs or New A Shares upon exercise of Subscription Rights or in the Global Offering, pursuant to exemptions from the registration requirements of the Securities Act. See "Restrictions on sale and transfer of Subscription Rights, BTAs and New A Shares".**

The Subscription Rights, BTAs and New A Shares will be cleared through Euroclear Sweden AB ("**Euroclear Sweden**"). The BTAs will be delivered through the facilities of Euroclear Sweden. The New A Shares (subscribed for pursuant to Subscription Rights) are expected to be delivered through the facilities of Euroclear Sweden on or about April 8, 2009.

Joint Global Coordinators and Joint Bookrunners

**Goldman Sachs International** **Morgan Stanley** **SEB Enskilda** **UBS Investment Bank**

Co-Managers

**Banca IMI** **CALYON** **Fox-Pitt Kelton** **ING Wholesale Banking** **MeesPierson** **Nomura International** **Societe Generale Corporate & Investment Banking**

*The date of this Prospectus is March 9, 2009.*

## The Rights Offering in brief

| | |
|---|---|
| Subscription Rights | 5 Existing Shares entitle the holder to subscribe for 11 New A Shares |
| Record Date | March 11, 2009 |
| Subscription Price | SEK 10 per New A Share |
| Subscription Period | From and including March 13, 2009 until and including March 27, 2009 |

## Subscription and payment

Subscription based on Subscription Rights may take place only during the Subscription Period, that is, no later than March 27, 2009, by means of simultaneous cash payment of the Subscription Price. Subscription may also be undertaken without Subscription Rights; refer to "Terms, conditions and instructions". Following the expiration of the Subscription Period, unexercised Subscription Rights will expire valueless and become null and void. Shareholders who do not wish to exercise their Subscription Rights must thus sell their Subscription Rights to benefit from their value.

## Trading in Subscription Rights

Trading in Subscription Rights will take place on NASDAQ OMX Stockholm during the period from March 13, 2009 through March 24, 2009. SEB and other securities institutions with the requisite approval will assist with the purchase and sale of Subscription Rights.

## Excess Subscription Rights

Excess Subscription Rights, which do not entitle shareholders to subscribe for a whole New A Share, will be sold centrally. See "Terms, conditions and instructions—Terms and conditions—Central sale of excess Subscription Rights".

## Other information

| | | |
|---|---|---|
| Trading place | NASDAQ OMX Stockholm | |
| Tickers | A Shares: | SEB A |
| | Subscription Rights: | SEB TR A |
| | BTA 1: | SEB BTA A 1 |
| | BTA 2: | SEB BTA A 2 |
| ISIN codes | A Shares: | SE0000148884 |
| | Subscription Rights: | SE0002768499 |
| | BTA 1: | SE0002768507 |
| | BTA 2: | SE0002768515 |

In this Prospectus, the "**Issuer**" or "**Skandinaviska Enskilda Banken**" means Skandinaviska Enskilda Banken AB (publ); "**SEB**" means Skandinaviska Enskilda Banken AB (publ) or the consolidated group of companies of which the Issuer is the parent company, as the context may require; and "**Group**" means the group of companies in which the Issuer is the parent company. Please refer to "Glossary" for the definitions of other defined terms in this Prospectus.

This Prospectus has been prepared in accordance with Directive 2003/71/EC of the European Parliament and of the Council (the "**Prospectus Directive**"), Commission Regulation (EC) No. 809/2004 and the Swedish Financial Instruments Trading Act (Sw: *Lagen (1991:980) om handel med finansiella instrument*) ("**FITA**").

A Swedish language version of this Prospectus (the "**Swedish Prospectus**") has been approved and registered by the Swedish Financial Supervisory Authority (Sw: *Finansinspektionen*) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the FITA. Approval and registration of the Swedish language version of this Prospectus by the SFSA does not imply that the SFSA guarantees the factual information provided in this Prospectus is correct or complete.

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**NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE, NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT, NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION, MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

# Summary

*This summary should be understood as an introduction to this Prospectus and highlights information presented in greater detail elsewhere in this Prospectus. This summary is not complete and does not contain all the information you should consider before investing in the New A Shares. You should carefully read this entire Prospectus before investing, including "Risk factors", "Commentary on the financial development", "Risk management" and "Capital management" and the financial statements. Every decision to invest in the New A Shares should be based on an assessment of the entire Prospectus. An investor who commences judicial proceedings as a result of the information included in this Prospectus may be compelled to pay for a translation of this Prospectus. A person may be liable for information which is included in, or omitted from, this summary or a translation thereof, only where this summary note or a translation thereof is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.*

*In this Prospectus, the "**Issuer**" means Skandinaviska Enskilda Banken AB (publ); "**SEB**" means Skandinaviska Enskilda Banken AB (publ) or the consolidated group of companies of which the Issuer is the parent company, as the context may require; and "**Group**" means the group of companies in which the Issuer is the parent company.*

### Overview of Issuer

SEB is one of the leading financial institutions in Northern Europe, providing services to corporate customers, financial institutions and private individuals. Its core markets are the Nordic countries of Sweden, Denmark, Finland and Norway, the Baltic countries of Estonia, Latvia and Lithuania, and Germany, and its core strengths are its wholesale banking, investment banking, wealth management and unit-linked insurance businesses. As of and for the year ended December 31, 2008, SEB had total assets of SEK 2,511 billion (EUR 231 billion), total equity of SEK 83.7 billion (EUR 7.7 billion) and net profit of SEK 10.1 billion (EUR 1.05 billion).[1)]

The Group's business is organised into four divisions:

- *Merchant Banking* – providing wholesale banking and investment banking services to large companies and financial institutions in SEB's core markets;
- *Retail Banking* – providing retail banking services to private individuals and small and medium-sized companies ("**SMEs**") in Sweden, Germany and the Baltic countries, and cards in the Nordic countries;
- *Wealth Management* – providing asset management and private banking services to institutions, foundations and private individuals in SEB's core markets; and
- *Life* – providing unit-linked and traditional life insurance mainly in Sweden, Denmark and the Baltic countries.

At December 31, 2008, SEB's customer base consisted of approximately 2,500 large corporate and institutional customers, 400,000 SMEs and more than five million private individuals. At that same date, SEB had approximately 660 branch offices in Sweden, the Baltic countries, Germany and elsewhere. Outside its core markets, SEB has a strategic presence, through its international network of 11 branches and representative offices located in various financial centres, to support and service mainly its large corporate and institutional customers. At year end 2008, SEB had 21,131 full-time equivalent employees ("**FTEs**"), more than half of whom were located outside Sweden.

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1) The EUR equivalent amounts set out above are based on the 2008 period-end SEK/EUR exchange rate, in the case of total assets and equity, and the 2008 period average SEK/EUR exchange rate, in the case of net profit, both as set out under "General information—Exchange rate information".

### Competitive strengths

SEB believes that its franchise is built on strong long-term customer relationships, its product excellence and the quality of its advice. Its reputation stems from its long heritage of providing banking and financial services to large corporate customers, financial institutions and private individuals in the Nordic countries. Given its diversified business mix, SEB believes that it is well positioned to capture opportunities in the financial services industry in its core markets. SEB's competitive strengths include:

- Strong and long-term customer relationships;
- Leading market positions in core business areas;
- A diversified revenue base and strong focus on operational efficiency;
- Disciplined risk management; and
- A well-diversified funding base.

### Reasons for the Offering

SEB has a long history of maintaining capital adequacy well in excess of the minimum levels set by regulators. The Issuer's Board of Directors believes it to be prudent and in the best interests of all SEB's stakeholders to proactively strengthen SEB's capital position and has taken measures to increase SEB's capital base by approximately SEK 19.1 billion, through (i) the net proceeds of this Offering and (ii) not proposing a dividend for the financial year 2008, which will increase the strength of the Group's capital base by SEK 4.5 billion. The non-payment of the 2008 dividend and this Offering were approved by SEB's shareholders at SEB's Annual General Meeting held on March 6, 2009.

Reflecting receipt of the net proceeds of the Offering, as of December 31, 2008, on a pro forma basis, SEB's Tier I capital ratio would have increased from 10.1% to approximately 12.1%, as calculated on a Basel II basis without transitional rules. The Board of Directors of SEB has set a new long-term target for its Tier I capital ratio of 10%, as calculated on a Basel II basis without transitional rules.

By taking these capital measures at this time, SEB seeks to achieve the following:

- *Further enhance capital ratios in response to the changing environment*. These capital measures create a substantial buffer in SEB's capital base, which will enable SEB to create value and withstand a very significant deterioration in macroeconomic conditions.
- *Enhance SEB's ability to be a strong business partner for SEB's customers*. SEB views its increased capital strength following these capital measures as a key competitive advantage that will enhance its ability to be a strong business partner to its customers and a strong counterparty in the financial markets.
- *Address market expectations of higher levels of capital in the banking sector*. There has been a shift in investor expectations towards higher capital levels and reduced leverage within the banking sector, owing to increased perceptions of risk. This is reflected in the recent capital raising activity among European and U.S. financial institutions. Through the capital measures described above, SEB aims to more than adequately address these concerns.

## Summary financial and other data

The following tables include a summary of historical financial and other data for SEB on a consolidated basis as of and for each of the three years ended December 31, 2008, 2007 and 2006. The summary historical financial data is derived from the Issuer's audited consolidated financial statements and accompanying notes prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union, including making use of the version of IAS 39 endorsed by the European Union with respect to portfolio hedges of interest rate risks ("**IFRS**") and audited by PricewaterhouseCoopers AB ("**PwC**"). SEB's 2006 financial statements were restated in 2007 to reflect the business segments implemented as of January 1, 2007, and SEB's 2007 financial statements were restated in 2008 to reflect further reorganisation within its divisions. As a result, unless otherwise stated, financial data for 2006 in this section is not fully comparable to financial data for 2007 and 2008.

The summary historical financial data presented in the tables below should be read in conjunction with, and is qualified in its entirety by reference to, the Issuer's audited consolidated financial statements and the accompanying notes for the years ended December 31, 2008, 2007 and 2006, which have been included elsewhere in this Prospectus. This information should also be read together with "Commentary on the financial development", "Selected financial and other information" and "Selected statistical data".

### Income statement

| SEK million | 2008 | 2007 | 2006 |
|---|---|---|---|
| Net interest income | 18,710 | 15,998 | 14,281 |
| Net fee and commission income | 15,254 | 17,051 | 16,146 |
| Net financial income | 2,970 | 3,239 | 4,036 |
| Net life insurance income | 2,375 | 2,933 | 2,661 |
| Net other income | 1,831 | 1,219 | 1,623 |
| **Total operating income** | **41,140** | **40,440** | **38,747** |
| Staff costs | –16,241 | –14,921 | –14,363 |
| Other expenses | –7,642 | –6,919 | –6,887 |
| Depreciation, amortisation and impairment of tangible and intangible assets | –1,524 | –1,354 | –1,287 |
| **Total operating expenses** | **–25,407** | **–23,194** | **–22,537** |
| Gains less losses from tangible and intangible assets | 6 | 788 | 70 |
| Net credit losses | –3,268 | –1,016 | –718 |
| **Operating profit** | **12,471** | **17,018** | **15,562** |
| Income tax expense | –2,421 | –3,376 | –2,939 |
| **Net profit from continued operations** | **10,050** | **13,642** | **12,623** |
| Discontinued operations | | | |
| **Net profit** | **10,050** | **13,642** | **12,623** |
| Attributable to minority interests | 9 | 24 | 18 |
| Attributable to equity holders | 10,041 | 13,618 | 12,605 |

**Balance sheet (at period end)**

| SEK million | 2008 | 2007 | 2006 |
|---|---|---|---|
| Cash and cash balances with central banks | 44,852 | 96,871 | 11,314 |
| Loans to credit institutions | 266,363 | 263,012 | 180,478 |
| Loans to the public | 1,296,777 | 1,067,341 | 950,861 |
| Financial assets at fair value | 635,454 | 661,223 | 614,288 |
| Available-for-sale financial assets | 163,115 | 170,137 | 116,630 |
| Held-to-maturity investments | 1,997 | 1,798 | 2,231 |
| Investments in associates | 1,129 | 1,257 | 1,085 |
| Tangible and intangible assets | 29,511 | 24,697 | 22,914 |
| Other assets | 71,504 | 58,126 | 34,640 |
| **Total assets** | **2,510,702** | **2,344,462** | **1,934,441** |
| Deposits by credit institutions | 429,425 | 421,348 | 368,326 |
| Deposits and borrowing from the public | 841,034 | 750,481 | 643,849 |
| Liabilities to policyholders | 211,070 | 225,916 | 203,719 |
| Debt securities | 525,219 | 510,564 | 394,357 |
| Financial liabilities at fair value | 295,533 | 216,390 | 151,032 |
| Other liabilities | 71,565 | 97,519 | 60,150 |
| Provisions | 1,897 | 1,536 | 2,066 |
| Subordinated liabilities | 51,230 | 43,989 | 43,675 |
| Total equity | 83,729 | 76,719 | 67,267 |
| **Total liabilities and equity** | **2,510,702** | **2,344,462** | **1,934,441** |

**Key ratios**

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| Return on equity[1)] % | 13.1 | 19.3 | 20.8 |
| Basic earnings per share[2)] SEK | 14.66 | 19.97 | 18.72 |
| Cost/income ratio[3)] | 0.62 | 0.57 | 0.58 |
| Credit loss level[4)] % | 0.30 | 0.11 | 0.08 |
| Level of impaired loans[5)] % | 0.35 | 0.18 | 0.22 |
| Total capital ratio (Basel II transitional rules)[6), 7), 8)] % (at period end) | 10.62 | 11.04 | 11.47 |
| Total capital ratio (Basel II fully implemented)[6), 7)] % (at period end) | 12.81 | 12.62 | – |
| Tier I capital ratio (Basel II transitional rules)[7), 8), 9)] % (at period end) | 8.36 | 8.63 | 8.19 |
| Tier I capital ratio (Basel II fully implemented)[7), 9)] % (at period end) | 10.08 | 9.87 | – |
| Number of shares outstanding (at period end) (millions) | 685.0 | 683.5 | 678.3 |

1) Net profit attributable to equity holders for the year as a percentage of average shareholders equity, defined as the average of equity at the opening of the year and at the close of March, June, September and December, respectively, adjusted for dividends paid during the year, repurchase of own shares and rights issues.
2) Net profit for the year divided by the average number of shares.
3) Total operating expenses divided by total operating income.
4) Credit losses and value changes in assets taken over, divided by lending to the general public and credit institutions (excluding banks), assets taken over and loan guarantees at the opening of the year.
5) Impaired loans (net) divided by loans to the general public and credit institutions (excluding banks) and equipment leased to clients (net).
6) The total capital of the financial group of undertakings, which includes both Group companies (other than insurance companies within the Group) and non-consolidated associated companies, adjusted according to the capital adequacy rules as a percentage of risk-weighted assets.
7) For a full description of the implementation of Basel II as applied to SEB see "Capital management—New Basel II capital adequacy rules".
8) 2006 figures based on Basel I.
9) The Tier I capital of the financial group of undertakings as a percentage of risk-weighted assets.

## Summary risk exposures

The tables below show the size of certain of SEB's risk exposures as of December 31, 2008, 2007 and 2006.

### Summary disclosure on Group credit portfolio*

| SEK billion (at period end) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Corporates | 782 | 571 | 484 |
| Property Management | 262 | 212 | 192 |
| Households | 486 | 434 | 374 |
| *– of which household mortages* | 371 | 331 | 270 |
| Public Administration | 119 | 88 | 97 |
| **Total non-banks** | **1,649** | **1,304** | **1,146** |
| Banks | 286 | 248 | 169 |
| **Total** | **1,934** | **1,552** | **1,315** |
| Credit loss level[1] % | 0.30 | 0.11 | 0.08 |
| Level of impaired loans[2] % | 0.35 | 0.18 | 0.22 |

* The 2008, 2007 and 2006 credit portfolio data in the table above is presented on a comparable basis by industry code. The Group credit portfolio is the Group's portfolio of loans (gross before reserves, but excluding repurchase agreements and bonds), contingent liabilities and commitments (such as credit commitments, letters of credit and guarantees) and counterparty risks arising in derivatives and foreign exchange contracts (after netting). The Group's fixed-income portfolio is not included in the credit portfolio. See Note 38 to each of the 2008 Financial Statements and Unrestated 2007 Financial Statements for further details on liabilities and commitments and SEB's consolidated balance sheets as of December 31, 2008 and 2007 for further details on SEB's derivatives.

1) Credit losses and value changes in assets taken over, divided by lending to the general public and credit institutions (excluding banks), assets taken over and loan guarantees at the opening of the year.

2) Impaired loans (net) divided by loans to the general public and credit institutions (excluding banks) and equipment leased to clients (net).

### Summary disclosure on SEB's Baltic credit portfolio*

| SEK billion (at period end) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Corporates | 95 | 83 | 69 |
| Property Management | 32 | 26 | 20 |
| Households | 68 | 55 | 37 |
| *– of which household mortages* | 55 | 44 | 28 |
| Public Administration | 6 | 3 | 2 |
| **Total non-banks** | **200** | **166** | **128** |
| Banks | 2 | 3 | 3 |
| **Total** | **202** | **169** | **131** |
| Credit loss level[1] % | 1.28 | 0.43 | 0.13 |
| Level of impaired loans[2] % | 1.33 | -0.06 | 0.08 |

* The 2008, 2007 and 2006 credit portfolio data in the table above is presented on a comparable basis by industry code. The Group credit portfolio is the Group's portfolio of loans (gross before reserves, but excluding repurchase agreements and bonds), contingent liabilities and commitments (such as credit commitments, letters of credit and guarantees) and counterparty risks arising in derivatives and foreign exchange contracts (after netting). The Group's fixed-income portfolio is not included in the credit portfolio. See Note 38 to each of the 2008 Financial Statements and Unrestated 2007 Financial Statements for further details on liabilities and commitments and SEB's consolidated balance sheets as of December 31, 2008 and 2007 for further details on SEB's derivatives.

1) Credit losses and value changes in assets taken over, divided by lending to the general public and credit institutions (excluding banks), assets taken over and loan guarantees at the opening of the year.

2) Impaired loans (net) divided by loans to the general public and credit institutions (excluding banks) and equipment leased to clients (net).

## Fixed-Income portfolio*

| SEK billion (at period end) | 2008 | 2007 |
|---|---|---|
| Investment portfolio | 133 | 131 |
| *– of which financial institutions* | 52 | 55 |
| *– of which covered bonds* | 13 | 5 |
| *– of which structured credits* | 68 | 71 |
| *– of which residential mortgage backed securities* | 25 | 25 |
| *– of which asset-backed securities* | 11 | 13 |
| *– of which collateralised loan obligations* | 13 | 11 |
| *– of which collateral mortgage obligations* | 9 | 10 |
| *– of which commercial mortgage backed securities* | 5 | 5 |
| *– of which collateralised debt obligation* | 5 | 5 |
| *– of which sub prime* | 2 | 2 |
| Trading portfolio | 59 | 62 |
| **Merchant Banking fixed-income portfolio** | **192** | **193** |
| Group Treasury fixed-income portfolio | 156 | 119 |
| Other divisions fixed-income portfolio | 7 | 19 |
| **Total SEB fixed-income portfolio** | **355** | **331** |

* The Group's portfolio of fixed-income securities is maintained for investment, treasury and client trading purposes. The fixed-income securities consist mainly of government bonds, covered bonds, bonds issued by financial institutions and asset-backed securities. Most of these positions are within SEB's Merchant Banking division and Group Treasury.

**Summary of the Offering**

| | |
|---|---|
| *Rights Offering..............* | A total of up to 1,507,015,171 New A Shares are being offered with preferential subscription rights for holders of the Existing Shares as of the Record Date. |
| *Subscription Price..........* | SEK 10 per New A Share, which is below the closing price of SEK 31 per A Share as quoted on NASDAQ OMX Stockholm on March 3, 2009. |
| *Subscription Rights .......* | Subject to applicable securities laws, each Existing Share held on the Record Date will entitle the holder to 11 Subscription Rights. 5 Subscription Rights entitle the holder to subscribe for one New A Share.<br><br>Those who elect not to participate in the Rights Offering will have their ownership portion diluted by 69%, but will have the opportunity to sell their Subscription Rights.<br><br>During the Subscription Period, Subscription Rights issued to shareholders not entitled to participate in the Offering will be sold on behalf of such shareholders. The proceeds of the sale, less any withholding tax, will be distributed on a pro rata basis in proportion to the holdings of the relevant shareholders. Amounts of less than SEK 50 will not be paid out.<br><br>Subscription Rights that are not exercised prior to or at the end of the Subscription Period will become null and void and expire valueless without any compensation. |
| *Undertakings to subscribe and underwrite......................* | Investor AB, Trygg-Stiftelsen, Alecta, AFA Försäkring, Fjärde AP-Fonden, Knut och Alice Wallenbergs Stiftelse, Andra AP-Fonden and SEB Stiftelsen (the "**Committed Shareholders**"), representing in aggregate 43.7% of SEB's shares outstanding, have, in aggregate, committed to subscribe for and to underwrite 50.8% of the Offering. The remainder of the Offering is underwritten by the Underwriters. |
| *Subscription for and allotment of New A Shares without Subscription Rights; Secondary Allocations....* | During the Subscription Period, the Issuer will permit the subscription of additional New A Shares by shareholders and other persons. After the Subscription Period has expired, the Board of Directors will make allocations of New A Shares not subscribed for pursuant to the exercise of Subscription Rights through Secondary Allocations as follows: (i) firstly, to persons who have subscribed for New A Shares pursuant to Subscription Rights, (ii) secondly, to persons who have subscribed for New A Shares without Subscription Rights, and (iii) to the extent New A Shares remain unsubscribed, to a group of shareholders of the Issuer and the Underwriters, who have agreed to underwrite the remaining New A Shares subject to certain terms and conditions. As a result of the undertakings to subscribe by a group of shareholders of the Issuer and the underwriting described in (iii) above, commitments to subscribe for 100% of the Offering have been received by the Issuer. |
| *Record Date for the Rights Offering ..............* | March 11, 2009. |
| *Subscription Period........* | March 13, 2009 to March 27, 2009. |
| *Trading of Subscription Rights.............................* | The Subscription Rights are expected to trade on NASDAQ OMX Stockholm under the symbol "SEB TR A" from and including March 13, 2009 to and including March 24, 2009. |
| *Dividend.........................* | The New A Shares will entitle holders to dividends, assuming a dividend is approved, on any record date for dividends that occurs as from the registration of the New A Shares with the Swedish Companies Registration Office ("**SCRO**"). Subsequent to such registration, the New A Shares will carry the same rights to dividends as SEB's existing A Shares. Please note that the Issuer's normal practice is to consider payments of dividends only once a year in connection with the Issuer's Annual General Meeting. Accordingly, the New A Shares will in practice not entitle holders to dividends, assuming a dividend is approved, until the declaration of any such dividend in connection with the Issuer's 2010 Annual General Meeting. |

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| *Voting rights*.................. | The New A Shares will carry the same voting rights as the Issuer's existing A Shares. |
| *Transfer of Subscription Rights, BTAs and New A Shares*................. | Certain restrictions apply to sales and transfer of the Subscription Rights, BTAs and New A Shares. See "Restrictions on sale and transfer of Subscription Rights, BTAs and New A Shares". |
| *Global Offering*.............. | The Underwriters may sell the New A Shares allocated to them pursuant to the Secondary Allocations in a global offering in offshore transactions in compliance with Regulation S and in accordance with other applicable securities laws or to QIBs in the U.S. in reliance on Rule 144A and in accordance with other applicable securities laws. For a description of the possible methods for distribution of any New A Shares acquired by the Underwriters in the Global Offering, see "Underwriting and supplementary information—The Offering—Global Offering". |
| *Settlement*...................... | Subscription for New A Shares by exercise of Subscription Rights shall be made by way of cash payment. Payment for allocated New A Shares not subscribed for pursuant to the exercise of Subscription Rights shall be made pursuant to instructions set forth on the contract note that will be sent to such subscribers that have been allotted New A Shares. |
| *Delivery of New A Shares*................. | Following payment and subscription for New A Shares by exercise of Subscription Rights, Euroclear Sweden will send out a securities (VP) notice confirming that BTAs have been registered on the subscriber's securities (VP) account. The BTAs will be re-registered as New A Shares after the SCRO has registered the New A Shares. No securities (VP) notice will be issued in connection with this re-registration. Registration of the New A Shares subscribed by exercise of Subscription Rights is expected to be made with the SCRO on or around April 2, 2009. |
| *Issue proceeds*................ | The gross proceeds to the Issuer from the Offering are expected to be approximately SEK 15,070 million, and approximately SEK 14,600 million after deducting transaction related expenses of approximately SEK 470 million. SEB intends to use the net proceeds of the Offering to strengthen its capital position for the reasons described in "—Reasons for the Offering". |
| *Listing and admission to trading*....................... | The Subscription Rights and the BTAs will be traded on NASDAQ OMX Stockholm. The Issuer will apply for listing and admission to trading of the New A Shares on NASDAQ OMX Stockholm in connection with the completion of the Offering. |

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| *Trading symbols*............. | A Shares: | SEB A |
| | Subscription Rights: | SEB TR A |
| | BTA 1: | SEB BTA A 1 |
| | BTA 2: | SEB BTA A 2 |
| *ISIN codes*...................... | A Shares: | SE0000148884 |
| | Subscription Rights: | SE0002768499 |
| | BTA 1: | SE0002768507 |
| | BTA 2: | SE0002768515 |

### Summary of key risk factors

An investment in Subscription Rights, BTAs or New A Shares involves risks. Such risks include, but are not limited to, the risk factors described below. SEB is or may be exposed to some or all of the risks described below, and those additional risk factors described in the section "Risk factors", in its future operations. Any of these risk factors, as well as additional risks of which SEB is not aware, could also affect the business operations of SEB.

Investors should read carefully the risks described below and in "Risk factors", "Risk management" and "Capital management" and all of the information contained in this Prospectus before deciding whether or not to purchase Subscription Rights or BTAs and/or to subscribe for the New A Shares. The order in which these risks are presented is not intended to provide an indication of the likelihood of their occurrence or of their severity or significance. The risk factors below, as well as certain other risk factors, are described more fully in "Risk factors".

This Prospectus also contains forward-looking statements that are subject to future events, risks and uncertainties. The actual outcome could differ materially from the outcome anticipated in these forward-looking statements as a result of many factors, including but not limited to the risks described below and elsewhere in this Prospectus. See "General information—Forward-looking statements".

#### *Key risk factors related to SEB*

- SEB's business, earnings and results of operations are materially affected by conditions in the global financial markets and by global economic conditions.
- Worsening economic conditions in the countries where SEB operates have adversely impacted SEB and are likely to continue to do so.
- Current market conditions have increased the risk of loans being impaired, and loan losses are increasing, particularly in the Baltic region.
- SEB is exposed to declining property values on the collateral supporting residential and commercial real estate lending.
- Market fluctuations and volatility may adversely affect the value of SEB's positions, reduce its business activities and make it more difficult to assess the fair value of certain of its assets.
- SEB is subject to the risk that liquidity may not always be readily available; this risk is exacerbated by current conditions in global financial markets.
- SEB's borrowing costs and its access to the debt capital markets depend significantly on its credit ratings.
- SEB could be negatively affected by the soundness or the perceived soundness of other financial institutions and counterparties, which could result in significant systemic liquidity problems, losses or defaults.
- SEB has exposure to Lehman Brothers.
- SEB may be subject to increased capital requirements or standards due to new governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may also need additional capital in the future due to worsening economic conditions, which capital may be difficult to obtain.
- Effective management of SEB's capital is critical to its ability to operate and grow its business.
- Changes in interest rates have affected and will continue to affect SEB's business.
- SEB is exposed to foreign exchange risk, and a devaluation or depreciation of any of the currencies in which it operates could have a material adverse effect on its assets, including its loan portfolio, and its results of operations.
- SEB is subject to a wide variety of banking, insurance and financial services laws and regulations, which could have an adverse effect on its business.
- It could become mandatory for SEB to participate in and/or finance the Swedish Government support programme for credit institutions.

- The Swedish Government has, under certain conditions, the right to compulsorily acquire the shares of a Swedish credit institution to support the stability of the national financial system.
- Undertakings required under the Swedish government support programme may affect SEB's operations and its ability to attract and retain senior executives, and Swedish government capital injections under this programme could lead to dilution of SEB's shareholders.
- Government liquidity schemes are subject to cancellation or change, which may have a negative impact on the availability of funding in the markets in which SEB operates.
- SEB operates in competitive markets that are likely to consolidate, which may have an adverse effect on its financial condition and results of operations.
- Conflicts of interest, whether actual or perceived, and fraudulent actions may negatively impact SEB.
- SEB's life insurance business is subject to risks involving declining market values of assets related to its unit-linked business and traditional portfolios and inherent insurance risks.
- Fraud, credit losses and delinquencies, as well as regulatory changes affect SEB's card business.
- SEB's guidelines and policies for risk management may prove inadequate for the risks faced by its businesses.
- Weaknesses or failures in SEB's internal processes and procedures and other operational risks could have a negative impact on its financial condition, results of operations, liquidity and/or prospects, and could result in reputational damage.
- The IT and other systems on which SEB depends for its day-to-day operations may fail for a variety of reasons that may be outside its control; SEB is subject to the risk of infrastructure disruptions or other effects on such systems.
- In order to compete successfully, SEB is dependent on highly skilled individuals; SEB may not be able to retain or recruit key talent.
- SEB may be required to make provisions for, or further contributions to, its pension schemes if the value of pension fund assets is not sufficient to cover potential obligations.
- SEB may incur significant costs in developing and marketing new products and services.
- SEB's principal shareholder has significant voting power and may be able to influence matters requiring shareholder approval.

### *Key risk factors related to the Offering*

- The future price of any A Shares cannot be predicted, and the Issuer's recent share price volatility may continue in the future.
- Shareholders who fail to respond to the Offering, either by exercising or selling the Subscription Rights, in a timely manner, will not be able to realise the value of the Subscription Rights and will suffer dilution of their holdings in the Issuer.
- Shareholders outside Sweden are subject to exchange rate risk.
- The New A Shares cannot be freely resold in the United States.
- Certain shareholders may not be able to participate in equity offerings with Subscription Rights.
- Dividends on the A Shares may not be declared in full or in part.
- Future issuances of shares or other securities may dilute the holdings of current shareholders and could materially affect the market price of the A Shares.
- Subscription undertakings regarding the Offering are not secured.
- The shareholders' resolutions approving the amendment of the Articles of Association and the share capital increase may be challenged.

**Other required information**

The Board of Directors of the Issuer, excluding employee representatives, consists of Marcus Wallenberg (Chairman), Tuve Johannesson (Deputy Chairman), Jacob Wallenberg (Deputy Chairman), Penny Hughes, Urban Jansson, Hans-Joachim Körber, Tomas Nicolin, Christine Novakovic, Jesper Ovesen, Carl Wilhelm Ros and Annika Falkengren. The Group Executive Committee consists of Annika Falkengren (President and Chief Executive Officer), Bo Magnusson (Deputy President and Chief Executive Officer), Jan Erik Back, Fredrik Boheman, Magnus Carlsson, Ingrid Engström, Hans Larsson, Anders Mossberg and Mats Torstendahl. SEB's auditor is PwC, with Peter Clemedtson as lead auditor. See "Board of directors, group management and auditors".

The Issuer's registered office is at Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden (telephone: +46 (0) 771 62 10 00). The Issuer is registered with the bank register maintained by the SCRO under corporate registration number 502032-9081.

# Risk factors

*An investment in Subscription Rights, BTAs or New A Shares involves risks. You should consider carefully the risks described below, those described under "Risk management" and "Capital management" and all of the other information contained in this Prospectus before deciding whether or not to purchase Subscription Rights or BTAs and/or to subscribe for or purchase the New A Shares. The order in which these risks are presented is not intended to provide an indication of the likelihood of their occurrence or of their severity or significance. If any of the following risks actually occurs, SEB's business, financial condition, results of operations, liquidity and/or prospects may be adversely affected. The trading value of the Subscription Rights, BTAs or A Shares could decline, and you may lose all or part of your investment. Other risks of which SEB is not currently aware may also have an adverse effect on SEB and on the trading value of the Subscription Rights, BTAs or A Shares.*

*This Prospectus also contains forward-looking statements that are subject to future events, risks and uncertainties. The actual outcome could differ materially from the outcome anticipated in these forward-looking statements as a result of many factors, including but not limited to the risks described below and elsewhere in this Prospectus. See "General information—Forward-looking statements".*

## Risk factors related to SEB

**SEB's business, earnings and results of operations are materially affected by conditions in the global financial markets and by global economic conditions.**

There has been extreme volatility and disruption in global capital and credit markets in the last 18 months, with these reaching unprecedented levels in the second half of 2008 particularly following the bankruptcy filing by Lehman Brothers in September 2008. SEB's results of operations have been adversely impacted by these conditions in recent periods. This extreme volatility and disruption has led to severe dislocation of financial markets around the world, unprecedented reduced liquidity and increased credit risk premiums for many market participants. This has caused severe problems at many of the world's largest commercial banks, investment banks and insurance companies, a number of which are SEB's counterparties or customers in the ordinary course of business. These conditions have also resulted in a material reduction in the availability of financing, both for financial institutions and their customers, compelling many financial institutions to rely on central banks and governments to provide liquidity and, in some cases, additional capital during this period. Governments in jurisdictions where SEB has material operations have sought to provide this liquidity in order to stabilise financial markets and prevent the failure of financial institutions. Despite such measures, the volatility of the capital and credit markets has continued at unprecedented levels, and liquidity problems remain.

Changes in interest rates and/or widening credit spreads that have resulted from the financial crisis have created a less favourable environment for certain of SEB's businesses and have led to a decrease in the demand for certain loans and other products and services offered by SEB. In addition, fluctuations in interest rates and credit spreads have affected the fair value of financial instruments that SEB has issued or holds.

Further, recessionary conditions are present in most of the countries in which SEB operates, and more generally around the world. These conditions have contributed to a downward pressure on stock prices and reduced availability of credit for financial institutions, including SEB, and other corporations. The deteriorating macroeconomic environment is also increasing the risk of future credit losses. The foregoing factors are also reducing SEB's flexibility in planning for, or reacting to, changes in its operations and in the financial industry generally. If these levels of market disruption and volatility continue, worsen or abate and then recur, SEB may experience further reductions in business activity, increased funding costs and funding pressures, lower share prices, decreased asset values, additional credit losses, write-downs and impairment charges and lower profitability. With approximately 67% of its operating profit arising from its Merchant Banking division in 2008, SEB's results of operation are particularly exposed to the risk of a downturn in the capital markets in general, and in SEB's wholesale and investment banking business in particular. SEB's performance may also be affected by future recovery rates on assets and the historical assumptions underlying asset recovery rates, which may no longer be accurate given the unprecedented recent market disruption.

Accordingly, as a result of the foregoing, and even if the current market disruption and volatility abates, SEB's results of operations, business, financial condition, liquidity and prospects are likely to continue to be adversely affected by conditions in the global economy and financial markets.

**Worsening economic conditions in the countries where SEB operates have adversely impacted SEB and are likely to continue to do so.**

The precise nature of all the risks and uncertainties SEB faces as a result of the current global financial crises and global economic outlook cannot be identified and many of these risks are outside SEB's control.

### Sweden[1)]

Operations in Sweden accounted for 65% of SEB's operating profit for 2008. The Swedish economy continues to be affected by weakening global economic conditions and the turmoil in the financial markets. Sweden, being a small and open economy, is heavily dependent on exports. In 2008, GDP declined by 0.2%, compared to growth of 2.5% in 2007. Estimates for GDP growth in Sweden in 2009, as reported by Consensus Economics, indicate a GDP decline by 0.8%. The slowdown is especially evident in the manufacturing sector, where the situation worsened substantially during the last quarter of 2008. In addition, the unemployment rate is starting to increase. The inflation rate was 0.9% at the end of 2008, but inflation expectations have materially subsided for 2009 as recessionary trends have started to impact Sweden as well. As of February 18, 2009, the Swedish Central Bank, Sveriges Riksbank (the "**Riksbank**"), lowered its repo rate to 1.0% from a high of 4.75% during 2008, and further repo rate cuts may occur during 2009. In addition, the Swedish Krona has weakened substantially against the EUR and U.S. dollar since the early autumn of 2008 and has continued to depreciate in 2009. Domestic demand has been weakened by lower confidence among households and companies. The overall financial market environment has been exacerbated by sharp declines in the market valuations of companies listed on NASDAQ OMX Stockholm, with the exchange's OMX Stockholm 30 index, for example, losing 39% of its value between January 1, 2008 and December 31, 2008. For so long as these conditions persist, SEB's business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected.

### The Baltic countries[2)]

During 2008, 11% of SEB's operating profit was generated from its operations in the Baltic countries. After a period of overheating, with rising macroeconomic imbalances, economic conditions in the Baltic countries deteriorated sharply during 2008, accompanied by falling household and business confidence. The slowdown has been driven by a decrease in private consumption and investment spending. The Estonian and Latvian economies are already in recession and reported sharp declines in GDP in the fourth quarter of 2008, by 9.4% in Estonia and 10.5% in Latvia, compared to the fourth quarter of 2007. Growth in Lithuania has slowed markedly, with GDP declining by 1.5% in the fourth quarter of 2008 compared to the fourth quarter of 2007. Full-year GDP figures for 2008 show a contraction of 3.5% in 2008 for Estonia compared with growth of 6.3% in 2007; a contraction of 4.8% in 2008 for Latvia compared with growth of 10.4% in 2007; and GDP growth of 3.1% in 2008 for Lithuania compared with growth of 8.9% in 2007. GDP estimates for 2009 as reported by Consensus Economics in a January 2009 survey predict GDP declines of 4.2% in Estonia, 7.4% in Latvia and 3.2% in Lithuania. Imbalances are increasing as domestic demand is slowing down. Inflation rates are still high in all three countries, but they are falling primarily due to lower commodity prices and weaker domestic demand. For 2008, inflation stood at 15.3% in Latvia, 11.1% in Lithuania and 4.1% in Estonia. The Baltic countries' credit ratings have been downgraded; most recently Latvia was given a rating of Baa1 with negative outlook by the credit rating agency Moody's and a rating of BB+ by S&P, and Lithuania has been placed on review for possible ratings downgrade by Moody's and S&P. Estonia's credit rating has also been placed on review for possible ratings downgrade by S&P.

As a financial institution with one of the largest operations in the Baltic countries, SEB is particularly exposed to these worsening economic conditions. SEB expects that its business, financial condition and results of operations will be negatively affected by, among other things, lower collateral values and higher credit losses as the economic climate in the Baltic region continues to deteriorate.

The risk of a prolonged recession in the Baltic countries has increased due to the global financial crisis and the worsening macroeconomic conditions in Europe. Households in the Baltic countries are facing a period of slow, or even negative, wage growth, increasing unemployment and large wealth adjustments. Even if macroeconomic imbalances improve, there is a risk that the Baltic region will experience continued financial difficulties. Slower growth could also lead to increased budget deficits, and such deficits, together with high inflation, could prevent one or more of the Baltic countries from meeting accession criteria for adoption of the EUR for several years. There is also a

1) Sources: GDP and inflation figures from Statistics Sweden and Consensus Economics. Stock exchange figures from NASDAQ OMX.
2) Sources: GDP and inflation figures from Statistics Latvia, Statistics Lithuania, Statistics Estonia, Eurostat and Consensus Economics. Stock exchange figures from NASDAQ OMX.

risk of devaluation, despite a strong commitment from local governments to the exchange rate pegs, due to the high macroeconomic imbalances and the recession. Devaluations could negatively impact these countries' economies. In addition, as a large part of lending in the Baltic region is denominated in EUR, a devaluation would also increase SEB's credit risk and have a negative impact on the financial and real estate markets, which in turn would have a material adverse effect on SEB's business and results of operations in the Baltic region and on a consolidated basis.

Latvia is examining multiple measures to support its economy and was granted aid from the International Monetary Fund (the "**IMF**"), the European Union and from some of the Nordic countries in December 2008. Within the banking sector, AS PAREX banka, Latvia's second largest bank by total assets, was taken over by the Latvian government in the latter part of 2008 to prevent a chain of actions that could have adversely affected Latvian economy. AS PAREX banka received state guarantees to mitigate liquidity issues, and the Latvian government received majority ownership as part of this stabilisation package.

### The other Nordic countries[1)]

During 2008, 18% of SEB's operating profit was generated from its operations in Denmark, Norway and Finland. SEB has no operations in Iceland. In 2008, GDP declined by 1.3% in Denmark and grew by 2.0% in Norway, and by 0.9% in Finland. GDP estimates for 2009 as reported by Consensus Economics in January 2009 are declines of 0.8% in Denmark, 0.5% in Norway and 0.1% in Finland. Denmark, in particular, has suffered from the effects of adverse trends in its real estate market and continuing strains on its banks. In December 2008, inflation stood at 3.4% in Denmark, 2.1% in Norway and 3.5% in Finland. The negative trends in these general economic indicators have had a negative impact on the local stock markets. From January 1, 2008 to December 31, 2008, in Denmark the OMX Copenhagen 20 index fell by 47%; in Norway the Oslo Børs Benchmark Index fell by 54%; and in Finland the OMX Helsinki 25 Index fell by 50%. For so long as these worsening conditions persist, SEB's businesses in these countries and SEB's business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected.

### Germany[2)]

During 2008, 6% of SEB's operating profit was generated from its operations in Germany. The German economy is affected by weakening global economic conditions and the turmoil in the financial markets. In 2008, German GDP increased by 1.3%, and inflation stood at 2.6% in December 2008. The GDP estimate for 2009 as reported by Consensus Economics in January 2009 shows a decline of 2.0% in Germany. The overall financial situation has been exacerbated by recent sharp declines in the market valuations of companies listed on the Deutsche Börse, with the exchange's DAX 30 Index, for example, losing 40% of its value between January 1, 2008 and December 31, 2008. For so long as these worsening conditions persist, SEB's business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected.

### Current market conditions have increased the risk of loans being impaired, and loan losses are increasing, particularly in the Baltic region.

SEB is exposed to the risk that its borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. SEB continuously reviews and analyses its loan portfolio and credit risks and, in view of the deteriorating conditions over the past 18 months, this work has intensified. The uncertainty as to the speed and magnitude of the economic downturn, and the timing of any potential recovery, make it difficult to estimate the size of the probable increase in SEB's future loan losses. SEB believes that the volume of impaired loans in the future will continue to increase, particularly in the Baltic region, due to the unfavourable economic conditions described above. Accordingly, loan loss charges are increasing and are likely to continue to increase.

A significant increase in the size of SEB's allowance for loan losses could have a material adverse effect on its financial position and results of operations. SEB's allowance for losses on loans is based on, among other things, its analysis of current and historical delinquency rates and loan management and the valuation of the underlying assets, as well as numerous other management assumptions. These internal analyses and assumptions may give rise to inaccurate predictions of credit performance in the current economic environment particularly because, prior to 2008, SEB was operating in a benign credit environment with historically low loan losses. Due to worsening economic

1) Sources: GDP and inflation figures from Statistics Denmark, Statistics Norway and Statistics Finland and Consensus Economics. Stock exchange figures from NASDAQ OMX and Oslo Børs.
2) Sources: GDP and inflation figures from Eurostat and Consensus Economics. Stock exchange figures from Deutsche Börse.

conditions in the past 18 months, SEB has experienced an increase of impaired loans and provided for potential credit losses in its loan books. This has been particularly apparent in SEB's business in the Baltic countries.

Due to the worsening economic conditions in the Baltic countries, SEB expects significant increases in loan losses in its operations in this region. The fall of commercial and residential real estate prices in the Baltic countries and lack of market liquidity has had an effect on the value of the collateral held by SEB. See "—SEB is exposed to declining property values on the collateral supporting residential and commercial real estate lending". There is also a risk of higher levels of bankruptcy and unemployment among SEB's private and commercial customers due to lower economic activity in the Baltic countries, which would impact customers' repayment capacity.

In Sweden, bankruptcies have increased significantly during 2008 from a low level, and a slowdown in the manufacturing, service and retail sector can be detected. SEB also expects a deterioration of the loan portfolio of resellers of durable goods such as boats, cars and major household appliances (white goods). In anticipation of future deterioration in its credit portfolio, SEB has implemented a management forum which focuses exclusively on work-out and/or restructuring matters and has substantially increased its work-out resources.

SEB maintains provisions for loan losses aimed at covering estimated probable incurred credit losses inherent in its loan portfolio. SEB's net credit losses amounted to SEK 3,268 million or a credit loss ratio of 0.30% for the year ended December 31, 2008, compared to SEK 1,016 million or a loan loss ratio of 0.11% for the year ended December 31, 2007. Net credit losses in relation to SEB's loan portfolio in the Baltic countries rose particularly during 2008 and SEB's build-up of provisions in relation to its credit exposure in that region increased, particularly in Lithuania in the fourth quarter of 2008, to SEK 560 million as of December 31, 2008 from SEK 139 million as of September 30, 2008.

A material increase in loan losses would have a material adverse effect on SEB's financial condition and results of operations. In addition, a devaluation or depreciation of the currency in any of the Baltic countries would likely lead to further loan losses. See "—SEB is exposed to foreign exchange risk, and a devaluation or depreciation of any of the currencies in which it operates could have a material adverse effect on its assets, including its loan portfolio, and its results of operations".

**SEB is exposed to declining property values on the collateral supporting residential and commercial real estate lending.**

SEB's total credit portfolio (which excludes repurchase agreements and fixed-income securities) at December 31, 2008 was SEK 1,934 billion, of which residential mortgages amounted to 19%, or SEK 371 billion, and property management amounted to 14%, or SEK 262 billion, most of which was in SEB's Swedish and German markets with a relatively smaller portion in the Baltic countries. Residential property prices and commercial property prices in SEB's core markets, and particularly in the Baltic countries, declined during 2008, reflecting economic downturns and uncertainty, reduced affordability and lower availability of credit. These factors have also led to a significant slowdown in the construction sector in these countries. Economic and other factors are expected to lead to further contraction in the residential mortgage and commercial lending market and to further decreases in residential and commercial property prices.

SEB applies a cash-flow based credit policy that considers the repayment capacity of the customer when extending credit. This policy applies to all lending backed by residential or commercial real estate. If the current economic downturns in the Nordic and Baltic regions as well as in Germany continue, with further falls in house prices and increases in unemployment, SEB's commercial property lending portfolio and residential mortgage portfolio may generate substantial increases in impairment losses, which could materially affect SEB's financial condition and results of operations. In addition, the effects of declining property values on the wider economy are likely to also contribute to higher default rates and impairment losses on non-property commercial and consumer loans.

**Market fluctuations and volatility may adversely affect the value of SEB's positions, reduce its business activities and make it more difficult to assess the fair value of certain of its assets.**

Financial markets are currently subject to significant stress conditions, where steep falls in perceived or actual asset values have been accompanied by a severe reduction in market liquidity, as exemplified by recent events affecting most asset-backed securities. These events have affected the prices of bonds, equities and other securities that SEB holds, and have also resulted in a reallocation of assets from equity to fixed-income products, low growth in mutual and other funds managed by SEB and lower performance fees. In dislocated markets, hedging and other risk management strategies have proven not to be as effective as they are in normal market conditions due in part to the decreasing credit quality of hedge counterparties, including credit derivative product companies. Severe market events have negatively affected the value of SEB's fixed-income securities portfolio in 2007 and 2008, affecting SEB's results of operations during those periods. Valuation losses on the Merchant Banking division's fixed-income securities investment portfolio amounted to SEK 2,467 million in 2007 and SEK 3,976 million in 2008. SEB expects that a continued deterioration in economic and financial market conditions could lead to impairment charges and further mark-downs during 2009. Moreover, market volatility and illiquidity have made it difficult to value certain of SEB's exposures. Valuations in future periods, reflecting then-prevailing market conditions, may result in significant changes in the fair values of the Group's exposure, even in respect of exposures, such as credit market exposures, for which the Group has previously recorded valuation losses. In addition, the value ultimately realised by SEB may be materially different from the current or estimated fair value. Any of these factors could require SEB to recognise further valuation losses or realise impairment charges, any of which may adversely affect its business, financial condition, results of operations, liquidity and/or prospects.

In addition, SEB's estimates of fair value may differ materially both from similar estimates made by other financial institutions and from the values that would have been used if a market for these assets had been readily available. An increase in volatility increases SEB's measured risk, and any change in the fair values of the financial instruments could have a material adverse effect on SEB's financial position and results of operations. Any of those developments may cause SEB to reduce its asset holdings or to reduce its business activities.

**SEB is subject to the risk that liquidity may not always be readily available; this risk is exacerbated by current conditions in global financial markets.**

Liquidity risk is the risk that a bank will be unable to meet its obligations, including funding commitments, as they fall due. This risk is inherent in banking operations and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as market dislocation and major disasters. Credit markets worldwide have experienced and continue to experience a severe reduction in liquidity and term-funding in the aftermath of events in the U.S. sub-prime residential mortgage market and the current severe market dislocation. Perception of counterparty risk between banks has also increased significantly following the bankruptcy filing by Lehman Brothers. This increase in perceived counterparty risk has led to further reductions, in common with many other banks, in SEB's access to traditional sources of liquidity, such as the debt markets, asset sales and redemption of investments. SEB's access to these traditional sources of liquidity has been, and may continue to be, restricted or available only at a higher cost. Even a perception among market participants that a financial institution is experiencing greater liquidity risk can cause significant damage to the institution. SEB's ability to sell assets at a commercially desirable price or at all may be impaired if other market participants are seeking to sell similar assets at the same time or are not in the position to finance themselves, or when the market value of assets, including financial instruments underlying derivative transactions to which SEB is a party, is difficult to ascertain, as has occurred in current market conditions. In addition, financial institutions with which SEB interacts may exercise set-off rights or rights to require additional collateral. Any of these or other events could impair SEB's access to liquidity.

SEB's liquidity management focuses on maintaining a diverse and appropriate funding strategy for its operations, controlling the diversity of its funding, monitoring and managing the maturity dates of its debts and carefully monitoring its undrawn commitments and contingent liabilities toward customers. However, SEB's ability to access sources of liquidity (for example, through the issue and sale of unsecured and covered bonds) during the recent period of liquidity stress has been constrained to the point where it, like other banks, has had to source greater amounts of shorter-term funding, such as funding sources with a term of one to three months and overnight funding, with a consequent reduction in long-term liquidity. SEB has also increased its usage of government liquidity schemes, such as those that have been established by the Riksbank and the Danish, Norwegian and European central banks to provide liquidity to banks and other financial institutions.

As of December 31, 2008, the amount of outstanding debt scheduled to mature in 2009 and require refinancing was SEK 246 billion. See "Commentary on the financial development—Liquidity and capital resources". Disruptions, uncertainty or volatility in the capital and credit markets currently limit SEB's ability to refinance maturing liabilities with long-term funding. The availability to SEB of any additional financing it may need will depend on a variety of factors, such as market conditions, the availability of credit generally and to borrowers in the financial services industry specifically, the volume of trading activities, SEB's financial condition, its credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of SEB's financial prospects if, for example, SEB incurs large losses, experiences significant deposit outflows or if the level of SEB's business activity decreases due to a market downturn. In particular, SEB's access to funds may be impaired if regulatory authorities or rating agencies impose additional regulatory capital requirements or downgrade SEB's debt ratings.

SEB's internal sources of liquidity may prove to be insufficient, and in such case SEB may not be able to successfully obtain additional financing on favourable terms or at all. Any of these developments could have a material adverse effect on SEB's business, financial condition, results of operations, liquidity and/or prospects.

In addition, there is a further risk that corporate and institutional counterparties may take measures to reduce all credit exposures to banks, given current risk aversion trends. It cannot be ruled out that credit market dislocation becomes so severe that short-term and overnight funding from non-governmental sources ceases to be available. Furthermore, like many banks, SEB relies on customer deposits to meet a substantial portion of its funding requirements. Such deposits are subject to fluctuation due to certain factors outside SEB's control, such as any possible loss of confidence and competitive pressures, which could result in a significant outflow of deposits within a short period of time. Any material decrease in SEB's deposits could have a negative impact on SEB's liquidity unless corresponding actions were taken to improve the liquidity profile of other deposits or to reduce less liquid assets.

**SEB's borrowing costs and its access to the debt capital markets depend significantly on its credit ratings.**

SEB's credit ratings are important to its business. Standard & Poor's downgraded SEB's long-term credit rating from A+ (with negative outlook) to A (with stable outlook) on February 5, 2009. S&P had previously placed a negative outlook on SEB's credit ratings in October 2008, and Moody's did the same in December 2008. These credit rating agencies have expressed concerns regarding the quality of SEB's Baltic assets, SEB's concentration risk due to exposure to specific counterparties and customers, SEB's significant reliance on its capital markets business in the context of the current economic environment, SEB's weak performance in its German market and its high cost-income ratio. Declines in any of these and other aspects of SEB's business could adversely affect the rating agencies' perception of SEB's credit and cause them to take negative ratings actions. Any reduction in SEB's credit ratings could adversely affect its liquidity and competitive position, undermine confidence in SEB, increase its borrowing costs, limit its access to the capital markets, or limit the range of counterparties willing to enter into transactions with SEB.

**SEB could be negatively affected by the soundness or the perceived soundness of other financial institutions and counterparties, which could result in significant systemic liquidity problems, losses or defaults.**

Against the backdrop of significant constraints on liquidity and high cost of funds in the interbank lending market, which is unprecedented in recent history, and given the high level of interdependence between financial institutions, SEB is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial services institutions. This is particularly relevant to SEB's franchise as an important and large counterparty in equity, fixed-income and foreign exchange markets, including related derivatives, which exposes it to concentration risk. Within the financial services industry the default of any one institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, as was the case after the bankruptcy of Lehman Brothers (as defined below), because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses or defaults by SEB or by other institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom SEB interacts on a daily basis. Systemic risk could have a material adverse effect on SEB's ability to raise new funding and on its business, financial condition, results of operations, liquidity and/or prospects.

SEB routinely executes a high volume of transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, insurance companies and other institutional clients, resulting in large daily settlement amounts and significant credit exposure. As a result, SEB faces concentration risk with respect to specific counterparties and customers. SEB is exposed to increased counterparty risk as a result of recent financial institution failures and weakness and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations. A default by, or even concerns about the creditworthiness of, one or more financial services institutions could therefore lead to further significant systemic liquidity problems, or losses or defaults by other financial institutions.

In addition, SEB is subject to the risk that its rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations SEB holds could result in losses and/or adversely affect its ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in the credit ratings of SEB's counterparties could also have a negative impact on SEB's income and risk weighting, leading to increased capital requirements. While in many cases SEB is permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral SEB is entitled to receive and the value of pledged assets. SEB's credit risk may also be exacerbated when the collateral it holds cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure that is due to SEB, which is most likely to occur during periods of illiquidity and depressed asset valuations, such as those currently experienced. The termination of contracts and the foreclosure on collateral may subject SEB to claims for the improper exercise of its rights. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity.

Any of these developments or losses could materially and adversely affect SEB's business, financial condition, results of operations, liquidity and/or prospects.

**SEB has exposure to Lehman Brothers.**

Prior to September 2008, Lehman Brothers and certain of its affiliates were counterparties to SEB, primarily through bond holdings and in connection with derivative and foreign exchange transactions. SEB also acted as Lehman Brothers' sub-custodian in the Danish market.

As of September 15, 2008 (the date Lehman Brothers Holdings Inc. filed for protection under Chapter 11 of the U.S. Bankruptcy Code), SEB had significant exposure to various Lehman Brothers group companies ("**Lehman Brothers**") through bond holdings and claims under various trading positions. On September 30, 2008, Lehman Brothers owed SEB SEK 948 million plus accrued "interest" (price differential). These exposures comprised bond holdings with a face value of SEK 607 million and amounts payable under closed foreign exchange positions, replacement costs of closed structured bond hedges and an outstanding custody balance in aggregate totalling SEK 341 million, after deduction of collateral and intra-Group set-off of balances held.

As a result, as of September 30, 2008, SEB's total net exposure to Lehman Brothers totalled SEK 948 million and, through the end of 2008, SEB has recorded provisions and impairments of SEK 677 million for losses related to its exposure to Lehman Brothers. Although SEB expects these provisions to cover its exposure to Lehman Brothers, as volatility in world financial markets continues and the U.S. economy continues to face difficulties, SEB may have to record additional provisions or incur losses in respect of its Lehman Brothers exposure in excess of its current provisions, but limited to the total exposure towards Lehman Brothers.

Exposure to Lehman Brothers exists in various currencies (EUR, Pound sterling, Danish Krona, USD and SEK), and the amounts above are subject to fluctuation in exchange rates.

**SEB may be subject to increased capital requirements or standards due to new governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may also need additional capital in the future due to worsening economic conditions, which capital may be difficult to obtain.**

Based on the global financial market turbulence during the last 18 months, including the reduced liquidity levels and the increasing loan losses and asset quality impairment financial institutions are experiencing, governments in the markets in which SEB operates may increase the capital requirements for SEB's operations. Various regulatory regimes to which SEB is subject, such as Basel II, may also be modified such that they will affect capital adequacy ratios applicable to financial institutions. A requirement to increase capital requirements may also arise due to market perception of adequate capitalisation levels and perceptions of the agencies rating SEB's debt.

SEB may also need additional capital in the future due to higher than expected increases in losses in its Baltic or other operations and declines in asset quality. SEB has based the amount sought in the Offering on an analysis of numerous scenarios, but circumstances may end up being worse than those considered by SEB. As a result of the continuing international credit crisis, SEB has seen and may see further downgrades of the risk classification of parts of its credit portfolio. Although the regulatory capital requirement in the IRB model (as defined in "Capital management—New Basel II capital adequacy rules") is based on through-the-cycle estimates of probability of default, there is still a risk that if declines in asset value lead to further downgrades (risk class migration) and consequent increases in SEB's risk weighted asset levels and thereby increase SEB's regulatory capital requirements, this may lead to a need to obtain additional capital.

The net Offering proceeds would, on a pro forma basis as of December 31, 2008, have had the effect of increasing SEB's Tier I capital ratio at that date to 12.1% and its total capital ratio to 14.6%, as calculated on a Basel II basis without transitional rules. The capital provided to SEB through this Offering may nevertheless be insufficient for the reasons cited above.

It therefore cannot be ruled out that SEB may need to obtain additional capital in the future. Such capital, whether in the form of debt financing, hybrid capital or additional equity, may not be available on attractive terms, or at all. Further, any such development may expose SEB to additional costs and liabilities, require it to change how it conducts its business, including by reducing the risk and leverage of certain activities, or otherwise have a negative impact on its business, the products and services it offers and the value of its assets. If SEB cannot obtain adequate funds to satisfy its capital requirements through debt or hybrid capital, any additional funds obtained through share capital increases may dilute the ownership percentage held by current shareholders. Further, if SEB is unable to successfully complete the Offering, it may be required to find alternative methods for strengthening its capital position, including through issuance of Tier I instruments in the capital markets, sale of assets, reductions of lending or participation in government-sponsored liquidity programmes. There can be no assurance that any of these alternative methods of raising capital would be successful in increasing SEB's capital ratios sufficiently or on the timetable currently envisaged. If SEB is unable to increase its capital ratios sufficiently, its credit ratings may drop, its cost of funding may increase, and its share price may decline.

**Effective management of SEB's capital is critical to its ability to operate and grow its business.**

Effective management of SEB's capital is critical to its ability to operate and grow its businesses and to pursue its strategy. SEB is required by regulators in Sweden and in other jurisdictions in which it undertakes regulated activities to maintain adequate capital. SEB seeks to mitigate the risk of not meeting capital adequacy requirements by careful management of its balance sheet and capital, through capital raising activities (such as the Offering), disciplined capital allocation and currency hedging of investments in foreign subsidiaries. However, any change that limits SEB's ability to effectively manage its balance sheet and capital resources (including, for example, reductions in profits and retained earnings as a result of credit losses, write-downs or otherwise, increases in risk weighted assets (which are pro-cyclical under Basel II, resulting in risk weighting increasing in economic downturns), delays in the disposal of certain assets or the inability to syndicate loans as a result of market conditions or otherwise) could have a material adverse impact on its business, financial condition, results of operations, liquidity and/or prospects.

**Changes in interest rates have affected and will continue to affect SEB's business.**

SEB faces significant interest rate risk, as changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. Changes in interest rates may also directly impact SEB to the extent they cause yields on interest-earning assets, and rates paid on interest-bearing liabilities, to change in disproportionate or unexpected ways, or otherwise affect SEB's cost of funds. While SEB has implemented risk management methods to mitigate and control the interest rate risks to which it is exposed, and while certain changes in interest rates may be beneficial for SEB's business if they reduce its cost of funding, it is difficult to predict with accuracy changes in economic or financial market conditions and to anticipate the effects that such changes could have on SEB's business, financial condition, results of operations, liquidity and/or prospects. SEB generally relies on deposits for a significant portion of its funds, which funding is low-cost to SEB due to the relatively low rates paid, in particular in current accounts. SEB's interest margin will be adversely affected as low prevailing market interest rates serve to reduce the margins that banks can achieve. Interest rates in Sweden have fallen from a high of 4.75% in the last quarter of 2008 to 1.0% as of February 18, 2008, which will place further pressure on SEB's interest rate margins.

**SEB is exposed to foreign exchange risk, and a devaluation or depreciation of any of the currencies in which it operates could have a material adverse effect on its assets, including its loan portfolio, and its results of operations.**

A substantial portion of loans made by SEB are denominated in currencies other than SEK. A devaluation or depreciation of any such currencies other than SEK in which SEB operates or in which it has loan exposure may require it to take an impairment charge. Further, SEB may incur higher credit losses as certain borrowers may be exposed to interest payments on loans in foreign currencies while having income in local currencies. For example, in the Baltic countries, a large part of lending is denominated in EUR while customers in the region typically derive their main income in local currencies. A significant devaluation or depreciation of the relevant local currency against the EUR would make it more difficult for these customers to repay their loans, and the credit risk associated with these customers and default rates could increase. In addition, such an event could cause adverse foreign exchange effects on SEB's income statement and equity. SEB's results of operations and financial condition, expressed in SEK, would also be adversely affected by the relative weakness of the currency of any other country in which it operates compared to the SEK.

Conversely, a depreciation of SEK against other currencies in which loans are made to customers would result in an increase in SEB's loan portfolio, resulting in growth in risk weighted assets and a negative impact on capital ratios. In 2008, risk-weighted assets increased by 17% (calculated according to Basel II), partly due to the weakening of the SEK, mainly against the U.S. dollar and the EUR. Due to further weakening of the Swedish economy and further interest rate cuts the SEK has continued to weaken against the EUR and the U.S. dollar in 2009.

Notwithstanding SEB's actions to reduce currency risk, exchange rate movements between the SEK, the EUR, the U.S. dollar and the local Baltic currencies could have a significant effect on SEB's balance sheet positions and, over the long term, its results of operations, which are stated in SEK. The effects of exchange rate fluctuations on SEB's financial statements are more fully described in "Commentary on the financial development".

**SEB is subject to a wide variety of banking, insurance and financial services laws and regulations, which could have an adverse effect on its business.**

SEB is subject to a wide variety of banking, insurance and financial services laws and regulations and faces the risk of significant interventions by a number of regulatory and enforcement authorities in each of the jurisdictions in which it operates. As a result, SEB is exposed to many forms of risk (including legal risk) which could have an adverse effect on its business, and which may arise in a number of ways, primarily:

- changes in the monetary, interest rate, capital adequacy and other policies of central banks and regulatory authorities;
- changes in laws and regulations or changes in regulatory regimes that may significantly influence investor decisions in particular markets in which SEB operates or may increase the costs of doing business in those markets;
- changes in regulatory requirements, such as prudential rules relating to the capital adequacy framework and the imposition of onerous compliance obligations; restrictions on business growth or pricing and requirements to operate in a way that prioritises objectives other than shareholder value creation;
- changes to financial reporting standards;
- changes in competition and pricing environments, such as harmonisation of card payment interchange fees;
- differentiation among financial institutions by governments with respect to the extension of guarantees to bank customer deposits and the terms attaching to such guarantees, including requirements for the entire Group to accept exposure to the risk of any individual member of the Group, or even third-party participants in guarantee schemes, failing;
- implementation of, or costs related to, local customer or depositor compensation or reimbursement schemes;
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to ownership; and
- other unfavourable political, military or diplomatic developments producing social instability or legal uncertainty that, in turn, may affect demand for SEB's products and services.

Regulation of financial markets is expected to change as a result of unprecedented levels of government intervention, including recent nationalisations and partial nationalisations in the United States, United Kingdom and a number of other European countries, including Sweden and Denmark, and the perception that one of the causes of the financial crises is attributable in part to the failure of regulatory structures. SEB expects to face greater regulation in the jurisdictions in which it operates, and there could be immediate effects and constraints on its businesses if SEB participates in any government or regulator-led initiatives, particularly in Sweden. Compliance with such initiatives or regulations may increase SEB's capital requirements, expose it to additional costs and liabilities, and require it to change how it conducts its business, including the reduction of risk and leverage of certain activities, or otherwise have an adverse impact on its business, the products and services it offers and the value of its assets.

SEB operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks. As a result, SEB may become involved in various disputes and legal proceedings in Sweden and other jurisdictions, including litigation and regulatory investigations. These disputes and legal proceedings are subject to many uncertainties, and their outcomes are often difficult to predict, particularly in the earlier stages of a case or investigation. Adverse regulatory action or adverse judgments in litigation could result in fines or in restrictions or limitations on SEB's operations, any of which could result in a material adverse effect on its reputation or financial condition. In addition, any determination by local regulators that SEB has not acted in compliance with applicable local laws in a particular market, or any failure to develop effective working relationships with local regulators, could have a significant and negative effect not only on SEB's businesses in that market but also on its reputation generally.

**It could become mandatory for SEB to participate in and/or finance the Swedish Government support programme for credit institutions.**

In October 2008, in response to the negative impact on the Swedish economy from the global financial crisis, the Swedish parliament adopted an act to provide government support of Swedish credit institutions. See "Banking and insurance regulation and supervision—Sweden—The Swedish Financial Stabilisation Plan". The act provides, among other things, for the Swedish Government under certain circumstances and in exchange for a fee, to guarantee part of such credit institutions' new borrowings and refinancings and, under certain circumstances, to make capital injections in such credit institutions.

SEB currently does not participate in the Swedish government support programme. There have been political discussions on whether the support of Swedish credit institutions should be made mandatory, but no such proposal has been made by the Swedish government. The Swedish government has further proposed that special stabilisation charges should be made mandatory for all Swedish banks and other credit institutions.

**The Swedish Government has, under certain conditions, the right to compulsorily acquire the shares of a Swedish credit institution to support the stability of the national financial system.**

The Swedish government support programme provides the Swedish government with the right to compulsorily acquire the shares of an institution that has been offered support under its guarantee programme, provided it is considered to be materially in the public interest to do so and provided (i) the institution or its shareholders have not accepted an agreement for government support that has been held not to be unreasonable by the appeal board, (ii) the institution or its shareholders have failed to discharge its material duties under such an agreement, or (iii) the institution's capital base is below one quarter of the required capital, calculated as set out in the Swedish Act on Capital Adequacy and Large Exposures (Sw: *Lagen (2006:1371) om kapitaltäckning och stora exponeringar*). See "Banking and insurance regulation and supervision—Sweden—The Swedish Financial Stabilisation Plan".

As a result, if SEB were to participate in the Swedish government support programme or if SEB should encounter such grave financial difficulties that there is a risk of serious disruptions in the Swedish financial system, the Swedish government could take over SEB partially or as a whole. Under such circumstances the value of SEB or its assets could become limited and SEB and its shareholders could be left with less than fair, or even no, compensation.

**Undertakings required under the Swedish government support programme may affect SEB's operations and its ability to attract and retain senior executives, and Swedish government capital injections under this programme could lead to dilution of SEB's shareholders.**

Participation in the Swedish government support programme results in the imposition of certain limitations on the operations of the participating credit institution. For instance, if SEB were to participate in any of the programmes or schemes under the Swedish government support programme, it would become subject to limitations on the remuneration paid to senior executives, which could substantially limit SEB's ability to attract and retain senior executives. In addition, if the Swedish government were to make capital injections in SEB under the capital injection scheme adopted in October 2008, this would require SEB to undertake not to implement any significant expansions of its operations if such expansions would not have taken place in the absence of the state capital injections. See "Banking and insurance regulation and supervision—Sweden—The Swedish Financial Stabilisation Plan—The 2008 Capital Injection Scheme" and "Banking and insurance regulation and supervision—Sweden—The Swedish Financial Stabilisation Plan—The 2009 Capital Injection Scheme" for further details.

Further, a capital injection in SEB by the Swedish government under its support programme could lead to the acquisition by the Swedish government of newly issued shares in SEB that would dilute the equity stake of SEB's remaining shareholders. See "Banking and insurance regulation and supervision—Sweden—The Swedish Financial Stabilisation Plan" for further details.

**Government liquidity schemes are subject to cancellation or change, which may have a negative impact on the availability of funding in the markets in which SEB operates.**

Government liquidity schemes are subject to cancellation or change, based on changing economic and political conditions in the jurisdiction of the relevant scheme. Furthermore, certain schemes which have been recently announced have in fact not been fully implemented, or their terms have not yet been finalised or are being revised. To the extent liquidity schemes are cancelled or changed in a manner which diminishes their effectiveness, or to the extent such schemes fail to generate additional liquidity in the relevant markets in which such schemes operate, SEB, in common with other banks, may continue to face limited access to, or higher costs associated with, funding alternatives, which could have a material adverse impact on SEB's business, financial condition, results of operations, liquidity and/or prospects.

**SEB operates in competitive markets that are likely to consolidate, which may have an adverse effect on its financial condition and results of operations.**

SEB is subject to significant competition in the markets in which it operates. Competition may increase in some or all of SEB's markets as a result of legislative, regulatory, technological or other factors. Increased competition could cause SEB to lose business or compel it to price products and services on less advantageous terms, or otherwise have an adverse effect on its business, financial condition, results of operations and prospects. For instance, due to the highly competitive landscape in Germany for retail banking, SEB has experienced and continues to experience weak performance in its German operations. Recent consolidation among banking institutions in the United Kingdom, the United States and Europe is changing the competitive landscape for banks and other financial institutions. This consolidation may extend into SEB's principal geographic markets, including Sweden, and could increase competitive pressures on SEB. Moreover, if financial markets continue to be volatile, more banks may be forced to consolidate. Consolidation has also taken place among stock exchanges and other institutions that make up the infrastructure of financial markets. In addition to the effects of consolidation, increased government ownership of, and involvement in, the financial sector generally may have an impact on the competitive landscape in the principal markets in which SEB operates and on the way in which banks in those markets conduct their operations. At present, however, it is difficult to predict what the effects of this increased government ownership and involvement will be or how it will differ from jurisdiction to jurisdiction. Although SEB believes its businesses are well suited to compete effectively in such an environment, it may experience stronger competition for corporate, institutional and retail clients and greater pressure on profit margins. These and other changes in the competitive landscape could adversely affect SEB's business, financial condition, results of operations, liquidity, markets and/or prospects.

**Conflicts of interest, whether actual or perceived, and fraudulent actions may negatively impact SEB.**

As SEB expands the scope of its businesses and its client base, it increasingly has to implement policies on corporate governance on a group-wide level and address potential conflicts of interest, including situations where SEB's services to a particular client or its own proprietary investments or other interests conflict, or are perceived to conflict, with the interests of another client, as well as situations where one or more of SEB's businesses have access to material non-public information that may not be shared with other businesses within the Group. SEB has procedures and controls that are designed to identify and address conflicts of interest, including those designed to prevent the improper sharing of information among its businesses. Appropriately identifying and dealing with conflicts of interest is complex, in part because internal breaches of policy can be difficult to discover. SEB's reputation may be damaged, and the willingness of clients to enter into transactions in which such a conflict might arise may be affected, if SEB fails, or appears to fail, to identify and deal appropriately with conflicts of interest. In addition, many financial institutions, including SEB, may be negatively impacted by fraudulent acts or violations of internal instructions committed by their own employees. SEB cannot predict whether such instances of internal fraud will occur or, if they were to occur, the extent to which these acts would negatively impact it.

**SEB's life insurance business is subject to risks involving declining market values of assets related to its unit-linked business and traditional portfolios and inherent insurance risks.**

SEB's traditional life insurance business is subject to the risk of declines in the market values of its asset portfolios. The effect of declining market values on the unit-linked business is declining income, as a significant portion of the fee income from unit-linked policies is related to the value of assets under management. SEB's traditional life insurance business is also subject to the risk of falling long-term interest rates, as its traditional insurance contracts guarantee a specified return to the policyholder over time. SEB's traditional life insurance business is mainly written in Denmark and Sweden, with the Danish business representing close to 90% of SEB's total traditional life insurance business (excluding the traditional life insurance business in Gamla Livförsäkringsaktiebolaget SEB Trygg Liv ("**Gamla Liv**")). In the Danish business, buffer funds built up by the policyholders absorb short-term fluctuations in investment returns, and interest rates and the bonus allocated to policyholders year-by-year can also be reduced during a single year to further build up buffer capital. Nevertheless, SEB bears the ultimate risk if investment returns over time are not sufficient to service the guarantees given to policyholders and no assurance can be given that if investment returns remain depressed for extended periods that additional reserves may not need to be established. In Sweden, the excess capital in the traditional portfolios of Fondförsäkringsaktiebolaget SEB Trygg Liv has been exhausted and, in 2008, SEB was required to make a provision to cover the shortfall.

In addition, SEB's life insurance business inherently faces the risk of volatility in the amount and timing of claims caused by unexpected changes in mortality, longevity and morbidity. Mortality risk is the risk of deviations in timing and amounts of cash flows (premiums and benefits) due to the incidence or non-incidence of death. Longevity risk is the risk of such deviations due to increasing life expectancy trends among policyholders and pensioners, resulting in payout ratios higher than what the insurance company originally accounted for. Morbidity risk is the risk of deviations in timing and amount of cash flows (such as claims) due to the incidence or non-incidence of disability and sickness. These insurance risks are mainly related to the traditional business. A material change in relation to any of the insurance risks could materially and adversely affect SEB´s business, financial condition, results of operations, liquidity and/or prospects.

**Fraud, credit losses and delinquencies, as well as regulatory changes affect SEB’s card business.**

SEB operates a card business primarily in the Nordic countries and faces the risk of reduction of earnings and credit losses from this business due to fraud and delinquencies. Fraud losses have been on the rise in recent periods, principally due to counterfeit and internet fraud, especially following more frequent travelling by card holders. Fraud losses are generally higher in the corporate card sector (due to the higher extent of international travel among corporate card users), which forms a significant part of SEB’s card business. Although SEB has instituted increased monitoring procedures to protect against incidents of fraud, there can be no assurance that fraudulent incidents will not continue and increase. Further, high delinquency rates in payments by customers on cards and high credit loss rates result in increases in credit loss provisions and write-offs as well as increases in costs due to larger collection and monitoring costs. These have a negative effect on SEB’s financial performance. SEB has been faced with particularly increased credit losses in its Danish business, mainly due to the fact that the macroeconomic environment in Denmark appears to have deteriorated more rapidly than in the other Nordic countries during 2008. Changes in consumer behaviour due to economic conditions, such as the recent international economic downturn, could also cause a reduction in consumer demand and spending. If accountholders carry reduced balances or fail to pay their balances due to effects of adverse economic conditions, interest and fee income could decline, credit losses could increase, and SEB’s performance could be negatively affected.

SEB’s card business is also subject to new and changing regulations, including regulations under Basel II, the Single Euro Payments Area (“**SEPA**”) initiative, interchange fees, anti-money laundering and know-your-customer regulations. These regulations impose additional compliance procedures and information requirements for customers and are likely to result in increased regulation in this business area within the European Union, and may lead to higher costs, pressure on fees and reduced earnings.

**SEB’s guidelines and policies for risk management may prove inadequate for the risks faced by its businesses.**

The management of business, regulatory and legal risks requires, *inter alia*, guidelines and policies for the accurate identification and control of a large number of transactions and events. Such guidelines and policies may not always be adequate. Some of the measures taken by SEB to manage various risks are to enter into hedging transactions to manage market risks, to issue credit risk limits for each counterparty to which SEB is exposed in its lending business, to have sufficient security for credits provided, and to do customary due diligence to manage legal risks. Some of these and other methods used by SEB to manage, estimate and measure risk, such as value-at-risk (“**VaR**”) analyses, are based on historic market behaviour. The methods may therefore prove to be inadequate for predicting future risk exposure, which may prove to be significantly greater than what is suggested by historic experience. Historical data may also not adequately allow prediction of circumstances arising due to the government interventions and stimulus packages under consideration, which increase the difficulty of evaluating risks. Other methods for risk management are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to SEB. Such information may not always be correct, updated or correctly evaluated.

**Weaknesses or failures in SEB’s internal processes and procedures and other operational risks could have a negative impact on its financial condition, results of operations, liquidity and/or prospects, and could result in reputational damage.**

SEB’s businesses are dependent on their ability to process and report accurately and efficiently a high volume of complex transactions across numerous and diverse products and services, in different currencies and subject to a number of different legal and regulatory regimes. Operational risks are present in SEB’s businesses, through inadequate or defective internal processes (including financial reporting and risk monitoring processes) or from people-related events (including the risk of fraud and other criminal acts carried out against SEB, errors by employees and failure to document transactions properly or obtain proper authorisation) or external events (including natural disasters or the failure of external systems). There can be no assurance that the risk-controls, loss-mitigation and other internal controls or actions in place within SEB will be effective in controlling each of the operational risks faced by it. Any weakness in these controls or actions could result in an adverse impact on SEB’s business, financial condition, results of operations, liquidity and/or prospects, and could result in reputational damage.

**The IT and other systems on which SEB depends for its day-to-day operations may fail for a variety of reasons that may be outside its control; SEB is subject to the risk of infrastructure disruptions or other effects on such systems.**

SEB's operations are highly dependent on its ability to process and monitor, on a daily basis, a large number of transactions, many of which are highly complex, across numerous and diverse markets, and in many currencies. SEB's financial, accounting, data processing or other operating systems and facilities may fail to operate properly or may become disabled due to, for example, a spike in transaction volume, which may have an adverse effect on SEB's ability to process transactions or provide services. In addition, other factors which could cause SEB's operating systems to fail or not operate properly include a deterioration in the quality of IT development, support and operations processes and, in particular, high turnover of employees, resulting in an inadequate number of personnel to handle the growth and increasing complexity of operations. Despite SEB's significant expenditures on its IT systems, there can be no assurance that these expenditures will be sufficient or that its IT systems will function as planned. Any disruption in SEB's IT or other systems may have a material adverse effect on its business, financial condition, results of operations and/or prospects.

Despite the contingency plans and facilities SEB has in place, its ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the businesses and the countries in which it is located. This may include a disruption involving electrical, communications, transportation or other services used by SEB or third parties with which it conducts business, or a catastrophic event involving any location where SEB has a significant operational base.

SEB's operations rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. SEB's computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other external attacks or internal breaches that could have a security impact. If one or more of such events occur, any one of them potentially could jeopardise the confidential and other information of SEB, its clients or its counterparts. SEB may be required to spend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures. It may also be subject to litigation and financial losses as well as reputation risks that are either not insured against or not fully covered through any insurance maintained by SEB.

**In order to compete successfully, SEB is dependent on highly skilled individuals; SEB may not be able to retain or recruit key talent.**

SEB's performance is largely dependent on the talents and efforts of highly skilled individuals. SEB's continued ability to compete effectively in its businesses and to expand into new businesses and geographic areas depends on SEB's ability to attract new employees and to retain and motivate its existing employees. Competition from within the financial services industry, including from other financial institutions, as well as from hedge funds, private equity funds and venture capital funds, and from businesses outside the financial services industry, for key employees is intense. This may impact SEB's ability to take advantage of business opportunities or potential efficiencies.

**SEB may be subject to industrial actions by its employees in connection with collective bargaining negotiations.**

As of December 31, 2008, approximately two-thirds of SEB's employees were members of trade unions. SEB consults with its employees and the relevant trade unions regarding pay, work practices and conditions of employment. In connection with SEB's third quarter results announcement in 2008, SEB announced that it would reduce its staff by 500 FTEs net in Sweden. SEB has negotiated with employee unions related to these announced staff reductions and an agreement has been reached. Currently, SEB is also in negotiations with employee unions in its German operations. While industrial relations issues between SEB and its employees have previously been resolved through negotiation, there can be no assurance that in the future this will always be the case and that SEB's employees might not resort to industrial action or that SEB will be able to continue to negotiate wages and salaries and terms and conditions of employment on terms that support its ability to offer its services at competitive prices. SEB's price and cost competitiveness may also be affected by the time and cost involved in negotiating labour issues, particularly in its markets of operations that have strong labour laws or a tradition for job security, such as the Nordic countries and Germany.

**Changes in SEB's accounting policies or in accounting standards could materially affect how it reports its financial condition and results of operations.**

From time to time, the International Accounting Standards Board (the "**IASB**") changes the financial accounting and reporting standards that govern the preparation of SEB's financial statements. These changes can be difficult to predict and can materially impact how SEB records and reports its financial condition and results of operations. In some cases, SEB could be required to apply a new or revised standard retroactively, resulting in restating prior period financial statements. By way of example, in October 2008, the IASB adopted, and the European Union endorsed, amendments to IAS 39 and IFRS 7 that permit the reclassification of financial instruments in certain circumstances. Pursuant to the amended standards, SEB reclassified a portion of its fixed-income portfolio as described under "—SEB's accounting policies and methods are critical to how it reports its financial condition and results of operations. They require management to make estimates about matters that are uncertain" below. The IASB may make further changes to financial accounting and reporting standards that govern the preparation of SEB's financial statements, which SEB may adopt if determined to be appropriate by SEB's management, or which SEB may be required to adopt. Any such change in SEB's accounting policies or accounting standards could materially affect its reported financial condition and results of operations.

**SEB's accounting policies and methods are critical to how it reports its financial condition and results of operations. They require management to make estimates about matters that are uncertain.**

Accounting policies and methods are fundamental to how SEB records and reports its financial condition and results of operations. Management must exercise judgment in selecting and applying many of these accounting policies and methods so they comply with IFRS.

Management has identified certain accounting policies in the notes to its financial statements as being critical because they require management's judgment to ascertain the valuations of assets, liabilities, commitments and contingencies. See "Commentary on the financial development—Critical accounting and other policies" and Note 1, "Accounting policies", to the 2008 Financial Statements and the Unrestated 2007 Financial Statements (each as defined in "General Information—Presentation of financial and other information"). These judgments include, for example, the non-consolidation of Gamla Liv into the life insurance operations of the Group. Further, based on the amendments adopted by the IASB to IAS 39 and IFRS 7 permitting the reclassification of financial instruments in certain circumstances, SEB decided in October 2008 to reclassify SEK 95 billion of its fixed-income securities as loans and receivables as of July 1, 2008. The reclassified amounts included SEK 12 billion of assets held for trading and SEK 83 billion of assets in the available-for-sale category. SEB also decided to reclassify an additional SEK 52 billion of its fixed-income securities as loans and receivables as of January 1, 2009. The reclassified securities are no longer carried at fair value. As a consequence of the reclassification, SEB implemented changes to its financial reporting from the third quarter of 2008 that had the effect of increasing reported operating profit, net profit and total equity.

A variety of factors could affect the ultimate value that is obtained either when earning income, recognising an expense, recovering an asset, or reducing a liability. SEB has established detailed policies and control procedures that are intended to ensure these critical accounting estimates and judgments are well controlled and applied consistently. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. Because of the uncertainty surrounding SEB's judgments and the estimates pertaining to these matters, SEB cannot guarantee that it will not be required to make changes in accounting estimates or restate prior period financial statements in future.

**Any impairment of goodwill and other intangible assets would have a negative effect on SEB's financial position and results of operations.**

SEB makes impairment tests on goodwill and other intangible assets at least once a year or whenever there are indications of a possible impairment of any such assets. Should global economic conditions continue to worsen, especially with regard to the financial sector (either in any of SEB's core markets or in general), the need for an impairment may occur, which may have a material adverse effect on SEB's financial position and results of operations.

**SEB may be required to make provisions for its pension schemes, or further contributions to its pension foundations, if the value of pension fund assets is not sufficient to cover potential obligations.**

SEB maintains a limited number of defined benefit pension schemes for past and current employees. The pension obligations under these schemes are partly secured by foundations established for that purpose. The foundations' assets comprise investment portfolios that are held to meet SEB's projected liabilities to the scheme members. Risk arises from the schemes because the value of these asset portfolios and returns from them may be less than expected and because there may be greater than expected increases in the estimated value of the schemes' liabilities. In these circumstances, SEB could be obliged, or may choose, to make provisions for its pension schemes or additional contributions to the foundations. During recent periods, including in 2008, SEB made substantial contributions to its German and card business pension foundations. Given the current economic and financial market difficulties and the prospects for them to continue over the near and medium term, SEB may be required or elect to make provisions for its pension schemes, or further contributions to the pension foundations, which could be significant and have a negative impact on SEB's results of operations.

**SEB is exposed to the risk of changes in tax legislation and its interpretation and to increases in the rate of corporate and other taxes in the jurisdictions in which it operates.**

SEB's activities are subject to tax at various rates in the jurisdictions in which it operates, computed in accordance with local legislation and practice. Although the Swedish government has recently reduced corporate tax rates, future actions by the Swedish or other governments to increase tax rates or to impose additional taxes would reduce SEB's profitability. Revisions to tax legislation or to its interpretation might also affect SEB's financial condition in the future.

**SEB is exposed to risks related to money laundering activities, especially in its operations in emerging markets.**

In general, the risk that banks will be subjected to or used for money laundering has increased worldwide. The risk of money laundering is higher in emerging markets, such as the Baltic countries and Ukraine, than in Sweden and other more developed markets where the Issuer operates. The high turnover of employees, the difficulty in consistently implementing related policies and technology systems, and the general business conditions in emerging markets mean that the risk of the occurrence of money laundering is higher in these countries. If financial market conditions, both globally and regionally, continue to deteriorate, there is a risk that incidents involving money laundering may increase; this may affect SEB's ability to monitor, detect and respond to such incidents. The risk of future incidents in relation to money laundering always exists for financial institutions. Any violation of anti-money laundering rules, or even the suggestion of violations, may have severe legal and reputational consequences for SEB, especially in terms of its business relations with institutions based or active in the United States, and may, as a result, adversely affect SEB's business. SEB also faces increased compliance and operational risks in its emerging market operations for the reasons described above.

**SEB is subject to a variety of regulatory risks as a result of its operations in emerging markets.**

SEB has operations in emerging markets, such as the Baltic countries and Ukraine. New laws are being enacted, but many remain untested, and laws, regulations and case law applicable to the securities and financial services industries and many of the transactions in which SEB is involved are still evolving. The laws and courts of these countries have not been fully tested in contract enforcement and other types of commercial disputes. These conditions can lead to delays in enforcement proceedings, restructuring and other aspects of the Group's operations in these markets.

SEB is also subject to risks of possible nationalisation, expropriation, price controls, capital controls, exchange controls and other restrictive government actions, as well as the outbreak of hostilities in these markets. While the laws of each of the emerging markets in which SEB operates in respect of foreign investment provide guarantees against nationalisation and expropriation, there is little or no judicial precedent in this area. In addition, the laws on foreign investment currently allow free repatriation of funds to the home country. However, no assurances can be given that these provisions will not be modified or repealed in the future. In addition, the current economic environment in the Baltic countries may increase the likelihood for regulatory initiatives to protect homeowners from foreclosures. Any such regulatory initiative could have an adverse impact on SEB's ability to protect its economic interest in the event of defaults on residential mortgages.

**Terrorist acts, acts of war, geopolitical, pandemic or other such events could have a negative impact on SEB's business and results of operations.**

Terrorist acts, acts of war or other hostility, geopolitical, pandemic or other such events and responses to those acts/events may create economic and political uncertainties, which could have a negative impact on Swedish, European and international economic conditions generally, and more specifically on SEB's business and results of operations in ways that cannot be predicted.

**Financial services operations involve inherent reputational risk.**

SEB's reputation is one of its most important assets. Reputational risk, including the risk to earnings and capital from negative public opinion, is inherent in the financial services business. Negative public opinion can result from any number of causes, including misconduct by employees, the activities of business partners over which SEB has limited or no control, severe or prolonged financial losses, or uncertainty about SEB's financial soundness or reliability. Negative public opinion may adversely affect SEB's ability to keep and attract customers, depositors and investors, as well as its relationships with regulators and the general public. SEB cannot ensure that it will be successful in avoiding damage to its business from reputational risk.

**SEB may incur significant costs in developing and marketing new products and services.**

SEB's success depends, in part, on the ability to adapt products and services to evolving industry standards. There is increasing pressure to provide products and services at lower prices. This can reduce net interest income and non-interest income from fee-based products and services. In addition, the widespread adoption of new technologies could require SEB to make substantial capital expenditures to modify or adapt existing products and services or develop new products and services. SEB may not be successful in introducing new products and services in response to industry trends or developments in technology, or those new products may not achieve market acceptance. As a result, SEB could lose business, be forced to price products and services on less advantageous terms to retain or attract clients, or be subject to cost increases.

**SEB's principal shareholder has significant voting power and may be able to influence matters requiring shareholder approval.**

After this Offering, SEB's largest shareholder, Investor AB, will control up to 22.6% of SEB's share capital and up to 22.7% of the votes of SEB, assuming the Offering is completed as described herein and that Investor AB subscribes for New A Shares in the Offering pursuant to its undertaking as described in "Underwriting and supplementary information—The Offering—Shareholder commitments". Investor AB may be able to influence matters requiring shareholder approval, including the election of directors. This concentration of ownership may not be in the best interest of SEB's other shareholders. Currently, one of SEB's directors (one of the deputy chairmen) is considered a non-independent director because he serves on the board of directors of Investor AB and another of SEB's directors (the chairman) is considered a non independent director due to his relationship with Investor AB.

## Risk factors related to the Offering

**The future price of any A Shares cannot be predicted, and the Issuer's recent share price volatility may continue in the future.**

The Issuer's A Share price has been and may continue to be volatile in response to a variety of factors including:

- changes in market valuations of companies in the financial services industry;
- variations in SEB's quarterly operating results;
- fluctuations in stock market prices and volumes;
- perceived systemic risk in countries where SEB has its principal operations;
- the addition or departure of key personnel;
- changes in financial estimates or recommendations by securities analysts regarding SEB or its A shares;
- issuances of shares or other securities in the future;
- announcements by SEB or its competitors of new services or technology, acquisitions, or joint ventures; and
- activity by short sellers and changing government restrictions on such activity.

General market fluctuations, industry factors, general economic and political conditions and events, such as economic slowdowns or recessions, interest rate changes, credit loss trends, currency fluctuations or terrorist attacks, could also cause the price of the A shares to decrease regardless of SEB's operating results or financial condition.

A fall in the price of the Issuer's A shares could have a material adverse impact on the value of the Subscription Rights, the BTAs and the A Shares, including the New A Shares. Accordingly, shareholders who have acquired Subscription Rights in the secondary market, holders of BTAs and subscribers of the New A Shares, whether existing shareholders or not, may suffer a loss.

**There can be no certainty that trading in the Subscription Rights will develop, and the Subscription Rights may be subject to more intense price fluctuations than the A Shares.**

The Issuer intends the Subscription Rights to be traded at NASDAQ OMX Stockholm during the period from March 13, 2009 through March 24, 2009. There is no plan to apply for admission of the Subscription Rights to trading on any other stock exchange. It cannot be guaranteed that active trading in the Subscription Rights will develop at NASDAQ OMX Stockholm during this period or that significant liquidity will be available during the period of trading of the Subscription Rights. The stock exchange price of the Subscription Rights will depend on many factors, including the price performance of A Shares, but may also be subject to significantly greater price fluctuations than A Shares.

**Shareholders who fail to respond to the Offering, either by exercising or selling the Subscription Rights, in a timely manner, will not be able to realise the value of the Subscription Rights and will suffer dilution of their holdings in the Issuer.**

If a shareholder does not exercise any or all of the Subscription Rights by way of payment by the close of business on March 27, 2009 or does not sell the Subscription Rights at the latest on March 24, 2009, such shareholder's Subscription Rights to subscribe for New A Shares will lapse with no value and the holder will not be entitled to compensation. Accordingly, holders and financial intermediaries must ensure that all required exercise instructions are duly complied with (see "Terms, conditions and instructions"). If a holder or its financial intermediary fails to follow the procedures applicable to exercising the Subscription Rights, the Subscription Rights will lapse with no value and will no longer exist. Furthermore, to the extent that a shareholder does not exercise its Subscription Rights, such shareholder's proportionate ownership and voting interest in the Issuer will be reduced accordingly.

**Shareholders outside Sweden are subject to exchange rate risk.**

The Subscription Rights, the BTAs and the A Shares are priced in SEK, and any future payments of dividends on the New A Shares will be denominated in SEK. Accordingly, any investor outside Sweden is subject to adverse movements in the SEK against their local currency as the foreign currency equivalent of any dividends paid on the shares or received in connection with any sale of the shares could be adversely affected.

**The New A Shares cannot be freely resold in the United States.**

The Subscription Rights, BTAs and New A Shares will not be registered under the Securities Act or any U.S. state securities laws or, except when stated in this Prospectus, any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act and applicable securities laws. See "Restrictions on sale and transfer of Subscription Rights, BTAs and New A Shares".

**Certain shareholders may not be able to participate in equity offerings with Subscription Rights.**

Swedish corporate law provides for Subscription Rights to be granted to the existing shareholders of the Issuer. Shareholders in certain jurisdictions, however, may not be entitled to exercise such Subscription Rights unless the Subscription Rights and the related shares are registered or qualified for sale under the relevant legislation or regulatory framework. Shareholders in these jurisdictions may suffer dilution of their shareholding should they not be permitted to participate in equity offerings with Subscription Rights.

**Dividends on the A Shares may not be declared in full or in part.**

Swedish law provides that any declaration of dividends must be adopted by the general meeting of shareholders. Dividends may only be declared to the extent there are distributable funds in the Issuer and provided that such declaration is prudent taking into consideration the demands with respect to size of shareholders' equity which are imposed by the nature, scope and risks associated with the Issuer's operations and the Issuer's need to strengthen its balance sheet, liquidity and financial position. The shareholders may further, as a general rule, not declare higher dividends than the Board of Directors of the Issuer has proposed or approved.

If, for any reason, the general meeting of shareholders does not declare dividends in accordance with the above, then holders of A Shares will have no claim in respect of such non-payment, and the Issuer will have no obligation to pay any dividend in respect of the relevant period.

**Future issuances of shares or other securities may dilute the holdings of current shareholders and could materially affect the market price of the A Shares.**

Apart from the proposed issuance of New A Shares pursuant to the Offering, SEB has no current plans for additional offerings of shares or other securities. It is nevertheless possible that SEB may in the future decide to offer additional shares or other securities either to raise capital or for other purposes. Any such additional offering could reduce the proportionate ownership and voting interests of holders of shares, as well as the earnings per share and the net asset value per share of the Issuer, and any offering by SEB or any of its significant shareholders could have an adverse effect on the market price of the shares. In addition, holders of A Shares would be diluted if the general meeting of shareholders resolves to convert the C Shares into A Shares or to reclassify all of its shares into a single class of shares.

**Legal considerations may restrict certain investments.**

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the New A Shares are legal investments for it, (ii) the A Shares can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any A Shares. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of A Shares under any applicable risk-based capital or other rules.

**It may be difficult for investors outside Sweden to serve process on or enforce foreign judgments against SEB or its directors and others in connection with the Offering.**

SEB is incorporated in Sweden. Many of the members of the Board of Directors and officers of SEB are residents of Sweden. As a result it may be difficult for investors outside Sweden to serve process on or enforce foreign judgements or arbitral awards against SEB or its directors or officers in connection with the Offering.

**Subscription undertakings regarding the Offering are not secured.**

The Committed Shareholders, representing in aggregate 43.7% of SEB's shares outstanding, have, in aggregate, committed to subscribe for and to underwrite 50.8% of the Offering.

The remainder of the Offering is underwritten by the Underwriters. However, the subscription undertakings are not secured. Thus, there is a risk that one or more of the Committed Shareholders or the Underwriters may not fulfil their subscription undertakings, which could have a negative impact on the successful completion of the Offering. Further, the obligation of the Underwriters to underwrite the Offering is expressly conditional on the subscription by the Committed Shareholders of at least 95% of their aggregate pro rata share in the Rights Offering. The Underwriters also have certain rights to terminate the Underwriting Agreement until the closing date of the Offering. See "Underwriting and supplementary information".

In addition, should a substantial portion of the New A Shares remain unsubscribed at the end of the Subscription Period, certain Committed Shareholders will be obliged to acquire a share of such unsubscribed New A Shares and, as a result, will increase their share of the Issuer's equity securities.

**The shareholders' resolutions approving the amendment of the Articles of Association and the share capital increase may be challenged.**

The Offering is based upon the resolutions approving the amendment of the Articles of Association and the share capital increase taken by SEB's shareholders at the Issuer's Annual General Meeting held on March 6, 2009. As with all resolutions of shareholders of Swedish corporations, these resolutions are subject to a possible challenge pursuant to the Swedish Companies Act. In connection with such a challenge, the registration of the amended Articles of Association and/or of the share capital increase with the SCRO may be blocked, thereby delaying or preventing the completion of the Offering. Any prevention of completion of the Offering carries the risk that the BTAs may not convert into New A Shares. Although holders of BTAs will be entitled to have their BTAs redeemed by SEB against payment of an amount corresponding to the Subscription Price of the Offering, in the event of such prevention of completion of the Offering, such payment could be delayed significantly. Furthermore, holders of BTAs may receive less than they paid for the BTAs if they purchased the BTAs for a price higher than the Subscription Price of the Offering.

# Invitation to subscribe for shares in the Issuer

On February 4, 2009, the Board of Directors of the Issuer resolved, subject to subsequent approval by the shareholders' meeting, to issue New A Shares with preferential rights for the Issuer's shareholders. On March 3, 2009, the Board of Directors resolved that the Rights Offering should entail a share capital increase of not more than SEK 15,070,151,710 and a maximum of 1,507,015,171 New A Shares. On March 6, 2009 the Annual General Meeting approved the resolutions by the Board of Directors.

A fully subscribed Offering is expected to provide the company with approximately SEK 15,070 million before transaction costs[1]. The issue of New A Shares pursuant to the Offering will increase the Issuer's share capital from approximately SEK 6,872 million to a maximum of approximately SEK 21,942 million. Consequently, a maximum of 1,507,015,171 New A Shares will be subscribed for pursuant to the Offering within the framework of the new share issue decided by the Board of Directors. Shareholders will receive Subscription Rights to subscribe for New A Shares in relation to the number of Existing Shares that they held on the Record Date of March 11, 2009. Shareholders on the Record Date will receive 11 (eleven) Subscription Rights for each Existing Share. 5 (five) Subscription Rights entitle the holder to subscribe for 1 (one) New A Share. Subscription Rights that cannot be exercised for subscription in the Offering may be transferred. In the event that all New A Shares are not subscribed for by means of Subscription Rights, the Board of Directors may, within the framework of the maximum amount of the Offering, decide on an allocation of New A Shares to shareholders who have applied for subscription of New A Shares without Subscription Rights. Thus, in addition to subscription by means of Subscription Rights, it is possible for shareholders to apply for subscription of New A Shares without Subscription Rights through the use of a special application form. See "Terms, conditions and instructions".

Those who elect not to participate in the Rights Offering will have their ownership diluted by 69%, but they have the opportunity to sell their Subscription Rights. During the Subscription Period, Subscription Rights issued to shareholders not entitled to participate in the Offering will be sold on behalf of such shareholders. The proceeds of such sale, less any withholding tax, will be distributed on a pro rata basis in proportion to the holdings of the relevant shareholders. Amounts of less than SEK 50 will not be paid out. See "Terms, conditions and instructions".

The Committed Shareholders, representing in aggregate 43.7% of SEB's shares outstanding, have, in aggregate, committed to subscribe for and to underwrite 50.8% of the Offering. The remainder of the Offering is underwritten by the Underwriters. See "Underwriting and supplementary information".

Pursuant to the terms and conditions in this Prospectus, shareholders in SEB are invited to subscribe for New A Shares.

Stockholm March 9, 2009

**Skandinaviska Enskilda Banken AB (publ)**
*The Board of Directors*

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1) From the proceeds of the new share issue of approximately SEK 15,070 million, deductions for costs related to remuneration to the advisors, the Underwriters and other transaction costs in connection with the new share issue (transaction costs) are estimated to amount to approximately SEK 470 million, of which approximately SEK 223 million corresponds to underwriting compensation paid to the Underwriters and approximately SEK 32 million corresponds to compensation paid to the Committted Shareholders in respect of the Secondary Committments. Subsequent to these deductions, the Offering is estimated to raise approximately SEK 14,600 million.

# General information

### Important information for all investors

This document is a translation of the Swedish Prospectus. In the event of any discrepancy between this translation and the Swedish Prospectus, the Swedish original shall prevail. The translation is made under the sole responsibility of the Board of Directors of the Issuer which is responsible for the approved Swedish Prospectus.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Subscription Rights, the BTAs and the New A Shares offered hereby, and does not constitute an offer to sell or a solicitation of an offer to buy any Subscription Rights, BTAs or New A Shares to any person in any jurisdiction in which it is unlawful to make any such offer or solicitation to such person. Neither the publication and/or delivery of this Prospectus nor any purchase or sale made hereby shall under any circumstances imply that there has been no change in the affairs of the Issuer or its subsidiaries or that the information contained herein is correct as of any date subsequent to the earlier of the date hereof and any earlier specified date with respect to such information.

The distribution of this Prospectus and the offer of the Subscription Rights, the BTAs or the New A Shares may be restricted by law in certain jurisdictions. Goldman Sachs International, Morgan Stanley, UBS Investment Bank and SEB Enskilda, Skandinaviska Enskilda Banken AB (publ) ("**SEB Enskilda**", and together with the Underwriters, the "**Joint Bookrunners**"), and the Issuer require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. For a description of certain restrictions on the offer and sale of the Subscription Rights, the BTAs and the New A Shares, see the notices below and in "Restrictions on sale and transfer of Subscription Rights, BTAs and New A Shares". Neither the Issuer nor any of the Joint Bookrunners accepts any legal responsibility for any violation by any person, whether or not a prospective investor in the Subscription Rights, the BTAs or the New A Shares, of any such restrictions.

Neither the Issuer nor any of the Joint Bookrunners nor any of their respective representatives is making any representation to any offeree or purchaser of the securities offered hereby regarding the legality of an investment by such offeree or purchaser under applicable legal investment or similar laws. Each investor should consult with its own advisors as to the legal, tax, business, financial and related aspects of the subscription and the purchase of the securities.

This Prospectus has been prepared by the Issuer in connection with the Offering solely for the purpose of enabling a prospective investor to consider the exercise of the Subscription Rights or the purchase of Subscription Rights, BTAs or New A Shares. Reproduction and distribution of this Prospectus or disclosure or use of the information contained herein for any purpose other than considering an investment in the Subscription Rights, the BTAs or the New A Shares is prohibited.

This Prospectus and the Offering made pursuant to this Prospectus are governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus or the Offering.

The information contained in this Prospectus has been furnished by the Issuer and from sources the Issuer believes to be reliable. The Joint Bookrunners are acting for the Issuer and for no one else in connection with the Offering and will not regard any other person as the respective clients of each of the Joint Bookrunners in relation to the Offering and will not be responsible to anyone other than the Issuer for providing the protections afforded to the respective clients of each of the Joint Bookrunners nor for providing advice in relation to the Offering or any transaction or arrangement referred to in this Prospectus. No representation or warranty, expressed or implied, is made by any of the Joint Bookrunners as to the accuracy or completeness of any of the information set out in this Prospectus and nothing contained in this Prospectus is or shall be relied upon as a promise or representation, whether as to the past or the future.

Anyone making an investment decision must rely on its own examination of SEB and of the Offering, including the merits and risks involved, and investors must only rely on the information contained in this Prospectus and any supplements to this Prospectus that are published by the Issuer and that expressly amend this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if nevertheless given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Joint Bookrunners.

During the Subscription Period, Subscription Rights issued to shareholders not entitled to participate in the Offering will be sold on behalf of such shareholders. The proceeds of the sale, less any withholding tax, will be distributed on a pro rata basis in proportion to the holdings of the relevant shareholders. Amounts of less than SEK 50 will not be paid out. See "Terms, conditions and instructions".

As a condition to exercising Subscription Rights or purchasing Subscription Rights, BTAs or New A Shares pursuant to the Offering under this Prospectus, each exercising holder or purchaser will be deemed to have made, or, in some cases, be required to make, certain representations and warranties that will be relied upon by the Issuer. See "Restrictions on sale and transfer of Subscription Rights, BTAs and New A Shares". The Issuer reserves the right, in its sole and absolute discretion, to reject any purchase of Subscription Rights, BTAs or New A Shares that it or its agents believe may give rise to a breach or violation of any law, rule or regulation.

In connection with the Offering, Morgan Stanley (or an agent or affiliate of Morgan Stanley) (in such capacity, the "**Stabilisation Manager**") may undertake measures aimed at supporting the stock exchange or market price of the Issuer's shares at levels which might not otherwise prevail. Such transactions may include engaging in stabilising transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Underwriters of securities not owned by them. Stabilising transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the securities while an offering is in progress. The Stabilisation Manager is not obligated to engage in any such stabilisation measures, and such stabilisation, if commenced, may be discontinued at any time without prior notice. Such stabilisation measures may be undertaken from the date the Subscription Price is published and will end no later than the 30th calendar day following the expiration of the Subscription Period (expected to be April 26, 2009) for the Subscription Rights held in the Euroclear Sweden system. For a more detailed description of the Stabilisation activities, see "Underwriting and supplementary information—Stabilisation and other trading activities".

### Important information for investors in the United States

None of the Subscription Rights, the BTAs or the New A Shares have been approved by the United States Securities and Exchange Commission ("**U.S. SEC**") or by the securities or other regulatory authority of any state or other jurisdiction in the United States, nor have any of such regulatory authorities passed upon or endorsed the merits of the Offering, the Subscription Rights, the BTAs or the New A Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

None of the Subscription Rights, the BTAs or the New A Shares have been or will be registered under the Securities Act, or with any securities authority of any state of, or other jurisdiction in, the United States. The Subscription Rights, the BTAs and the New A Shares may not be offered, sold, exercised, pledged, transferred or delivered directly or indirectly, in or into the United States at any time except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable U.S. state securities laws. The Subscription Rights, the BTAs and the New A Shares are being offered (i) in the United States only to QIBs in transactions exempt from the registration requirements of the Securities Act and (ii) outside the United States in offshore transactions in compliance with Regulation S. Prospective purchasers are hereby notified that sellers of the Subscription Rights, the BTAs and the New A Shares may be relying on the exemption from the registration provisions of Section 5 of the Securities Act provided by Rule 144A. For certain restrictions on resales, see "Restrictions on sale and transfer of Subscription Rights, BTAs and New A Shares".

In the United States, this Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. Distribution of this Prospectus to any person other than the offeree specified by the Joint Bookrunners or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of the Issuer, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Subscription Rights, BTAs or New A Shares, or subscribe for or otherwise acquire BTAs or New A Shares.

If, at any time, the Issuer is neither subject to Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, it will furnish, upon request, to any owner of the New A Shares, or any prospective purchaser designated by any such owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities

Act. In such cases, the Issuer will also furnish to each such owner all notices of shareholders' meetings and other reports and communications that are made generally available by the Issuer to its shareholders.

### Notice to investors in the European Economic Area

This Prospectus has been prepared on the basis that all offers of Subscription Rights, BTAs and New A Shares (other than the offers contemplated in this Prospectus in Sweden and each of Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Luxembourg, Norway, and the United Kingdom, once the SFSA has notified their competent authorities of its approval of the Swedish Prospectus in accordance with the Prospectus Directive, as implemented in Sweden), will be made pursuant to an exemption under the Prospectus Directive, as implemented in the member states of the European Economic Area ("**EEA**") from the requirement to produce a prospectus under the Prospectus Directive for offers of Subscription Rights, BTAs and New A Shares. Accordingly, any person making or intending to make any offer within the EEA of the Subscription Rights, BTAs or New A Shares should only do so in circumstances in which no obligation arises for the Issuer or any of the Joint Bookrunners to produce a prospectus under the Prospectus Directive for such offer. Neither the Issuer nor the Joint Bookrunners have authorised, nor do they authorise, the making of any offer of Subscription Rights, BTAs or New A Shares through any financial intermediary, other than offers made by Joint Bookrunners which constitute the final placement of the Subscription Rights, BTAs and the New A Shares contemplated in this Prospectus.

In relation to each EEA member state which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer to the public of any Subscription Rights, BTAs or New A Shares may not be made in that Relevant Member State (other than the offers contemplated in this Prospectus in Sweden and in each of Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Luxembourg, Norway, and the United Kingdom, once the SFSA has notified their competent authorities of its approval of the Swedish Prospectus in accordance with the Prospectus Directive, as implemented in Sweden), except that an offer to the public in that Relevant Member State of any of the Subscription Rights, BTAs or New A Shares may be made at any time under the following exemptions from the Prospectus Directive, if they have been implemented in that Relevant Member State:

1. to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
2. to any legal entity which meets at least two or more of the following criteria: (A) an average of at least 250 employees during the last financial year; (B) a total balance sheet of more than €43,000,000; and (C) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
3. to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive);
4. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Subscription Rights, the BTAs or the New A Shares shall result in a requirement for the publication by the Issuer or any of the Joint Bookrunners of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes hereof, the expression an "**offer to the public**" in relation to any of the securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any securities to be offered so as to enable an investor to decide to purchase any of the securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### Notice to investors in Australia, Canada, Hong Kong, Japan, South Africa and certain other jurisdictions

The Offering will not be made to persons who are residents of Australia, Canada, Hong Kong, Japan, South Africa or in any jurisdiction in which such offering would be unlawful.

For more information regarding restrictions in relation to the Offering pursuant to this Prospectus, please see "Restrictions on sale and transfer of Subscription Rights, BTAs and New A Shares".

### Market data

This Prospectus contains information sourced from third parties. Such information has been correctly reproduced and no facts have – as far as the Issuer is aware and is able to ascertain from information published by such third parties – been omitted which would render the reproduced information in accurate or misleading. This Prospectus contains market data, industry forecasts and other information published by third parties, including information related to the sizes of the markets in which the Group operates. The information has been extracted from a number of sources, including *The Banker, Consensus Economics, Eurostat, Euromoney, Euroweek, Extel Survey, Finansavisen, Global Custodian, Global Finance, IMF, Prospera, Risk, SEB's Sparbarometern, Statistics Denmark, Statistics Estonia, Statistics Finland, Statistics Latvia, Statistics Lithuania, Statistics Norway, Statistics Sweden, Svensk Fondstatistik, TMI, and Trade & Forfaiting*. The Issuer estimates certain market share statistics using both its internal data and industry data from other sources, including those listed above. Although the Issuer regards these sources as reliable, the information contained in them has not been independently verified. Therefore, the Issuer does not guarantee or assume any responsibility for the accuracy of the data, estimates, forecasts or other information taken from sources in the public domain. This Prospectus also contains assessments of market data and information derived therefrom that could not be obtained from any independent sources. Such information is based on the Issuer's own internal assessments and may therefore deviate from the assessments of competitors of the Issuer or future statistics by independent sources.

### Presentation of financial and other information

SEB's audited consolidated financial statements as of and for the years ended December 31, 2008, 2007 and 2006 have been prepared in accordance with IFRS. SEB's financial statements as of and for each of the years ended December 31, 2008, 2007 and 2006 have been audited by PwC, with Peter Clemedtson as auditor in charge, as set forth in the auditors' reports included elsewhere in this Prospectus.

On January 1, 2007, SEB reorganised its business into four divisions – Merchant Banking, Retail Banking, Wealth Management and Life – and three Group support functions (the "**2007 Reorganisation**"). During 2008, SEB continued the reorganisation, mainly by further separating its Merchant Banking-related businesses from its Retail Banking division's operations in the Baltic countries, as well as by segregating additional Group-wide support functions from the business divisions (the "**2008 Reorganisation**"). In connection with the preparation of its 2007 financial statements, SEB restated its 2006 financial statements to reflect the 2007 Reorganisation and, in connection with the preparation of its 2008 financial statements, SEB restated its 2007 financial statements to reflect the 2008 Reorganisation. The 2006 financial statements were not restated to reflect the 2008 Reorganisation. As a result, the financial statements and financial data included and incorporated by reference in this Prospectus are not fully comparable. Such financial statements and financial data included herein consist of the following:

- SEB's audited consolidated financial statements as of and for the year ended December 31, 2008 reproduced in this Prospectus (the "**2008 Financial Statements**") reflect the current primary business segments resulting from the 2008 Reorganisation and 2007 Reorganisation and contain comparable 2007 audited consolidated financial statements that have been restated for consistency with the 2008 Financial Statements (the "**Restated 2007 Financial Statements**").
- SEB's audited consolidated financial statements as of and for the year ended December 31, 2007 reproduced in this Prospectus (the "**Unrestated 2007 Financial Statements**") reflect the primary business segments in place as a result of the 2007 Reorganisation (but prior to the 2008 Reorganisation) and contain comparable 2006 audited consolidated financial statements that have been restated for consistency with the Unrestated 2007 Financial Statements (the "**Restated 2006 Financial Statements**").
- SEB's audited consolidated financial statements as of and for the year ended December 31, 2006 (including the auditor report included therein), which (i) are on pages 55 to 125 of SEB's 2006 annual report, (ii) have previously been published and submitted to the SFSA, and (iii) are incorporated herein by reference (the "**Unrestated 2006 Financial Statements**") and are not comparable with the 2008 Financial Statements, the Unrestated 2007 Financial Statements or the Restated 2007 Financial Statements.

SEB's financial statements also reflect secondary segmentation based on geographic location.

Unless otherwise specified, all 2007 financial information contained in the forepart of this Prospectus is based on the Restated 2007 Financial Statements, except for 2007 financial information in the discussion under "Commentary on the financial development—Results of operations for the year ended December 31, 2007 compared to the year ended December 31, 2006", in which all 2007 financial information is based on the Unrestated 2007 Financial Statements. In addition, unless otherwise specified, all 2006 financial information contained in the forepart of this Prospectus is based on the Restated 2006 Financial Statements.

Unless otherwise stated, in this Prospectus financial information with respect to each individual SEB business or geographic segment does not reflect the elimination of inter-segmental transactions, which are reported at the Group level under "Other incl. eliminations". In addition to these inter-segmental eliminations, "Other incl. eliminations" includes costs of Group support functions not allocated to another segment and the results of the New Markets business unit (which consists of the Group's operations in Ukraine and Russia) and Group Treasury. See Note 2 to each of the 2008 Financial Statements and the Unrestated 2007 Financial Statements for further details.

The statistical data included in this Prospectus is not intended to comply with the "Guide 3" regulations of the U.S. SEC applicable to public offerings.

Copies of this Prospectus and of documents that have been incorporated herein by reference may be obtained by telephone at +46 8 779 96 91 and are available on SEB's website, www.sebgroup.com.

* * *

Unless otherwise stated, SEB's capital ratios are calculated based on Basel II without transitional rules, and all references in this Prospectus to "**Tier I capital**" are to such term as described under "Commentary on the financial development—Liquidity and capital resources—Capital adequacy—Composition of capital base".

* * *

The Issuer presents its financial statements in Swedish Krona ("**SEK**"), the official currency of Sweden. For certain information regarding the rate of exchange between SEK and EUR and between SEK and the U.S. dollar, see "—Exchange rate information".

The figures contained in this Prospectus denominated in "**€**" or "**EUR**" refer to the official currency of the member states of the European Union participating in the Economic and Monetary Union.

The figures contained in this Prospectus denominated in "**USD**", "**U.S.$**" or "**U.S. dollars**" refer to the official currency of the United States.

* * *

Some figures included in this Prospectus have been subject to rounding adjustments, and tables may not add due to such rounding adjustments.

### Limitations on enforcement of U.S. laws against the Issuer, its management and others

The Issuer is a public limited banking company organised under the laws of the Kingdom of Sweden. A majority of its directors and executive officers, and certain experts named in this Prospectus, are resident outside the United States, and all or a substantial majority of SEB's assets and the assets of those persons, are located outside the United States. As a result, it may not be possible for investors to serve legal process on the Issuer or those persons or have any of them appear in a U.S. court or to enforce against them in U.S. courts based on the civil liability provisions of the U.S. securities laws.

The United States and Sweden do not currently have a treaty providing for reciprocal recognition and enforcement of judgments rendered in connection with civil and commercial disputes. As a result, a final judgment for the payment of damages based on civil liability rendered by a U.S. court, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in Sweden. If the party in whose favour the final judgment is rendered brings a new suit in a competent Swedish court, the party may submit to the Swedish court the final judgment that has been rendered in the United States. Such judgment will only be regarded by a Swedish court as evidence of the outcome of the dispute to which the judgment relates, and a Swedish court may choose to rehear the dispute *ab initio*.

### Forward-looking statements

This Prospectus contains certain forward-looking statements that reflect SEB's current views with respect to future events and financial and operational performance, including but not limited to statements relating to the risks arising from the current financial market crisis, other risks specific to SEB's business and the implementation of strategic initiatives, as well as other statements relating to SEB's future business development and economic performance. Forward-looking statements are all statements in this Prospectus that do not relate to historical facts and events. The words "will", "believes", "assumes", "intends", "estimates", "expects", "may", "plans", "anticipates" or similar expressions regarding indications or prognoses of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Forward-looking statements are set forth in a number of places in this Prospectus, including in the sections "Background to the Offering and use of proceeds", "Description of business", "Commentary on the financial development", "Risk management" and "Capital management". While these forward-looking statements represent SEB's judgments and future expectations concerning the development of its business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from SEB's expectations. In light of these risks, uncertainties and assumptions, it is possible that the future events referred to in this Prospectus may not occur. Because these forward-looking statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statements as a result of:

- the impact of the global financial crisis and the reactions of investors, national and transnational regulators and financial institutions to the crisis;
- a decline in the availability of financing at acceptable prices;
- declines in property values and asset quality;
- changes in general economic and business conditions;
- changes and fluctuations in interest rates, share prices and exchange rates;
- political, governmental and regulatory changes or changes in political or social conditions;
- changes in the competitive environment;
- changes in SEB's credit ratings;
- the impact of worsening economic conditions in the countries in which SEB operates, including economic developments in the three Baltic countries, Estonia, Latvia and Lithuania, and the potential devaluation of any of the national currencies of these countries;
- the extent and nature of future developments in the lending market and in other market segments that have been affected by the current economic downturn;

- other market and macro-economic developments, including movements in local and international securities markets, credit spreads, currency exchange rates and interest rates, whether or not arising directly or indirectly from the current economic downturn;
- the impact of these developments on other markets and asset classes;
- changes in internal risk control and in the regulatory capital treatment of SEB's positions, in particular those affected by the current financial market crisis;
- limitations in the effectiveness of SEB's internal risk management processes, of its risk measurement, control and modelling systems, and of financial models generally;
- developments relating to SEB's access to capital and funding, including the successful completion of this Offering;
- possible participation by SEB in the Swedish Financial Stability Plan;
- changes in the financial position or creditworthiness of SEB's customers, obligors and counterparties, and developments in the markets in which they operate;
- SEB's ability to increase market share for its products and services and control expenses;
- management changes and changes to the structure of SEB's business groups;
- the occurrence of operational failures, such as fraud, unauthorised trading and systems failures;
- competitive pressures;
- technological developments; and
- the impact of all such future developments on positions held by SEB, on its short-term and longer-term earnings, on the cost and availability of funding and on SEB's BIS capital ratios.

Additional factors that could cause SEB's actual business, results of operations or financial condition to differ from the forward-looking statements include, but are not limited to, other factors that SEB has indicated in other parts of this Prospectus could materially adversely affect its business and financial performance. For a more complete discussion of the factors that could potentially influence the future performance of SEB's business and the markets in which the Group operates, the Issuer advises investors to read, in particular, the sections entitled "Risk factors", "Commentary on the financial development", "Risk management" and "Capital management". The forward-looking statements included in this Prospectus speak only as of the date of this Prospectus. The Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## Exchange rate information

The following table sets forth, for the periods and dates indicated, certain information regarding the daily reference exchange rate published by the European Central Bank (the "**ECB Daily Reference Rate**") for SEK, expressed in SEK per EUR, and the closing spot rate as determined by Bloomberg at 5:00 p.m. (New York time) (the "**Closing Spot Rate**"), expressed in SEK per U.S. dollar, in each case, rounded to the nearest three decimal places. On March 5, 2009, the ECB Daily Reference Rate was 11.483 SEK per EUR and the Closing Spot Rate was 9.317 SEK per U.S. dollar. These rates may differ from the actual rates used in the preparation of the financial statements and other financial information appearing in this Prospectus. Inclusion of these exchange rates is not meant to suggest that such amounts could have been converted into SEK at any particular rate, if any. The following tables have been set out solely for the purpose of convenience.

| | SEK per one EUR | | | |
|---|---|---|---|---|
| **Period** | **High** | **Low** | **Average**[1] | **Period end**[2] |
| 2004 | 9.281 | 8.899 | 9.124 | 9.021 |
| 2005 | 9.633 | 8.976 | 9.282 | 9.389 |
| 2006 | 9.473 | 8.966 | 9.254 | 9.040 |
| 2007 | 9.475 | 9.019 | 9.250 | 9.442 |
| 2008 | 11.231 | 9.279 | 9.615 | 10.870 |
| 2009 (through March 5) | 11.576 | 10.438 | 10.877 | 11.483 |
| **Month** | | | | |
| September 2008 | 9.794 | 9.459 | 9.564 | 9.794 |
| October 2008 | 10.123 | 9.651 | 9.851 | 9.906 |
| November 2008 | 10.403 | 9.851 | 10.128 | 10.306 |
| December 2008 | 11.231 | 10.359 | 10.754 | 10.870 |
| January 2009 | 10.993 | 10.534 | 10.726 | 10.609 |
| February 2009 | 11.452 | 10.438 | 10.907 | 11.452 |
| March 2009 (through March 5) | 11.576 | 11.483 | 11.515 | 11.483 |

| | SEK per one U.S. dollar | | | |
|---|---|---|---|---|
| **Period** | **High** | **Low** | **Average** [1] | **Period end**[2] |
| 2004 | 7.744 | 6.596 | 7.343 | 6.656 |
| 2005 | 8.247 | 6.711 | 7.479 | 7.939 |
| 2006 | 7.975 | 6.773 | 7.372 | 6.848 |
| 2007 | 7.109 | 6.233 | 6.757 | 6.470 |
| 2008 | 8.369 | 5.841 | 6.597 | 7.835 |
| 2009 (through March 5) | 9.317 | 7.697 | 8.396 | 9.317 |
| **Month** | | | | |
| September 2008 | 6.918 | 6.470 | 6.668 | 6.918 |
| October 2008 | 8.004 | 6.957 | 7.432 | 7.771 |
| November 2008 | 8.369 | 7.615 | 7.987 | 8.102 |
| December 2008 | 8.331 | 7.610 | 8.005 | 7.835 |
| January 2009 | 8.435 | 7.697 | 8.098 | 8.338 |
| February 2009 | 9.017 | 8.051 | 8.547 | 9.017 |
| March 2009 (through March 5) | 9.317 | 9.012 | 9.204 | 9.317 |

1) Represents the average of the applicable exchange rate on each business day of each month during the relevant period and, with respect to monthly information, the average of the applicable exchange rates on each business day for the relevant period.
2) Represents the applicable exchange rate on the last business day of the applicable period.

### Exchange control regulations in Sweden

There are currently no foreign exchange control restrictions in Sweden, other than in certain national crisis situations, that would restrict the payment of dividends to a shareholder outside Sweden, and there are currently no restrictions that would affect the right of shareholders who are not residents of Sweden to dispose of their shares and receive the proceeds from a disposal outside Sweden. There is no maximum transferable amount either to or from Sweden, although transferring banks are required to report to the Swedish tax authorities any payments to or from Sweden exceeding SEK 150,000. Such information may also be forwarded to authorities in the countries where the holders of the shares are resident. The Riksbank may request such information from SEB and any of its subsidiaries regulated in Sweden as it may require to monitor developments in the currency and credit markets and to supervise the stability of the Swedish payment system. The Riksbank may also request such information from anyone who has engaged in a cross-border transaction as it may require for statistical purposes.

# Background to the Offering and use of proceeds

## Background to the Offering

The financial markets have experienced unprecedented turbulence and volatility over the past 18 months. The functioning of global credit markets has been severely impaired, the supply of credit has been reduced, borrowing costs have increased and asset prices have fallen significantly. These factors have put significant strain on the banking sector. Major international banks and financial services companies have defaulted or have had to be supported or rescued through government and other interventions, resulting in a crisis of confidence among market participants and customers. The disruption to, and volatility in, the financial markets has also affected the economy as a whole, as confidence among companies and consumers has fallen sharply in reaction to continued negative news and reduced availability of credit.

SEB's markets have been affected by the global recession and the turbulence in financial markets. To date, the Nordic economies have been relatively less affected than the economies of certain other European countries and the United States. Compared to other European countries, industry-wide credit losses in the Nordic markets remain at low levels to date, but weakening economic conditions are having an increasing impact on the region and on the financial condition of corporate and retail banking customers in these countries. For the Baltic countries, the economic environment has been and remains challenging. All three Baltic countries are currently experiencing severe economic contraction, with falling property prices, rising unemployment and central bank intervention in the financial markets. Across the Baltic region, credit losses have risen sharply in 2008, and this trend is expected to continue in 2009.

In response to the global downturn, governments and institutions have taken measures aimed at stabilising the financial markets, including liquidity measures, capital injections and extension of deposit insurance guarantee programmes. In addition, a number of European and U.S. financial institutions have perceived the need to strengthen their capital positions and have raised capital in the public markets. Capital raising activity and market expectations have raised the level of capitalisation generally perceived by investors as necessary to accommodate the extreme economic environment.

## Reasons for the Offering

SEB has a long history of maintaining capital adequacy well in excess of the minimum levels set by regulators. SEB's Board of Directors believes it to be prudent and in the best interests of all SEB's stakeholders to proactively strengthen SEB's capital position and has taken measures to increase SEB's capital base by approximately SEK 19.1 billion, through (i) the net proceeds of this Offering and (ii) not proposing a dividend for the financial year 2008, which will increase the strength of the Group's capital base by SEK 4.5 billion. The non-payment of the 2008 dividend and this Offering were approved by SEB's shareholders at SEB's Annual General Meeting held on March 6, 2009.

Reflecting receipt of the net proceeds of the Offering, as of December 31, 2008, on a pro forma basis, SEB's Tier I capital ratio would have increased from 10.1% to approximately 12.1%, as calculated on a Basel II basis without transitional rules. The Board of Directors of SEB has set a new long-term target for its Tier I capital ratio of 10%, as calculated on a Basel II basis without transitional rules.

By taking these capital measures at this time, SEB seeks to achieve the following:

- *Further enhance capital ratios in response to the changing environment.* These capital measures create a substantial buffer in SEB's capital base, which will enable SEB to create value and withstand a very significant deterioration in macroeconomic conditions.
- *Enhance SEB's ability to be a strong business partner for SEB's customers.* SEB views its increased capital strength following these capital measures as a key competitive advantage that will enhance its ability to be a strong business partner to its customers and a strong counterparty in the financial markets.
- *Address market expectations of higher levels of capital in the banking sector*. There has been a shift in investor expectations towards higher capital levels and reduced leverage within the banking sector, owing to increased perceptions of risk. This is reflected in the recent capital raising activity among European and U.S. financial institutions. Through the capital measures described above, SEB aims to more than adequately address these concerns.

## Use of proceeds

The gross proceeds from the Offering are expected to be approximately SEK 15,070 million, and approximately SEK 14,600 million after deducting transaction-related expenses of approximately SEK 470 million. SEB intends to use the net proceeds of the Offering to strengthen its capital position for the reasons set forth above. The net proceeds of the Offering are expected to strengthen SEB's capital position and reduce its borrowing needs. In the short-term, the net proceeds of the Offering will be invested in low-risk interest bearing securities.

*The Board of Directors of the Issuer has prepared this Prospectus for the purpose of the Offering. The Board of Directors of the Issuer is responsible for the information in this Prospectus. It is declared that – having taken all reasonable care to ensure that such is the case – the information contained in this Prospectus is, to the knowledge of the Board of Directors, in accordance with the facts and contains no omission likely to affect its import.*

Stockholm March 9, 2009

**Skandinaviska Enskilda Banken AB (publ)**
*The Board of Directors*

# Terms, conditions and instructions

## Terms and conditions

### Subscription Rights

Registered holders of A Shares or C Shares of SEB on the Record Date will receive 11 (eleven) Subscription Rights for each registered Existing Share held. For every 5 (five) Subscription Rights, the exercising holder may subscribe for 1 (one) New A Share against payment of the Subscription Price.

### Subscription Price

The New A Shares will be issued at a price of SEK 10 per share, which is below the closing price of SEK 31 per A Share on NASDAQ OMX Stockholm on March 3, 2009.

### Record Date

The Record Date for the determination of who shall receive Subscription Rights is March 11, 2009. The A Shares and the C Shares are traded exclusive of the right to participate in the Offering ("**ex-rights**") from March 9, 2009, and the last day for trading in the A Shares and the C Shares with rights to participate in the Offering was March 6, 2009.

### Share issue statement for directly registered shareholders

Subject to applicable securities laws, a printed share issue statement with an accompanying bank giro slip will be sent to directly registered shareholders or to representatives of shareholders who on the Record Date are registered in the share register maintained by Euroclear Sweden on behalf of SEB. The printed share issue statement will show, among other data, the number of Subscription Rights received and the number of New A Shares that may be subscribed for by means of Subscription Rights. Those who are registered on Euroclear Sweden's special list of holders of pledges over shares and similar encumbrances that accompanies the share register will receive such information separately. A securities account (VP) statement referring to the registration of Subscription Rights in a shareholder's securities account will not be dispatched.

### Trustee-registered shareholdings

Shareholders whose holdings are registered with a trustee at a bank or other trustee will not receive a share issue statement from Euroclear Sweden. Instead, Euroclear Sweden will send the trustee a share issue statement and exercise of Subscription Rights and payment of the Subscription Price on behalf of such holders will proceed only according to instructions from the trustee.

### Trading in Subscription Rights

Trading in Subscription Rights will take place on NASDAQ OMX Stockholm during the period from March 13, 2009 through March 24, 2009. The Issuer and other securities institutions can assist in brokering the purchase and sale of Subscription Rights. Subscription Rights that are not used for subscription can be sold by holders thereof prior to the end of the trading period for the Subscription Rights, when they will expire valueless and become null and void. After the expiration of the Subscription Period, Euroclear Sweden will book out unexercised Subscription Rights from the shareholder's securities (VP) account. No securities account (VP) statement will be dispatched in conjunction with this.

### Central sale of excess Subscription Rights

In the case of shareholders who are entitled to a number of Subscription Rights that is not evenly divisible by five, excess Subscription Rights (between one and four Subscription Rights) will be withdrawn from the securities (VP) account on March 12 and will subsequently be sold centrally at the prevailing market price. The sale will be effected by SEB. The sale proceeds will be remitted to each shareholder through the agency of Euroclear Sweden. No commission will be charged for the central sale of excess Subscription Rights. Note that after excess Subscription Rights have been withdrawn from the securities (VP) account, those with Subscription Rights in their securities account will have a holding of Subscription Rights that is evenly divisible by five. If shareholders wish to purchase Subscription Rights to subscribe for additional New A Shares, the purchase must be for a number that is divisible by five.

### Subscription Period

Subscription for New A Shares will take place during the period from and including March 13, 2009 to and including March 27, 2009. After March 27, 2009, unexercised Subscription Rights will expire valueless and become null and void. Unexercised Subscription Rights will be cancelled from the securities (VP) account without any notice from Euroclear Sweden. The Subscription Period may be extended.

Those who elect not to participate in the Rights Offering will have their ownership portion diluted by 69%, but they have the opportunity to sell their Subscription Rights.

During the Subscription Period, Subscription Rights issued to shareholders not entitled to participate in the Rights Offering will be sold on behalf of such shareholders. The proceeds of the sale, less any withholding tax, will be distributed on a pro rata basis in proportion to the holdings of the relevant shareholders. Amounts of less than SEK 50 will not be paid out.

**Subscription Rights that are not exercised prior to the end of the Subscription Period will expire valueless and become null and void.**

### Announcement of the subscription outcome for the new share issue

The preliminary outcome for the Rights Offering will be announced via a press release from the Issuer, which is expected to be released in Sweden on or about March 31, 2009. The final outcome of the Offering is expected to be made public in Sweden on or about April 1, 2009.

## Subscription and payment

### A. Subscription for New A Shares using Subscription Rights

Subscription for New A Shares using Subscription Rights is made by paying the Subscription Price of SEK 10 per New A Share at any of SEB's offices or at any other Swedish bank office. Shareholders will already have received a printed bank giro slip from Euroclear Sweden. Subscription should be effected using either the dispatched bank giro slip or the application form – in accordance with the set formulation – in line with the alternative stated below. Once made, subscribtion for New A Shares is binding.

#### *1. Bank giro slip*

In cases in which all Subscription Rights received as of the Record Date (meaning after deductions for centrally sold excess Subscription Rights) are exercised, only the printed bank giro slip should be used for the payment of the Subscription Price.

#### *2. Application form*

In cases in which Subscription Rights are acquired or sold, or if for some other reason the number of Subscription Rights exercised differs from that shown in the printed share issue statement used for subscription, the special application form (white) should be used as the basis for exercise of Subscription Rights by payment. Such payment must be made simultaneously with the application at any of SEB's offices or at some other bank office with the requisite approval, in accordance with the instructions on the white application form. Such application forms are available from SEB Emissioner or at any of SEB's offices. The printed bank giro form should not be used. More than one application form per person will be accepted.

#### *3. Non-Swedish shareholders*

Subject to applicable securities laws, persons resident outside Sweden may subscribe by:

- Sending a correctly completed white application form to SEB at the address below; and
- Making payment in accordance with the details below. State name, address and the securities (VP) account number of the subscriber.

SEB<br>
Emissioner R B6<br>
SE-106 40 Stockholm, Sweden<br>
Account number: 5865-1002718<br>
IBAN: SE2850000000058651002718<br>
BIC: ESSESESS

Application forms and payments must be dispatched in good time ahead of the last day of the Subscription Period to ensure they are received by SEB Emissioner no later than 5:00 pm on March 27, 2009. More than one application form per person will be accepted.

#### *4. Paid subscribed shares*

Subscription through payment will be registered at Euroclear Sweden as soon as possible, which normally means a number of banking days after payment. Subsequently, the subscriber will receive a securities (VP) note confirming the booking of the paid subscribed shares, or BTAs, in the subscriber's securities (VP) account. After the New A Shares have been registered at the Swedish Companies Office, BTAs will be converted into New A Shares without notice from Euroclear Sweden. Each BTA will be converted into one New A Share. Registration at the Swedish Companies Office is expected to be completed on or about April 2, 2009.

*Note that Subscription Rights must be exercised no later than March 27, 2009. After the expiration of the Subscription Period, unexercised Subscription Rights will expire valueless and become null and void. After March 27, 2009 unexercised Subscription Rights will be cancelled from the securities (VP) account without any notice from Euroclear Sweden.*

### B. Subscription for New A Shares without Subscription Rights and Secondary Allocations

Subscription for New A Shares in the Offering may also be effected without Subscription Rights, subject to applicable securities laws. New A Shares that are subscribed for without the use of Subscription Rights will be allocated in line with a decision of the Board of Directors in a secondary allocation. Allocation is as follows:

a) firstly, to persons who have subscribed for New A Shares pursuant to Subscription Rights, regardless of whether such persons were shareholders on the Record Date or not, and, in the case of over-subscription, allocation shall be made pro rata in relation to the number of Subscription Rights such persons have exercised for subscription of New A Shares;

b) secondly, to persons who have subscribed for New A Shares without preferential rights (that is not pursuant to exercise of Subscription Rights), and, in case of over-subscription, allocation shall be made pro rata in relation to their so subscribed number of shares; and

c) to the extent New A Shares remain unsubscribed, to the Underwriters, on the terms and conditions set forth in the Underwriting Agreement, and to the Committed Shareholders, on the terms and conditions set forth in their respective commitment letters, with allocation pro rata in relation to the combined underwriting commitments by each Underwriter (as specified in "Underwriting and supplementary information—The Offering—Underwritten Shares") and the excess-to-pro-rata subscription commitments of each Committed Shareholder (as specified in "Underwriting and supplementary information—The Offering—Shareholder commitments"); provided, however, that any subscription by a Committed Shareholder of New A Shares pursuant to clause (a) and/or (b) above shall be deemed to reduce its excess-to-pro-rata subscription commitment on a one-for-one basis.

Subscription without Subscription Rights should be effected using the special application form, entitled "Subscription without Subscription Rights", which is available from any SEB bank office. The application form should be mailed to:

SEB
Emissioner R B6
SE-106 40 Stockholm, Sweden

Application forms must be received by SEB no later than March 27, 2009, which is the final day for subscription of New A Shares. Consequently, application forms sent by mail must be dispatched in good time ahead of the final day of the Subscription Period or to ensure they are received by SEB Emissioner no later than 5:00 pm on March 27, 2009. Once made, subscription for New A Shares is binding. Only one application form per person will be accepted. In case more than one application form is submitted during the Subscription Period, only the last submitted form will be considered. As confirmation of the allotment of shares subscribed for without Subscription Rights, notification of the allotment, which is expected to be completed on or around April 2, 2009, will be posted. Shares subscribed for without Subscription Rights shall be paid for in cash, in accordance with the instructions in the allotment notice. The anticipated payment date is on or around April 7, 2009. After payment of the subscribed and allotted shares, a securities (VP) note will be mailed from Euroclear Sweden confirming the booking of the subscribed and allotted shares in the securities (VP) account of the subscriber.

## Listing of BTAs

Subscriptions will be registered at Euroclear Sweden as soon as possible after payment and Euroclear Sweden will notify those who have subscribed to confirm that BTAs have been registered in the VP account. New A Shares cannot be registered in the VP account until the issue of New A Shares has been registered by the SCRO. This registration is expected to occur on or about April 2, 2009 with respect to the BTAs issued in relation to subscriptions by shareholders in accordance with their pro rata shareholding in the Issuer ("**BTAs 1**") and on or about April 14, 2009 with respect to the BTAs issued in relation to subscriptions pursuant to any Secondary Allocations ("**BTAs 2**").

Prior to the dates above, the New A Shares will trade as BTAs on NASDAQ OMX Stockholm under the symbols "SEB BTA A 1" and "SEB BTA A 2", respectively. Upon registration by the SCRO, BTAs will be converted into New A Shares without notification from Euroclear Sweden.

The listing of BTAs 1 is expected to be undertaken from March 13, 2009 and the final day for trading in BTAs 1 is expected to be about April 1, 2009. The New A Shares are expected to be traded on NASDAQ OMX Stockholm from April 3, 2009.

The listing of BTAs 2 is expected to be undertaken from April 1, 2009 and the final day for trading in BTAs 2 is expected to be about April 9, 2009. The New A Shares are expected to be traded on NASDAQ OMX Stockholm from April 15, 2009.

Note that there will be no trading in the BTAs 1 or related New A Shares on April 2, 2009 or in the BTAs 2 or related New A Shares on April 14, 2009 in order to effect the conversion of the relevant BTAs into related New A Shares on such dates.

## Transfer restrictions and right to dividends

### Restrictions on sale and transfer of Subscription Rights, BTAs and New A Shares

For information regarding restrictions on sales and transfer of Subscription Rights, BTAs and New A Shares, see the section "Restrictions on sale and transfer of Subscription Rights, BTAs and New A Shares".

### Right to dividends

The New A Shares will entitle holders to dividends, assuming a dividend is approved, on any record date for dividends that occurs after the registration of the New A Shares with the SCRO. Subsequent to such registration, the New A Shares will carry the same rights to dividends as the Issuer's existing A Shares. Please note that the Issuer's normal practice is to consider payments of dividends only once a year for declaration in connection with its Annual General Meetings. Accordingly, the New A Shares will in practice not entitle holders to dividends, assuming a dividend is approved, until the declaration of any such dividend in connection with the 2010 Annual General Meeting. The payment of any dividends is managed by Euroclear Sweden.

# Description of business

## Overview

SEB is one of the leading financial institutions in Northern Europe, providing services to corporate customers, financial institutions and private individuals. Its core markets are the Nordic countries of Sweden, Denmark, Finland and Norway, the Baltic countries of Estonia, Latvia and Lithuania, and Germany, and its core strengths are its wholesale banking, investment banking, wealth management and unit-linked insurance businesses. As of and for the year ended December 31, 2008, SEB had total assets of SEK 2,511 billion (EUR 231 billion), total equity of SEK 83.7 billion (EUR 7.7 billion) and net profit of SEK 10.1 billion (EUR 1.05 billion).[1)]

The Group's business is organised into four divisions:

- *Merchant Banking* – providing wholesale banking and investment banking services to large companies and financial institutions in SEB's core markets;
- *Retail Banking* – providing retail banking services to private individuals and SMEs in Sweden, Germany and the Baltic countries, and cards in the Nordic countries;
- *Wealth Management* – providing asset management and private banking services to institutions, foundations and private individuals in SEB's core markets; and
- *Life* – providing unit-linked and traditional life insurance mainly in Sweden, Denmark and the Baltic countries.

At December 31, 2008, SEB's customer base consisted of approximately 2,500 large corporate and institutional customers, 400,000 SMEs and more than five million private individuals. At that same date, SEB had approximately 660 branch offices in Sweden, the Baltic countries, Germany and elsewhere. Outside its core markets, SEB has a strategic presence, through its international network of 11 branches and representative offices located in various financial centres, to support and service mainly its large corporate and institutional customers. At year-end 2008, SEB had 21,131 full-time FTEs, more than half of whom were located outside Sweden.

## Competitive strengths

SEB believes that its franchise is built on strong long-term customer relationships, its product excellence and the quality of its advice. Its reputation stems from its long heritage of providing banking and financial services to large corporate customers, financial institutions and private individuals in the Nordic countries. Given its diversified business mix, SEB believes that it is well positioned to capture opportunities in the financial services industry in its core markets. SEB's competitive strengths include:

### Strong and long-term customer relationships

SEB believes that its 150-year history of providing banking and financial services, its long-standing client relationships, its customer orientation and its strong brand allow it to develop unique relationships with, and knowledge of, its customers and to attract new customers. SEB's customer focus has led to strong loyalty amongst its customers, as evidenced by continued high customer satisfaction rankings and awards within its core areas of strength.

### Leading market positions in core business areas

SEB has leading market positions in its core business areas. Its Merchant Banking division is a leading corporate and investment bank in the Nordic region, with top market positions in foreign exchange trading, cash management, custody, trade finance and investment banking services. It also has the largest equity trading market share by volume on NASDAQ OMX Stockholm and on the other Nordic stock exchanges in the aggregate. SEB's Retail Banking division is a top provider of corporate charge cards in the Nordic countries. In Sweden, SEB is the fourth largest retail bank as measured by customer loans and one of the largest banks as measured by long-term savings. Through its Wealth Management division it is a leading asset manager in the Nordic region,[2)] and in 2008 SEB was the bank

1) The EUR equivalent amounts set out above are based on the 2008 period-end SEK/EUR exchange rate, in the case of total assets and equity, and the 2008 period average SEK/EUR exchange rate, in the case of net profit, both as set out under "General information—Exchange rate information".

2) Based on comparison of total SEB assets under management and assets under managemnet reported by other banks in the Nordic region, and rankings of SEB's private banking business in Sweden and Finland by Euromoney.

with the largest inflow of net new money in the Swedish mutual fund market, with SEK 6.5 billion of inflows in a market that experienced SEK 17.5 billion of outflows[1]. SEB also has a strong position in the mass affluent and private banking segments of that market[2]. In the Baltic countries, taken together, SEB is the second largest bank by lending market share[3] and the second largest provider of unit-linked insurance products[4]. SEB is also a leading provider of unit-linked insurance in the Nordic region.[5]

### Diversified revenue base and strong focus on operational efficiency

SEB has a diversified revenue base, including interest income on customer loans and other interest-bearing assets; fees and commissions from equities, fixed-income and foreign exchange trading; income from payment transactions; advisory and asset management service fees; and income from its life insurance operations. In addition, SEB's business is diversified across customer segments (including large- and mid-cap corporate and institutional customers and retail, mass affluent and private banking individuals) and geographic markets (including, among others, the Nordic and Baltic countries and Germany). Moreover, SEB continues to maintain a strong focus on improving its operational efficiency. Through consolidation of support functions and various other cost-management and efficiency improvement initiatives, between January 2007 and December 2008, SEB achieved gross cost savings amounting to just over SEK 1 billion and improved productivity and service quality in several areas. The stability of SEB's revenue base and its commitment to operational efficiency are demonstrated by its generation of operating profits in each quarter of the last ten years.

### Disciplined risk management

Comprehensive risk management is fundamental to the long-term profitability and stability of the Group and is a core area of focus for SEB. Since the Swedish banking crisis in the early 1990s, SEB has focused on enhancing its risk management systems and controls. Board supervision, a formal decision-making structure, a high level of risk awareness among staff, Group-wide principles and controlled risk-taking within established limits are the cornerstones of SEB's risk management. To secure financial stability, risk-related issues are identified, monitored and managed at early stages and form an integral part of SEB's long-term planning processes. For instance, due to concerns about overheating in the Baltic lending market, SEB introduced conservative and cautious lending processes as early as 2005, resulting in reduced lending market shares in these countries since then. SEB's 20 largest credit exposures expressed as a percentage of its capital base remained stable during the last five years. SEB believes that its risk management culture and processes position it well to manage risks as they arise during a global recession.

### Well-diversified funding base

SEB has a strong deposit gathering franchise in its core markets through its Retail Banking division, cash-management operations and Merchant Banking division. On average, deposits from the public grew by 14% per annum between the end of 2005 and the end of 2008. At December 31, 2008, total deposits amounted to 35% of total liabilities, and the ratio of deposits to loans was 65%, which SEB believes compares favourably to its Nordic peers. SEB benefits from a well-diversified funding base, with good access to both short- and long-term financing sources. During 2008, SEB raised SEK 160 billion long-term funding, primarily through the covered bond markets in Sweden and Germany and the senior unsecured debt market in Sweden. Covered bonds accounted for 20% of the total funding base at December 31, 2008. SEB was generally able to access the capital markets for funding during 2008, and was also able to access the short-term capital markets throughout the year despite the disruption in the long-term financing markets from the third quarter of 2008 onward. SEB also has the ability to access funding provided through certain government liquidity programmes established in response to the constraints in the funding market in 2008.

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1) Based on internal SEB calculations using data from *Svensk Fondstatistik*.
2) SEB is ranked no. 2 in terms of total assets under management in Sweden with a 19.5% market share based on data from The Swedish Investment Fund Association as of September 30, 2008.
3) Market share according to Bank of Estonia, Commercial Bank Association, Latvia and the Lithuanian Banking Association.
4) Based on SEB's market share of gross premium income in Estonia, Latvia and Lithuania in 2008 from local insurance market statistics.
5) SEB is ranked no. 1 in Sweden in 2008 based on data from the Swedish Insurance Federation by total unit-linked premium income and no. 2 in Denmark in 2007 based on data from the Danish Financial Services Authority.

## Strategy

SEB's long-term goal is to be the leading financial institution in Northern Europe in terms of financial performance and customer satisfaction within its core areas of strength: wholesale banking, investment banking, wealth management and unit-linked insurance. SEB defines leadership in financial performance as the achievement of a higher return on equity compared to its Nordic and European peers over a business cycle, while attaining sustainable and profitable growth. In addition, SEB has a long-term credit rating target of AA (or equivalent), and has set a long-term Tier I capital ratio target of 10%, as calculated on a Basel II basis without transitional rules.

In order to reach its long-term goals and targets, SEB has laid out a roadmap – the "Road to Excellence" – that aims at combining proactive delivery of services to customers with greater integration of the Group's businesses. Through this strategy, SEB seeks to make available to its customers the full range of the Group's services while benefiting from efficiencies of scale and cross-selling. SEB's key priorities within this strategy are a continuing commitment to increasing productivity and quality, promoting integration across the Group through cross-selling and extracting of cost synergies through a more efficient use of common resources; increasing customer interaction and advisory focus; and focusing on growth within its core businesses and markets. To better manage the effects of the current international economic downturn, SEB's near-term priorities include:

- growing revenue with existing customers through proactive customer interaction;
- continued focus on cost efficiency-enhancing measures and savings;
- supporting customers' long-term financial needs while maintaining sound risk management; and
- taking actions to maintain its strong capital and liquidity position.

SEB's "Road to Excellence" strategy is based on three major themes – operational excellence, customer satisfaction and balanced growth, each of which is discussed below.

### Operational excellence

#### *One SEB*

SEB continues to work toward the further integration of the Group in order to increase cross-selling and extract cost synergies through a more efficient use of common resources. SEB believes that a more integrated organisation will enable it to increase productivity and leverage knowledge and expertise throughout the Group for the benefit of customers. SEB believes that cooperation and knowledge-sharing between divisions has improved since the introduction of its new business organisation and segmentation on January 1, 2007, as described in "Commentary on the financial development". For example, by drawing on Merchant Banking's expertise from large companies, Retail Banking now offers an improved service to SMEs in Sweden. The creation of a more homogeneous IT infrastructure (referred to as One IT Roadmap) is also seen as an important initiative in the integration of the Group.

#### *SEB Way*

"SEB Way" is a Group-wide programme targeted at increasing operational efficiency by streamlining processes and services so that resources can be freed up and applied more productively to generate additional business. This programme is aimed at creating a culture of continuous improvement to meet both increased quality demands from customers and productivity improvement demands in the banking industry. The programme is now utilised within all parts of the Group, with a proven track record both for sales and support functions. For example, through this programme, SEB had freed up the equivalent of approximately 1,500 FTEs, or 7% of SEB's total work force, by year-end 2008.

### *Risk management*

SEB seeks continuously to develop its risk management practices and professionals. SEB aims to have proactive risk management that forms an integral part of its business operations. Action was taken to further enhance risk management in 2008, including the establishment of a management forum which focuses exclusively on workout and/or restructuring matters, and Special Credits Management, a new function with Group-wide responsibility for managing problem credits. See "Risk management".

SEB believes that a strengthened capital base together with demonstrated revenue-generating capabilities will further enhance its leading franchise in its core markets. SEB aims to provide a comfortable buffer well above its long-term target Tier I capital ratio of 10%, which is important in the effort to maintain prudent capital management in the prevailing market environment. See "Capital management".

### *Cost Management*

In 2007, SEB initiated a cost efficiency programme to achieve gross cost savings of between SEK 1.5 and SEK 2 billion, excluding incremental investments, during 2007–2009. With realised gross cost savings of just over SEK 1 billion in 2007-2008, SEB believes it is on track to achieve this target. Cost savings and broader Group integration and synergies have been achieved through the consolidation of support functions and the guiding principle of "one function, one solution". SEB seeks to continue its efforts to streamline processes and co-ordinate different functions in order to achieve scale advantages and improve best-practice sharing, thereby further enhancing cost efficiency. As part of these efforts, SEB plans to reduce the number of employees in Sweden by 5% in 2009, corresponding to a net reduction of 500 FTEs. Efficiencies achieved through implementation of the "One SEB" and "SEB Way" strategies have also supported SEB's programme to improve cost efficiency.

### *Increased customer satisfaction*

In order to realise its vision of being the leading financial institution in Northern Europe, SEB strives to improve service levels, and increase activities with respect to its customers. Customer offerings and customer acquisition are strengthened through joint product development efforts among the divisions and better usage of best practice procedures throughout the Group.

### *Balanced growth*

Although risk and cost management are a particular focus throughout the Group in the near-term, SEB also seeks to achieve balanced growth of its divisions in the long-term.

The Merchant Banking division seeks further opportunities to maintain and strengthen its core franchise by selling additional products to existing customers and increasing its market share in its main markets outside Sweden, in particular through activities aimed at larger medium-sized corporations and financial institutions in the other Nordic countries. SEB aims to achieve this by utilising the division's proven strategy of providing internationally recognised high-quality products and value-added financial solutions within areas such as cash management, foreign exchange advisory services, trade finance and investment banking in the Nordic region.

The Retail Banking division is currently particularly focused on risk management and cost savings. A long-term objective within each geographic market in this division includes development of that market's underlying business. In Sweden, the focus is on improving the overall customer experience and further strengthening SEB's position with affluent private clients and small and medium-sized enterprises. In Estonia, Latvia and Lithuania, SEB's short- to medium-term focus is to monitor asset quality and pursue long-term sustainable growth in light of challenging macroeconomic developments in those countries, and to grow further within the savings market. Due to concerns about overheating as early as 2005, SEB decreased its market share of lending in the Baltic countries. As asset quality continues to deteriorate in these countries as a result of the current economic downturn, SEB aims to identify potential credit losses at an early stage and, when necessary, engage work-out teams. To achieve this, SEB has increased resources allocated to risk management and work-out activities. In Germany, SEB's focus continues to be on improved profitability. SEB's Card business is focused on organic growth and product development while reducing unit cost per transaction.

The Wealth Management division strives to offer enhanced advisory services and a broader range of alternative and absolute return-focused products. This division aims to shorten time-to-market for new, value-added products, as well as to further improve investment management performance. SEB believes that its strong position and leading product offering in both asset management and private banking in Sweden form a solid platform for further expansion in SEB's other core markets.

The Life division's business is focused on unit-linked insurance. In Sweden and Denmark, SEB believes that its main long-term growth opportunities are within the corporate pension and care areas. Maintaining quality leadership in Sweden and continuing the transition towards unit-linked solutions in Denmark are top priorities. Furthermore, this division sees long-term opportunities in the emerging life insurance markets in the Baltic countries.

As part of its response to the current international economic downturn, SEB has sharpened its focus on capital efficiency through ongoing assessment of all business areas. As part of this assessment, SEB is continuously exploring a range of strategic and tactical options for its various businesses, which may include potential dispositions, joint ventures, acquisitions or other arrangements, certain of which could be material to the Group. SEB is not currently in negotiations with respect to any material measures, but may proceed with any such measures in the future if determined by it to be beneficial, whether in response to changed circumstances or otherwise.

## History

Skandinaviska Enskilda Banken AB (publ) was incorporated under the laws of Sweden in 1972 through the amalgamation of Stockholms Enskilda Bank and Skandinaviska Banken as a limited liability company with registration number 502032-9081. Stockholms Enskilda Bank was founded in 1856 by André Oscar Wallenberg as Stockholm's first privately-held bank. Skandinaviska Kreditaktiebolaget (later Skandinaviska Banken) commenced operations in 1864 as Stockholm's second privately-held bank.

Since its founding, the cornerstones of SEB's business have been its long-standing customer relationships, entrepreneurship and an international outlook. These pillars have, together with the joint heritage of SEB's main owner, Investor AB, provided a vital foundation for building Sweden's robust export sector, comprised of internationally leading companies across a variety of industries.

In the 1990s, SEB set out a strategy focused on international expansion, long-term savings and the use of information technology to improve products and services for customers. In implementing this strategy, SEB restructured its operations, invested in new technologies, including e-banking solutions, and made strategic acquisitions.

The acquisition of Trygg-Hansa AB in 1997 enabled SEB to offer its customers a range of life insurance and pension savings products. To strengthen its presence in Northern Europe, SEB acquired the German bank BfG Bank AG (now SEB AG) in 2000. In the decade between 1998 and 2008, SEB also made investments in three Baltic banks, Eesti Ühispank in Estonia, Latvijas Unibanka in Latvia and Vilniaus Bankas in Lithuania. In 2000 through 2001, it acquired stakes aggregating 47.5% in Poland's Bank Ochrony Środowiska ("**BOŚ**"). These acquisitions were aimed at meeting increased client needs in those countries and at taking advantage of the long-term growth potential in the Baltic region and in Eastern Europe. During 2006, SEB sold its holding in BOŚ due to difficulties in gaining control and in realising its plans and instead opened a branch in Poland. SEB has taken further steps to support its customers in the Baltic countries and in Eastern Europe through acquisitions of the Latvian life insurance company, Balta Life, and of Bank Agio in Ukraine (renamed SEB Bank in May 2006). In addition, in April 2006, SEB acquired the Russian bank, PetroEnergoBank (renamed SEB Bank in the autumn of 2007). In 2007, SEB expanded in Ukraine by purchasing Factorial Bank, a bank with 65 branch offices in eastern Ukraine. In 2008, SEB acquired GMAC Commercial Finance in Poland, expanding its product offerings in the country to factoring and related services.

Through other acquisitions, including Diners Club Nordic (in 1994), the private bank Gyllenberg in Finland (in 1997), Orkla Finans in Norway (in 2000), Europay (the Eurocard business) in Norway (in 2002), Eurocard in Denmark (in 2004), Codan Pension in Denmark, now SEB Pension (in 2004), ABB Credit Oy in Finland (in 2005) and Privatbanken in Norway (in 2005), SEB has further expanded its position in the Nordic region. In January 2008, SEB finalised the acquisition of KAM Group Limited (Key Asset Management).

From its origins as primarily a Nordic bank established over 150 years ago, SEB has become a leading Northern European financial institution, with more than one-half of its customers and staff located outside Sweden at the end of 2008.

## Business divisions

SEB has four business divisions or segments, Merchant Banking, Retail Banking, Wealth Management and Life, as shown below.

| Divisions | 2008 | | | 2007 | | | 2006[2] | | |
|---|---|---|---|---|---|---|---|---|---|
| | Operating income | Operating profit | | Operating income | Operating profit | | Operating income | Operating profit | |
| | SEK m | SEK m | %[1] | SEK m | SEK m | %[1] | SEK m | SEK m | %[1] |
| Merchant Banking | 16,828 | 8,350 | 67 | 15,007 | 6,863 | 40 | 15,138 | 7,418 | 48 |
| Retail Banking | 17,032 | 4,262 | 34 | 16,558 | 6,008 | 35 | 15,115 | 5,220 | 34 |
| Wealth Management | 4,687 | 2,011 | 16 | 5,085 | 2,637 | 15 | 4,595 | 2,357 | 15 |
| Life | 3,260 | 1,063 | 9 | 3,930 | 1,802 | 11 | 3,456 | 1,520 | 10 |

1) The percentages represent contribution to Group operating profit and exceed 100% because operating profit for the business divisions is determined before giving effect to "Other including eliminations" as set out in the 2008 Financial Statements and the Unrestated 2007 Financial Statements.
2) The 2006 financial data in this table has not been restated to reflect the reorganisation of SEB's business division in 2008.

SEB's business divisions are supported by common Group support functions – Group IT, Group Operations and Group Staff.

A selection of SEB's recent awards is given in the table below:

| Institution/Publication | Year | Ranking |
|---|---|---|
| Euroweek | February 2009 | Best arranger Nordic loans 2008 |
| Global Finance | January 2009 | Best Trade Finance bank, Nordic Region, Sweden, Latvia and Lithuania<br>Best Overall Bank for Cash Management, Nordic Region<br>Best Bank for Liquidity Management, Nordic Region<br>Best Bank for Risk Management, Nordic Region |
| Global Custodian | January 2009 | Top rated in Custody Services in Central and Eastern Europe |
| Prospera | January 2009 | Best Equity House in the Nordic Region |
| TMI | January 2009 | Best Cash Management Bank, Nordic Region<br>Best Financial Supply Chain Bank, Nordic Region and Eastern Europe |
| Privata Affärer | November 2008 | Best Bank for Small Companies in Sweden |
| Euromoney | October 2008 | No. 1 Globally for Overall Customer Satisfaction regarding Cash Management<br>Best for Real Estate Commercial Banking in the Nordic and Baltic region |
| MasterCard | October 2008 | European Co-Brand MasterCard Award 2008 |
| Trade & Forfaiting | September 2008 | Best Trade Bank in Northern Europe & Scandinavia |
| Euromoney | July 2008 | Best M&A House in the Nordic & Baltic region |
| Risk | July 2008 | Best derivatives dealer in Sweden |
| Extel Survey | June 2008 | Best research house in the Nordic countries |
| Thomson Reuters | June 2008 | Best Fund Manager in Sweden |
| Global Finance | May 2008 | Best bank in Lithuania |
| Global Finance | May 2008 | Best bank in Latvia |
| Global Finance | April 2008 | World's Best Developed Market Banks 2008, no. 1 in Sweden<br>World's Best Emerging Market Banks 2008 Central and Eastern Europe, no. 1 in Latvia and Lithuania |
| Euroweek | February 2008 | Best Arranger Nordic Loans, Syndicated Loans and Leveraged Finance Awards 2007 |
| Prospera | October 2007 | Highest customer satisfaction Asset Management Sweden (biannual survey) |
| Prospera | June 2007 | Best Corporate Finance House in the Nordic Region 2007 (awarded biannually) |

### Merchant Banking

The Merchant Banking division is primarily responsible for SEB's activities relating to large and medium-sized corporations – generally those corporations with annual revenues in excess of SEK 500 million or its equivalent – financial institutions and commercial real estate clients. Merchant Banking has three large business areas:

- Trading and Capital Markets – which includes SEB's foreign exchange, fixed-income, equities and capital markets businesses and management of the Group's investment portfolio;
- Global Transaction Services – which includes SEB's cash management, trade finance, leasing and factoring and custody businesses; and
- Corporate Banking – which includes SEB's client relationship management function, commercial real estate, corporate finance and structured finance businesses.

The Merchant Banking division's business areas collectively cover a wide range of business activities, the main ones being: lending and debt capital markets; trading in equities, currencies, fixed-income, derivatives and futures; advisory services, brokerage, research and trading strategies within equity, fixed-income and foreign exchange markets; prime brokerage and securities-related financing solutions; export, project and trade finance, commercial real estate finance and acquisition finance; corporate finance; venture capital; cash management, liquidity and payments services; custody and fund services; and leasing and factoring products.

In 2006, the corporate finance and equities activities of Enskilda Securities were integrated within Merchant Banking and re-branded SEB Enskilda.

SEB's Merchant Banking division operates in the Nordic and Baltic countries and Germany. Outside SEB's core markets, customers in SEB's Merchant banking division are supported through SEB's international network of 11 branches and representative offices located in London, New York, Singapore, Luxembourg, Paris, Shanghai, Warsaw, Moscow, New Delhi and elsewhere. The division has approximately 2,700 employees.

### Retail Banking

SEB's Retail Banking division provides services mainly to private individuals and SMEs. The Retail Banking division consists of six business areas:

- Retail Sweden;
- Retail Germany;
- Retail Estonia;
- Retail Latvia;
- Retail Lithuania; and
- Card (the SEB Kort AB group of companies).

The Retail Banking division serves five million private customers and 400,000 SME customers. This division's product range includes advisory services, mortgage and other lending, savings products and cards for both SMEs and private individuals in Sweden, Estonia, Latvia, Lithuania and Germany.

SEB's Retail Banking division's customers have access to the range of SEB's product offerings and services through 550 branch offices in Sweden, the Baltic countries and Germany, internet banking and personal telephone banking services. Retail Banking also provides about 1,700 automatic bank service machines (including ATMs and machines for cash deposits).

The Card business area had issued a total of approximately 3.3 million charge, credit, debit and co-branded cards issued as of December 31, 2008 in the Nordic region. SEB's card issuing business includes brands such as Eurocard Diners Club and MasterCard. SEB's Card business also includes credit card administration and a merchant acquiring business, under which it has agreements with retailers to guarantee payments in connection with card purchases made by customers.

### Wealth Management

The Wealth Management division consists of 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; and
- Private Banking – which serves the higher end of the private individual segment with wealth management services and advice.

Wealth Management's operations are located mainly in the Nordic and Baltic countries, Germany and Luxembourg. Private Banking is mainly concentrated on Sweden, with international operations in Luxembourg. The product range offered by this division includes equity and fixed-income, private equity, real estate and hedge fund products. The division distributes its services mainly through its institutional client sales force, SEB's retail network and its own private banking units in SEB's core markets and in the United Kingdom, Singapore, Switzerland, France, Luxembourg and Spain, as well as through third-party distributors.

As of December 31, 2008, the Wealth Management division was the second largest wealth manager in the Nordic region, with assets under management totalling SEK 1,142 billion, which represented 95% of SEB's total assets under management of SEK 1,201 billion.

### Life

The Life division operates mainly under SEB Trygg Liv Holding AB ("**SEB Trygg Liv**"), a wholly owned subsidiary of the Issuer, and its various SEB Trygg Liv subsidiaries, which provide both unit-linked and traditional life insurance. The Life division has approximately 1.8 million customers and is organised into three business areas:

- SEB Trygg Liv Sweden;
- SEB Pension Denmark; and
- SEB Life & Pension International.

This division offers products within the area of pension and life insurance for individuals and corporations, mainly in Sweden, Denmark and the Baltic countries. While the life division offers both unit-linked and traditional insurance, its sales focus is on unit-linked insurance, representing 75% of the division's total sales in 2008.

Certain portions of SEB's traditional life insurance business are run through entities or under portfolios and funds that are not consolidated into the Group's accounts. See "Commentary on the financial development—Critical accounting and other policies—Consolidated and unconsolidated accounts" for details.

The Life division's products are distributed via the retail branch network, with approximately 2,000 insurance brokers and agents and approximately 400 of SEB's own insurance sales personnel in Sweden, Denmark and the Baltic countries.

## Geographic markets and presence

SEB's market share in its principal geographic markets is set out in the table below:

| | Year ended December 31 (unless otherwise stated) | | |
|---|---|---|---|
| | **2008 %** | **2007 %** | **2006 %** |
| **Deposits from the general public** | | | |
| Sweden | 20.7 | 20.2 | 20.5 |
| *deposits from households*[1] | 11.7 | 12.4 | 12.2 |
| *deposits from companies*[1] | 27.8 | 26.1 | 25.8 |
| Estonia[2] | 24.8 | 25.7 | 27.1 |
| Latvia[3], [4] | 19.9 | 23.7 | 23.1 |
| Lithuania[5] | 27.0 | 27.4 | 30.1 |
| **Lending to general public** | | | |
| Sweden | 14.9 | 15.0 | 14.4 |
| *lending to households*[1] | 12.2 | 12.6 | 12.5 |
| *lending to companies*[1] | 16.9 | 16.8 | 16.0 |
| Estonia[2] | 24.1 | 26.3 | 29.1 |
| Latvia[4] | 14.4 | 15.5 | 18.3 |
| Lithuania[5] | 30.1 | 31.3 | 34.4 |
| **Mutual funds, new business[6]** | | | |
| Sweden[7] | – | 53.2 | 26.1 |
| Finland[8] | – | 11.2 | 4.4 |
| **Mutual funds, total volumes[9]** | | | |
| Sweden[7] | 19.5 | 17.9 | 16.6 |
| Finland[8] | 10.0 | 5.7 | 5.4 |
| Estonia[10] | 23 | 21 | 22 |
| Germany[11] | 8.5 | 9.1 | 8.2 |
| **Unit-linked insurance, new business** | | | |
| Sweden[12] | 24.4 | 22.1 | 29.0 |
| **Life insurance, total[13]** | | | |
| Sweden[12] | 12.5 | 12.8 | 16.5 |
| Denmark[14] | – | 10.6 | 10.5 |
| **Equity trading[15]** | | | |
| Stockholm | 12.3 | 9.8 | 10.1 |
| Oslo | 8.1 | 8.5 | 7.6 |
| Helsinki | 4.4 | 3.2 | 3.5 |
| Copenhagen | 8.7 | 5.9 | 5.9 |

1) Share according to Statistics Sweden for the last quarter of each year.
2) Share according to Bank of Estonia for the last quarter of each year.
3) Resident deposit market only.
4) Share according to Commercial Bank Association, Latvia. 2008 data as of September 30, 2008 for deposits and December 31, 2008 for lending.
5) Share according to Lithuanian Banking Association. 2008 data as of December 31, 2008.
6) Market share of new written gross premiums.
7) Share according to The Swedish Investment Fund Association. 2008 data as of September 30, 2008.
8) Share according to Finnish Association of Mutual Funds via Investment Research Finland. Total new business in mutual funds market in 2008 was negative.
9) Excluding external third-party mutual funds offered by SEB.
10) Estonian Financial Supervisory Authority 2008 data as of June 30, 2008. 2007 and 2006 data as of December 31, 2007 and December 31, 2006, respectively.
11) Real estate funds. Share according to German Investment Managers' Association.
12) Share according to Swedish Insurance Federation.
13) Includes both unit-linked and traditional insurance. Share of total premiums.
14) Share according to Danish FSA. Not yet published for 2008.
15) Share measured by volume on exchanges indicated above as reported by NASDAQ OMX and Oslo Børs.

For SEB´s results of operations by geography for each of the years ended December 31, 2008, 2007 and 2006, see ”Commentary on the financial development—Results of operations for the year ended December 31, 2008 compared to the year ended December 31, 2007—Geographic results” and ”Commentary on the financial development—Results of operations for the year ended December 31, 2007 compared to the year ended December 31, 2006—Geographic results”.

## Sweden

Sweden is SEB's single largest market, with approximately 1.9 million private and 200,000 corporate customers and approximately 8,400 employees as of December 31, 2008. SEB provides a comprehensive range of financial services to Swedish customers via its Merchant Banking, Retail Banking, Wealth Management and Life divisions. SEB's Swedish operations accounted for SEK 8,344 million or 65% of SEB's operating profit for 2008.

SEB occupies a leading position among large corporations in Sweden, with substantial market shares in cash management, foreign exchange trading, equities research and trading, asset management, unit-linked insurance and cards. For several years, SEB has been ranked the best corporate foreign exchange bank in Swedish Krona on a global basis and it has been ranked no. 12 across a range of currencies on a global basis by *Global Finance*. In 2008, SEB was once again the largest broker not only on NASDAQ OMX Stockholm, but also on the other Nordic exchanges in aggregate.[1)]

SEB's overall market share of deposits from the Swedish general public, including companies, increased slightly from 20.2% during the fourth quarter of 2007 to 20.7% during the fourth quarter of 2008, while its share of the Swedish lending to the general public was relatively flat at approximately 15% during 2008. SEB's market share of Swedish household lending (including mortgages) was 12.2% during the fourth quarter of 2008 compared with 12.6% during the fourth quarter of 2007. As of September 30, 2008, SEB gained a no. 1 position in the total Swedish household savings market, with a market share of 14.8% at the end of the third quarter of 2008, compared with 14.6% at the end of 2007, according to the quarterly publication *Sparbarometern*.

SEB's Wealth Management division holds strong market positions within Sweden's asset management and private banking areas, with particular strengths in the market for mutual funds, including alternative investments. In 2008, SEB was the only major Nordic bank with positive flows.[2)] SEB's mutual fund market share increased from 17.9% to 19.5% during 2008.

In Sweden's life insurance market, SEB is the second largest institution, with a total market share of 12.5% of total premiums in 2008, and was the no. 1 provider of new unit-linked funds in Sweden in 2008,[3)] with a market share of 24.4% as of December 31, 2008.

## Other Nordic countries

In Denmark, Norway and Finland, SEB provides a comprehensive range of financial services within its wholesale banking, investment banking, wealth management and unit-linked insurance businesses to customers via its Merchant Banking, Wealth Management and Life divisions, and card services through its Retail Banking division. As of December 31, 2008, SEB had more than 1.3 million customers and 1,603 employees in Denmark, Norway and Finland.

The amount and percentage of the operating profit of each of the Nordic countries, other than Sweden, compared to Group operating profit for the year ended December 31, 2008 was as follows:

| | Denmark | Norway | Finland | Total – Other Nordic countries |
|---|---|---|---|---|
| Country/region operating profit (SEK million) | 556 | 1,172 | 554 | 2,282 |
| Percentage of total Group operating profit (%)[1)] | 4% | 9% | 4% | 17% |

1) Percentage determined prior to adjustments for "Other including eliminations" as set out in Note 2 to the 2008 Financial Statements.

On a Nordic scale, SEB's Merchant Banking division has a leadership position within wholesale and investment banking for large corporations and financial institutions. This position is built upon SEB's unique position in Sweden, and the aim is to reach similarly prominent positions in each of the other Nordic markets.

SEB's Retail Banking division also has a significant market share of the Nordic card business. Furthermore, SEB's position is strong within the unit-linked insurance and corporate pensions markets in Denmark.

1) Market share measured by volume on Stockholm, Oslo, Helsinki and Copenhagen stock exchanges reported by NASDAQ OMX and Oslo Børs for 2008.
2) Based on internal SEB calculations using data from *Svensk Fondstatistik*.
3) Market share according to Swedish Insurance Federation for 2008.

### *Denmark*

In Denmark, SEB's customer offering comprises wholesale banking and investment banking within the Merchant Banking division, cards within the Retail Banking division (Eurocard, Diners Club and MasterCard) and wealth management and life insurance through SEB Pension. As of December 31, 2008, SEB had 711 employees and more than 600,000 customers in Denmark.

Through the Merchant Banking division, SEB holds a market leading position within the corporate finance sector in Denmark and had a market share of 8.7%, or no. 2, in the market in equities trading in 2008.[1)] In 2008, SEB's relationship-driven wholesale banking, corporate banking and foreign exchange businesses continued to broaden its penetration of the Danish market.

Within the Wealth Management area, SEB has partially offset the negative market impact on assets under management by net new sales. As of December 31, 2008, SEB held SEK 162 billion of assets under management in Denmark.

SEB Pension is Denmark's fourth-largest private pension company[2)] (the second largest within the unit-linked segment[3)]), with 300,000 customers and assets of SEK 96 billion at December 31, 2008.

### *Norway*

In Norway, SEB offers wholesale banking and investment banking services through its Merchant Banking division. It also provides cards (Eurocard, MasterCard and Diners Club) and wealth management services through its Retail Banking division. As of December 31, 2008, SEB had 550 employees and close to 600,000 customers in Norway.

In 2008, SEB secured its position as the market leader within investment banking in Norway and was ranked as the no. 1 participant on the Oslo Stock Exchange for the second consecutive year, with a market share of 8.1% in 2008.[4)] For the third consecutive year, SEB was ranked number one for private and institutional clients on the Norwegian market in *Prospera's* annual survey for 2008.

Within SEB's Retail Banking division, the card business kept its position as a leading provider in the Norwegian corporate market during 2008, where SEB estimates it has contracts with approximately 70% of Norway's 50 largest companies.[3)]

### *Finland*

SEB's operations in Finland include wholesale banking and investment banking under its Merchant Banking division, cards within its Retail Banking division (Diners Club, Eurocard and MasterCard) and wealth management. Close to 350 employees served more than 100,000 customers in the Finnish market as of December 31, 2008.

In 2008, SEB's Merchant Banking division continued to broaden its penetration of the Finnish corporate market. SEB also increased its market share in equities trading on the Finnish stock exchange during the year and was the no. 1 participant during November and December 2008.[6)]

The Retail Banking division's card business in Finland has been successful in growing its card base during 2008. Total growth on the private card side was 13% during 2008. SEB also successfully launched Eurocard in Finland in 2008.

SEB's Finnish wealth management business 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, where its subsidiary SEB Gyllenberg is one of the largest players, was 10.0% in 2008.[7)]

### Baltic countries

SEB provides a comprehensive range of financial services to customers in the Baltic region. SEB's banking services in each of the countries in the Baltic region includes wholesale banking, investment banking and leasing, full-service retail banking, private banking and wealth management and life insurance products. As of December 31, 2008, SEB's operations in the Baltic region include a branch network of approximately 200 offices that employed approximately 5,400 people servicing 2.8 million customers, of which 190,000 were corporate customers.

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1) Market share measured by volume on Copenhagen stock exchange in 2008 as reported by NASDAQ OMX.
2) Measured by gross premiums in 2007, as reported by the Danish Financial Services Authority.
3) Based on SEB's analysis of Danish insurance companies' annual reports for 2007.
4) Market share measured by volume on Oslo stock exchange in 2008 as reported by Oslo Børs.
5) Fifty largest companies as listed in *Finansavisen*.
6) Market share measured by volume on Helsinki stock exchange in 2008 as reported by NASDAQ OMX.
7) SEB is ranked no. 4 by assets-under-management in the mutual fund market in 2008 in Finland based on the Finnish Mutual Fund Association.

The amount and percentage of the operating profit of each of the Baltic countries compared to Group operating profit for the year ended December 31, 2008 was as follows:

| | Estonia | Latvia | Lithuania | Total – Baltic countries |
|---|---|---|---|---|
| Country/region operating profit (SEK million) | 309 | 391 | 717 | 1,417 |
| Percentage of total Group operating profit (%)[1] | 3% | 3% | 6% | 11% |

1) Percentage determined prior to adjustments for "Other including eliminations" as set out in Note 2 to the 2008 Financial Statements.

In the Baltic countries, SEB's operations are conducted through SEB's three subsidiary banks: AS SEB Pank (formerly Eesti Ühispank) in Estonia, AS SEB banka (formerly SEB Latvijas Unibanka) in Latvia and AB SEB bankas (formerly SEB Vilniaus bankas) in Lithuania.

Faced with declining asset values and increasing credit losses in the Baltic region SEB has, based on its experience in Sweden in the early 1990s, set up three companies for the management and gradual work-out of distressed real estate assets. SEB is in the process of recruiting additional staff and third party property managers to manage these companies and assets. SEB intends to purchase distressed real estate assets through these companies with the aim of holding them until market conditions for sale improve. These companies will be fully reported on the balance sheet and consolidated into the Group's financial results. SEB is currently working to identify the assets to be included in these work-out companies.

### *Estonia*

AS SEB Pank is the second largest bank in Estonia based on lending market share.[1]

Due to steps taken to reduce exposure to the Baltic countries in 2005 following signs of overheating, SEB's market share of the loan market in Estonia has decreased to approximately 24.3% at the end of 2008 compared with 31% at the end of 2005. At year-end 2008, SEB's Estonian operations had credit exposures of SEK 56.6 billion, corresponding to 2.9% of SEB's total credit portfolio.

SEB employed approximately 1,550 employees serving 806,000 customers in the Estonian market as of December 31, 2008.

### *Latvia*

AS SEB banka is the second largest bank in Latvia based on lending market share.[2]

The continuation of SEB's strategy of controlled slowdown of credit growth due to the overheating and subsequent economic downturn in the Baltic countries has resulted in a decrease of SEB's market share for lending in Latvia to 14.4% at the end of 2008 compared with 22.6% at the end of 2005. At year-end 2008, SEB's Latvia operations had credit exposures of SEK 49.8 billion, corresponding to 2.6% of SEB's total credit portfolio.

SEB employed approximately 1,600 employees serving 943,000 customers in the Latvian market as of December 31, 2008. SEB successfully carried out a Eurocard pilot in Latvia in 2008, with a complete launch currently in process.

### *Lithuania*

AB SEB bankas is the largest bank in Lithuania based on lending market share with a leading position among large corporations, particularly within foreign exchange, trading, cash management and corporate finance.[3]

SEB's share of lending to the public market in Lithuania decreased to 30.1% at the end of 2008 compared with 34% at the end of 2005 due to its controlled slowdown of credit growth. At year-end 2008, SEB's Lithuanian operations had credit exposures of SEK 95.2 billion, corresponding to 4.9% of SEB's total credit portfolio.

SEB employed approximately 2,300 employees serving 1,043,000 customers in the Lithuanian market as of December 31, 2008.

1) Market share according to Bank of Estonia for 2008.
2) Market share according to Commercial Bank Association, Latvia for 2008.
3) Market share according to Lithuanian Banking Association for 2008.

## Germany

In the German market, SEB AG offers wholesale banking and commercial real estate financing through the Merchant Banking division, retail banking to private customers through the Retail Banking division and asset management products and services through the Wealth Management division. As of December 31, 2008, SEB had approximately 3,450 employees and close to one million customers in Germany. In 2008, SEB's German operations accounted for SEK 754 million or 6% of SEB's operating profit.

Merchant Banking in Germany continued to grow its business in 2008, deepening relationships with existing customers and selectively entering new relationships with larger *Mittelstand* customers. SEB's wholesale banking services in Germany received high customer satisfaction rankings in 2008, particularly for its cash management offerings. Despite the difficult and challenging market environment, SEB's German commercial real estate operations remained stable during 2008.

SEB's retail operations in Germany have been characterised by generally weak performance due principally to the highly fragmented and competitive landscape of Germany's retail market, resulting in pressure on margins, and the relatively smaller scale of SEB's operations in Germany compared to other German banks. The number of SEB's customers remained stable in 2008 despite the difficult and challenging market environment. In 2008, profit from SEB's German retail business declined, and, although SEB's reported credit exposure in Germany increased during 2008, excluding currency effects SEB's lending volume in Germany was largely flat. The operating environment in Germany remains challenging. In September 2008, SEB announced certain organisational changes in its German operations, which involve separating its German Retail Banking business from its German Merchant Banking business within the legal entity SEB AG, in order to create flexibility to benefit from the changing banking market.

SEB has a cooperative agreement with AXA in Germany, under which SEB distributes AXA's life insurance products. This arrangement developed positively during the last three years and insurance sales increased by 34% between 2006 and 2008.

## Poland, Ukraine and Russia

SEB's activities in Poland and Russia are focused mainly on supporting Nordic corporate customers in these markets, while SEB Ukraine is set up as a local Ukrainian bank. SEB's operations in Poland are comprised of a branch in Warsaw, the factoring company SEB Commercial Finance Sp. z o.o., (formerly GMAC Commercial Finance Sp. z o.o., which SEB acquired in 2008), and a wholly owned mutual fund company, SEB TFI S.A. On February 23, 2009, SEB signed an agreement to sell the fund management business of SEB TFI S.A. The transaction is subject to regulatory approval and expected to be completed in the near future.

In 2008, SEB continued the work to integrate its two banks in Ukraine, SEB Bank and Factorial Bank, which SEB acquired in 2007. As of December 31, 2008, SEB served approximately 15,000 corporate and 90,000 private customers throughout the country. In 2008 SEB opened 24 new branches in Ukraine, increasing the total number to 109 branches as of December 31, 2008. SEB's business in Ukraine is managed in a separate business unit, New Markets, which falls outside its four business divisions, in order to take advantage of the long-term growth potential of this region.

SEB Bank in Russia (formerly PetroEnergoBank) has two branches in St. Petersburg. SEB's other operations in Russia include a representative office in Moscow and a leasing company in St. Petersburg.

## Other international locations

SEB has operations in major financial centres such as London, New York, Singapore, Luxembourg, Paris and Shanghai, mainly to serve its existing corporate customers with international operations. In addition, SEB has representative offices in São Paulo, Beijing and New Dehli.

Nordic and German private customers living outside their home countries are served via private banking units and representative offices located in Luxembourg, Singapore, Spain, France, Poland, Switzerland and the United Kingdom.

## Competition in key market segments

In Sweden, the banking system is highly consolidated, with the four largest banking groups – Nordea Bank AB, SEB, Svenska Handelsbanken AB and Swedbank AB – accounting for 77% of the total assets on the banking market as of December 2008 according to Statistics Sweden. These four banks together represent 78% of total Swedish customer deposits and 80% of total customer lending as of December 31, 2008. Each of these banks offers comprehensive banking services to the entire Swedish corporate client base targeted by the Merchant Banking division. Despite their significant incumbent market shares, the four largest Swedish banks compete keenly both in terms of price as well as service, particularly in respect of the deposit market. This competitive environment is evidenced by the relatively low margins and fees in Sweden for the full range of corporate and retail financial services, in common with other well developed and consolidated European banking markets.

In the Swedish life insurance market, SEB's main competitors are Försäkringsaktiebolaget Skandia and Länsförsäkringar AB.

The three major banks in Sweden that SEB competes with are also key competitors from a Nordic perspective. SEB's main competitor in Finland is Nordea Bank AB, both in the corporate and wealth management segments. Sampo Bank ABP (part of Danske Bank A/S) is also a key competitor in Finland. In Norway, DnB NOR ASA and Fokus Bank ASA (also part of Danske Bank A/S) are the key competitors. SEB's two main competitors in Denmark are Danske Bank and Nordea. In the Danish life insurance market, Forsikringsselskabet Danica (owned by Danske Bank A/S) is the main competitor, and other competitors include Nordea Pension (Nordea Bank AB) and PFA Pension (PFA Holding A/S).

In Germany, SEB's business faces its primary competition from listed banks and the Landesbanken in the corporate banking area, while private banks, cooperative banks and savings banks are its main competitors in the retail banking area, which result in a highly fragmented and competitive market.

In the Baltic countries, SEB's main competitors are Swedbank AB, DnB Nord, Danske banka (previously Sampo banka) and Nordea Bank AB. Due to the more conservative and cautious approach to lending activities in the Baltic region since 2005 and continued lending by competitors at a higher pace, SEB's lending market shares in these countries has decreased during that time, particularly in Latvia and Estonia.

SEB also competes with other large international banks in the wholesale and investment banking area, although, with the acceleration of the global economic downturn in 2008, these institutions have focused less on markets perceived as non-core (such as the Nordic countries).

## Distribution channels

As of December 31, 2008, SEB served approximately 2,500 large corporate and institutional customers, 400,000 SMEs and more than five million private customers through an integrated and diverse distribution network.

As of December 31, 2008, SEB's business divisions delivered financial services via approximately 660 branch offices, including 172 in Sweden, 201 in the Baltic region (61 in Estonia, 62 in Latvia and 77 in Lithuania), 174 in Germany and 111 elsewhere (including Ukraine and Russia). SEB also delivers services through the Internet and personal telephone service.

Outside its core markets, SEB has an international network of seven branches and four representative offices located in Luxembourg, London, New York, Singapore, Paris, Shanghai, Warsaw, Moscow, New Delhi, Beijing and São Paulo, to support and serve mainly its large corporate and institutional customers.

In addition to its own distribution channels, the Life division cooperates with approximately 2,000 insurance brokers and agents in Sweden, Denmark and the Baltic countries. SEB's own sales force includes approximately 150 people in Sweden, approximately 70 people in Denmark and approximately 120 in the Baltic region.

## Employees

As of December 31, 2008, the Group had 20,514 FTEs corresponding to permanent staff and 618 FTEs corresponding to temporary staff, together amounting to 21,131 total FTEs. Average total FTEs in 2008 amounted to 21,291.

The following tables show for the Group and by division the numbers of individuals employed as permanent employees, FTEs corresponding to permanent employees, FTEs corresponding to temporary employees and total FTEs as of December 31, 2008, 2007 and 2006, as well as average FTEs in 2008, 2007 and 2006:

| | at December 31, 2008 | | | |
|---|---|---|---|---|
| Division | FTEs permanent employees | FTEs temporary employees | Total FTEs | Average FTEs |
| Merchant Banking | 2,655 | 43 | 2,698 | 2,721 |
| Retail Banking | 8,604 | 347 | 8,951 | 9,084 |
| Wealth Management | 1,070 | 18 | 1,088 | 1,133 |
| Life | 1,212 | 14 | 1,226 | 1,233 |
| Other[1] | 6,974 | 196 | 7,170 | 7,120 |
| **SEB Group Total** | **20,514** | **618** | **21,131** | **21,291** |

1) "Other" consists of the New Markets business unit and SEB's Group support functions – Group IT, Group Operations and Group Staff.

| | at December 31, 2007[1] | | | |
|---|---|---|---|---|
| Division | FTEs permanent employees | FTEs temporary employees | Total FTEs | Average FTEs |
| Merchant Banking | 2,634 | 38 | 2,672 | 2,566 |
| Retail Banking | 8,477 | 448 | 8,925 | 8,802 |
| Wealth Management | 1,043 | 30 | 1,073 | 1,074 |
| Life | 1,205 | 13 | 1,218 | 1,201 |
| Other[2] | 5,798 | 108 | 5,906 | 5,863 |
| **SEB Group Total** | **19,157** | **637** | **19,794** | **19,506** |

1) Figures have been restated to reflect the 2008 Reorganisation.
2) "Other" consists of the New Markets business unit and SEB's Group support functions – Group IT, Group Operations and Group Staff.

| | at December 31, 2006[1] | | | |
|---|---|---|---|---|
| Division | FTEs permanent employees | FTEs temporary employees | Total FTEs | Average FTEs |
| Merchant Banking | 2,311 | 112 | 2,423 | 2,538 |
| Retail Banking | 10,206 | 445 | 10,651 | 10,664 |
| Wealth Management | 1,290 | 31 | 1,321 | 1,300 |
| Life | 1,207 | 14 | 1,221 | 1,282 |
| Other[2] | 3,958 | 23 | 3,981 | 3,941 |
| **SEB Group Total** | **18,972** | **625** | **19,597** | **19,725** |

1) Figures have been restated to reflect the 2007 Reorganisation, but have not been restated to reflect the 2008 Reorganisation.
2) "Other" consists of the New Markets business unit and SEB's Group support functions – Group IT, Group Operations and Group Staff.

The following tables show for the Group and by geographic location the numbers of individuals employed as permanent employees, FTEs corresponding to permanent employees, FTEs corresponding to temporary employees and total FTEs as of December 31, 2008, 2007 and 2006, as well as average FTEs in 2008, 2007 and 2006:

| | at December 31, 2008 | | | |
|---|---|---|---|---|
| **Geographic location** | **FTEs permanent employees** | **FTEs temporary employees** | **Total FTEs** | **Average FTEs** |
| Sweden | 8,149 | 242 | 8,391 | 8,387 |
| Norway | 530 | 19 | 549 | 549 |
| Finland | 316 | 27 | 343 | 353 |
| Denmark | 707 | 4 | 711 | 737 |
| Baltics (Estonia, Latvia and Lithuania) | 5,225 | 204 | 5,429 | 5,459 |
| Germany | 3,350 | 102 | 3,452 | 3,519 |
| Other Europe | 2,036 | 19 | 2,055 | 2,091 |
| Other world | 200 | 1 | 201 | 196 |
| **SEB Group Total** | **20,514** | **618** | **21,131** | **21,291** |

| | at December 31, 2007 | | | |
|---|---|---|---|---|
| **Geographic location** | **FTEs permanent employees** | **FTEs temporary employees** | **Total FTEs** | **Average FTEs** |
| Sweden | 7,848 | 297 | 8,145 | 8,134 |
| Norway | 524 | 23 | 547 | 552 |
| Finland | 304 | 24 | 328 | 316 |
| Denmark | 741 | 6 | 747 | 753 |
| Baltics (Estonia, Latvia and Lithuania) | 5,219 | 146 | 5,365 | 5,178 |
| Germany | 3,350 | 114 | 3,464 | 3,451 |
| Other Europe | 1,005 | 26 | 1,031 | 962 |
| Other world | 166 | 1 | 167 | 160 |
| **SEB Group Total** | **19,157** | **637** | **19,794** | **19,506** |

| | at December 31, 2006 | | | |
|---|---|---|---|---|
| **Geographic location** | **FTEs permanent employees** | **FTEs temporary employees** | **Total FTEs** | **Average FTEs** |
| Sweden | 8,032 | 290 | 8,322 | 8,574 |
| Norway | 521 | 31 | 552 | 535 |
| Finland | 280 | 22 | 302 | 313 |
| Denmark | 773 | 6 | 779 | 800 |
| Baltics (Estonia, Latvia and Lithuania) | 4,766 | 144 | 4,910 | 4,783 |
| Germany | 3,467 | 103 | 3,570 | 3,551 |
| Other Europe | 981 | 25 | 1,006 | 1,015 |
| Other world | 152 | 4 | 156 | 154 |
| **SEB Group Total** | **18,972** | **625** | **19,597** | **19,725** |

## Other matters

### Properties

SEB's principal executive offices are located in Stockholm, Sweden. It also operates through a number of other offices and branches located throughout the Northern European region and elsewhere internationally. In general, all of SEB's properties are leased.

### Insurance

Management believes that the companies within the Group carry insurance of a type customary for the industries in which they operate and at a level which is adequate.

### Intellectual property

SEB holds various intellectual property rights, including trademarks. SEB believes the trademark "SEB" and variations thereof such as "S/E/B", "SEB BANK" and "THE SEB GROUP" are of material significance to its operations. These trademarks are subject to national trademark registration in a number of countries, including Belgium, The Netherlands, Luxembourg, Denmark, Estonia, Finland, France, Germany, Latvia, Lithuania, Norway, Poland, the Russian Federation, Sweden, Ukraine and the United Kingdom, as well as international registrations under the Madrid Protocol designating, among others, the European Community, Norway, the Russian Federation and Ukraine.

SEB is dependent on IT and other operating systems for its day-to-day operations, and is currently in the process of implementing the One IT Roadmap, a common IT infrastructure and platform for the Group. Such systems have been developed both in-house and by third parties.

### Significant subsidiaries

The Issuer is the parent company of the Group. The Issuer's significant subsidiaries are SEB Trygg Liv Holding AB, SEB Kort AB, SEB AG, AS SEB Pank (Estonia), AS SEB banka (Latvia), AB SEB bankas (Lithuania), which are all wholly owned, except for AS SEB bankas. SEB's subsidiaries as of December 31, 2008 are listed in Note 26 to the 2008 Financial Statements included in this Prospectus. In addition, a portion of SEB's traditional life insurance business is carried out through a non-consolidated entity, Gamla Liv, as described under "Commentary on the financial development—Critical accounting and other policies—Consolidated and unconsolidated accounts".

# Selected financial and other information

## Selected financial information

The following tables include a summary of historical financial and other data for SEB on a consolidated basis as of and for each of the three years ended December 31, 2008, 2007 and 2006. The summary historical financial data is derived from the Issuer's audited consolidated financial statements and accompanying notes prepared in accordance with IFRS and audited by PwC. SEB's 2006 financial statements were restated in 2007 to reflect the business segments implemented as of January 1, 2007, and SEB's 2007 financial statements were restated in 2008 to reflect further reorganisation within its divisions. As a result, unless otherwise stated, financial data for 2006 in this section is not fully comparable to financial data for 2007 and 2008. See "General Information—presentation of financial and other information" for further details and for the definitions of certain terms related to SEB's financial information.

The summary historical financial data presented in the tables below should be read in conjunction with, and is qualified in its entirety by reference to, the Issuer's audited consolidated financial statements and the accompanying notes for the years ended December 31, 2008, 2007 and 2006, which have been included elsewhere in this Prospectus. This information should also be read together with "Commentary on the financial development" and "Selected statistical data".

**Income statement**

| SEK million | 2008 | 2007 | 2006 |
|---|---|---|---|
| Net interest income | 18,710 | 15,998 | 14,281 |
| Net fee and commission income | 15,254 | 17,051 | 16,146 |
| Net financial income | 2,970 | 3,239 | 4,036 |
| Net life insurance income | 2,375 | 2,933 | 2,661 |
| Net other income | 1,831 | 1,219 | 1,623 |
| **Total operating income** | **41,140** | **40,440** | **38,747** |
| Staff costs | –16,241 | –14,921 | –14,363 |
| Other expenses | –7,642 | –6,919 | –6,887 |
| Depreciation, amortisation and impairment of tangible and intangible assets | –1,524 | –1,354 | –1,287 |
| **Total operating expenses** | **–25,407** | **–23,194** | **–22,537** |
| Gains less losses from tangible and intangible assets | 6 | 788 | 70 |
| Net credit losses | –3,268 | –1,016 | –718 |
| **Operating profit** | **12,471** | **17,018** | **15,562** |
| Income tax expense | –2,421 | –3,376 | –2,939 |
| **Net profit from continued operations** | **10,050** | **13,642** | **12,623** |
| Discontinued operations | | | |
| **Net profit** | **10,050** | **13,642** | **12,623** |
| Attributable to minority interests | 9 | 24 | 18 |
| Attributable to equity holders | 10,041 | 13,618 | 12,605 |

**Balance sheet (at period end)**

| SEK million | 2008 | 2007 | 2006 |
|---|---|---|---|
| Cash and cash balances with central banks | 44,852 | 96,871 | 11,314 |
| Loans to credit institutions | 266,363 | 263,012 | 180,478 |
| Loans to the public | 1,296,777 | 1,067,341 | 950,861 |
| Financial assets at fair value | 635,454 | 661,223 | 614,288 |
| Available-for-sale financial assets | 163,115 | 170,137 | 116,630 |
| Held-to-maturity investments | 1,997 | 1,798 | 2,231 |
| Investments in associates | 1,129 | 1,257 | 1,085 |
| Tangible and intangible assets | 29,511 | 24,697 | 22,914 |
| Other assets | 71,504 | 58,126 | 34,640 |
| **Total assets** | **2,510,702** | **2,344,462** | **1,934,441** |
| Deposits by credit institutions | 429,425 | 421,348 | 368,326 |
| Deposits and borrowing from the public | 841,034 | 750,481 | 643,849 |
| Liabilities to policyholders | 211,070 | 225,916 | 203,719 |
| Debt securities | 525,219 | 510,564 | 394,357 |
| Financial liabilities at fair value | 295,533 | 216,390 | 151,032 |
| Other liabilities | 71,565 | 97,519 | 60,150 |
| Provisions | 1,897 | 1,536 | 2,066 |
| Subordinated liabilities | 51,230 | 43,989 | 43,675 |
| Total equity | 83,729 | 76,719 | 67,267 |
| **Total liabilities and equity** | **2,510,702** | **2,344,462** | **1,934,441** |

**Key ratios**

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| Return on equity[1] % | 13.1 | 19.3 | 20.8 |
| Basic earnings per share[2] SEK | 14.66 | 19.97 | 18.72 |
| Cost/income ratio[3] | 0.62 | 0.57 | 0.58 |
| Credit loss level[4] % | 0.30 | 0.11 | 0.08 |
| Level of impaired loans[5] % | 0.35 | 0.18 | 0.22 |
| Total capital ratio (Basel II transitional rules)[6, 7, 8] % (at period end) | 10.62 | 11.04 | 11.47 |
| Total capital ratio (Basel II fully implemented)[6, 7] % (at period end) | 12.81 | 12.62 | – |
| Tier I capital ratio (Basel II transitional rules)[7, 8, 9] % (at period end) | 8.36 | 8.63 | 8.19 |
| Tier I capital ratio (Basel II fully implemented)[7, 9] % (at period end) | 10.08 | 9.87 | – |
| Number of shares outstanding (at period end) (millions) | 685.0 | 683.5 | 678.3 |

1) Net profit attributable to equity holders for the year as a percentage of average shareholders equity, defined as the average of equity at the opening of the year and at the close of March, June, September and December, respectively, adjusted for dividends paid during the year, repurchase of own shares and rights issues.
2) Net profit for the year divided by the average number of shares.
3) Total operating expenses divided by total operating income.
4) Credit losses and value changes in assets taken over, divided by lending to the general public and credit institutions (excluding banks), assets taken over and loan guarantees at the opening of the year.
5) Impaired loans (net) divided by loans to the general public and credit institutions (excluding banks) and equipment leased to clients (net).
6) The total capital of the financial group of undertakings, which includes both Group companies (other than insurance companies within the Group) and non-consolidated associated companies, adjusted according to the capital adequacy rules as a percentage of risk-weighted assets.
7) For a full description of the implementation of Basel II as applied to SEB see "Capital management—New Basel II capital adequacy rules".
8) 2006 figures based on Basel I.
9) The Tier I capital of the financial group of undertakings as a percentage of risk-weighted assets.

## Selected risk exposures

The tables below show the size of certain of SEB's risk exposures as of December 31, 2008, 2007 and 2006.

### Selected disclosure on Group credit portfolio*

| SEK billion (at period end) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Corporates | 782 | 571 | 484 |
| Property Management | 262 | 212 | 192 |
| Households | 486 | 434 | 374 |
| *– of which household mortgages* | 371 | 331 | 270 |
| Public Administration | 119 | 88 | 97 |
| **Total non-banks** | **1,649** | **1,304** | **1,146** |
| Banks | 286 | 248 | 169 |
| **Total** | **1,934** | **1,552** | **1,315** |
| Credit loss level[1] % | 0.30 | 0.11 | 0.08 |
| Level of impaired loans[2] % | 0.35 | 0.18 | 0.22 |

* The 2008, 2007 and 2006 credit portfolio data in the table above is presented on a comparable basis by industry code. The Group credit portfolio is the Group's portfolio of loans (gross before reserves, but excluding repurchase agreements and bonds), contingent liabilities and commitments (such as credit commitments, letters of credit and guarantees) and counterparty risks arising in derivatives and foreign exchange contracts (after netting). The Group's fixed-income portfolio is not included in the credit portfolio. See Note 38 to each of the 2008 Financial Statements and Unrestated 2007 Financial Statements for further details on liabilities and commitments and SEB's consolidated balance sheets as of December 31, 2008 and 2007 for further details on SEB's derivatives.

1) Credit losses and value changes in assets taken over, divided by lending to the general public and credit institutions (excluding banks), assets taken over and loan guarantees at the opening of the year.

2) Impaired loans (net) divided by loans to the general public and credit institutions (excluding banks) and equipment leased to clients (net).

### Selected disclosure on SEB's Baltic credit portfolio*

| SEK billion (at period end) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Corporates | 95 | 83 | 69 |
| Property Management | 32 | 26 | 20 |
| Households | 68 | 55 | 37 |
| *– of which household mortgages* | 55 | 44 | 28 |
| Public Administration | 6 | 3 | 2 |
| **Total non-banks** | **200** | **166** | **128** |
| Banks | 2 | 3 | 3 |
| **Total** | **202** | **169** | **131** |
| Credit loss level[1] % | 1.28 | 0.43 | 0.13 |
| Level of impaired loans[2] % | 1.33 | –0.06 | 0.08 |

* The 2008, 2007 and 2006 credit portfolio data in the table above is presented on a comparable basis by industry code. The Group credit portfolio is the Group's portfolio of loans (gross before reserves, but excluding repurchase agreements and bonds), contingent liabilities and commitments (such as credit commitments, letters of credit and guarantees) and counterparty risks arising in derivatives and foreign exchange contracts (after netting). The Group's fixed-income portfolio is not included in the credit portfolio. See Note 38 to each of the 2008 Financial Statements and Unrestated 2007 Financial Statements for further details on liabilities and commitments and SEB's consolidated balance sheets as of December 31, 2008 and 2007 for further details on SEB's derivatives.

1) Credit losses and value changes in assets taken over, divided by lending to the general public and credit institutions (excluding banks), assets taken over and loan guarantees at the opening of the year.

2) Impaired loans (net) divided by loans to the general public and credit institutions (excluding banks) and equipment leased to clients (net).

**Fixed-Income portfolio***

| SEK billion (at period end) | 2008 | 2007 |
|---|---|---|
| Investment portfolio | 133 | 131 |
| *– of which financial institutions* | 52 | 55 |
| *– of which covered bonds* | 13 | 5 |
| *– of which structured credits* | 68 | 71 |
| *– of which residential mortgage backed securities* | 25 | 25 |
| *– of which asset-backed securities* | 11 | 13 |
| *– of which collateralised loan obligations* | 13 | 11 |
| *– of which collateral mortgage obligations* | 9 | 10 |
| *– of which commercial mortgage backed securities* | 5 | 5 |
| *– of which collateralised debt obligation* | 5 | 5 |
| *– of which sub prime* | 2 | 2 |
| Trading portfolio | 59 | 62 |
| **Merchant Banking fixed-income portfolio** | **192** | **193** |
| Group Treasury fixed-income portfolio | 156 | 119 |
| Other divisions fixed-income portfolio | 7 | 19 |
| **Total SEB fixed-income portfolio** | **355** | **331** |

* The Group's portfolio of fixed-income securities is maintained for investment, treasury and client trading purposes. The fixed-income securities consist mainly of government bonds, covered bonds, bonds issued by financial institutions and asset-backed securities. Most of these positions are within SEB's Merchant Banking division and Group Treasury.

## Capitalisation

The following table sets forth SEB's capitalisation as of December 31, 2008.

| SEK million | As of December 31, 2008 |
|---|---|
| **Indebtedness** | |
| Current financial debt | 444,639 |
| Non current financial debt | 1,697,802 |
| **Total indebtedness[1)]** | **2,142,441** |
| **Shareholders' equity** | |
| Share capital[2)] | 6,872 |
| Other capital contributions[3)] | 31,562 |
| Other equity attributable to the shareholders of SEB | 45,103 |
| Minority interest | 192 |
| **Total equity** | **83,729** |
| **Total capitalisation** | **2,226,170** |

| | |
|---|---|
| **Net indebtedness** | |
| Cash and balances with central banks | 44,852 |
| Cash and cash equivalents[4)] | 130,295 |
| Cash and cash equivalents according to cash flow statement | 158,386 |
| Trading securities | 410,022 |
| **Liquidity** | **743,555** |
| **Current financial receivables** | **640,198** |
| Current bank debt | 143,224 |
| Current portion of non current debt | 265,111 |
| Other current financial debt | 36,304 |
| **Current financial debt** | **444,639** |
| **Net current financial indebtedness** | **–939,114** |
| Non current bank loans | 21,090 |
| Debt securities in issue | 820,752 |
| Other non current loans | 51,230 |
| **Non current financial indebtedness** | **893,072** |
| Deposits from the public, excluding repos | 804,730 |
| **Net financial indebtedness[5)]** | **758,688** |

1) SEB's total indebtedness as of December 31, 2008 of SEK of 2,142 billion included (i) SEK 409 billion of secured indebtedness and (ii) SEK 1,733 billion of unsecured indebtedness.
2) As adjusted for the gross proceeds of the Offering, based on a Subscription Price of SEK 10 per New A Share, which is equal to the quota value per A share, share capital as of December 31, 2008 would have increased to approximately SEK 21,942 million.
3) As adjusted for the transaction-related expenses of the Offering, other capital contributions as of December 31, 2008 would have decreased to approximately SEK 31,092 million.
4) As adjusted for the net proceeds of the Offering, cash and cash equivalents as of December 31, 2008 would have increased to approximately SEK 144,895 million.
5) As of December 31, 2008, no third party has issued any guarantee in respect of SEB's financial debt.

The following table sets forth SEB's regulatory capital base as of December 31, 2008.

### Calculation of capital base

| | Financial group of undertakings* |
|---|---|
| SEK million | As of December 31, 2008 |
| Total equity according to balance sheet[1] | 83,729 |
| Proposed dividend (excluding repurchased shares)[2] | 0 |
| Deductions for investments outside the financial group of undertakings[3] | –76 |
| Other deductions outside the financial group of undertakings[4] | –2,878 |
| **Total equity in the capital adequacy** | **80,775** |
| Tier I capital contribution[5] | 12,371 |
| Adjustment for hedge contracts[6] | –1,395 |
| Net provisioning amount for IRB-reported credit exposures[7] | –1,133 |
| Unrealised value changes on available-for-sale financial assets[8] | 3,062 |
| Goodwill[9] | –7,305 |
| Other intangible assets | –2,090 |
| Deferred tax assets | –1,822 |
| **Tier I Capital** | **82,463** |
| Dated subordinated debts | 21,552 |
| Deductions for remaining maturity | –2,242 |
| Perpetual subordinated debts | 14,421 |
| Net provisioning amount for IRB-reported credit exposures[7] | –1,133 |
| Unrealised gains on available-for-sale financial assets[8] | 1,221 |
| Deduction for investments outside the financial group of undertakings[3] | –76 |
| **Supplementary capital (Tier II)** | **33,743** |
| Deductions for investments in insurance companies[10] | –10,620 |
| Deductions for pension assets in excess of related liabilities[11] | –863 |
| **Capital base** | **104,723** |

* The capital adequacy reporting comprises the financial group of undertakings, which includes both Group companies (other than insurance companies within the Group) and non-consolidated associated companies.
1) Total equity according to balance sheet includes the profit from the year which has been reviewed by the auditors. As adjusted for the net proceeds of the Offering, total equity according to balance sheet as of December 31, 2008 would have increased to SEK 98,329 million.
2) In order to improve SEB's capital position, the Board of Directors proposed that no dividend be paid for 2008.
3) Deductions for investments outside the financial group of undertakings should be made with equal parts from Tier I and Tier II capital. However, investments in insurance companies made before July 20, 2006 can be deducted from the capital base (see note 10 below).
4) The deduction consists of retained earnings in subsidiaries outside the financial group of undertakings.
5) As adjusted for the net proceeds of the Offering, Tier I capital contribution as of December 31, 2008 would have increased to SEK 13,974 million (reflecting the inclusion of SEK 1,603 million from perpetual subordinated debts as a result of the increased share capital level).
6) The adjustment refers to differences in how hedging contracts are taken into account according to the capital adequacy regulation, as compared with the preparation of the balance sheet.
7) If provisions and value adjustments for credit exposures reported according to the IRB approach fall short of expected losses on these exposures, the difference should be deducted in equal parts from Tier I and Tier II capital. A corresponding excess can, up to a certain limit, be added to the supplementary capital. IRB is discussed in further detail under "Capital management—New Basel II capital adequacy rules".
8) For available-for-sale portfolios, value changes on debt instruments are not taken into account for capital adequacy. Any surplus attributable to equity instruments may be included in Tier II capital.
9) Goodwill in this row relates only to consolidation into the financial group of undertakings, rather than the Group.
10) When consolidating the entire Group's balance sheet further goodwill of SEK 5,721million is created, which is included in the insurance investments.
11) Pension surplus values should be deducted from the capital base, excepting such indemnification as prescribed in the Swedish Act on Safeguarding of Pension Undertakings.

As of December 31, 2008, the Issuer's Tier I capital was SEK 66,688 million, compared to SEK 57,075 million at December 31, 2007, and the reported Tier I capital ratio (applying Basel II with transitional rules) was 9.9% at December 31, 2008, compared to 10.2% at December 31, 2007.

The following table sets forth SEB's capital adequacy status as of December 31, 2008 and as adjusted for the amount of the net proceeds of the Offering of SEK 14,600 million.

| Capital adequacy | As of December 31, 2008 | As adjusted for the amount of the net proceeds of the Offering |
|---|---|---|
| Capital resources | | |
| Tier I capital[1] | 82,463 | 98,666[2] |
| Total capital base | 104,723 | 119,323 |
| Legally reported (Basel II transitional rules) | | |
| Total risk-weighted assets[1] | 986,034 | 986,034 |
| Tier I capital ratio[1] % | 8.4 | 10.0 |
| Total capital ratio[1] % | 10.6 | 12.1 |
| Capital adequacy quotient (capital base / capital requirement) | 1.33 | 1.51 |
| Fully implemented Based II (without Basel II transitional rules) | | |
| Total risk-weighted assets[1] | 817,788 | 817,788 |
| Tier I capital ratio[1] % | 10.1 | 12.1 |
| Total capital ratio[1] % | 12.8 | 14.6 |
| Capital adequacy quotient (capital base / capital requirement) | 1.60 | 1.82 |

1) As defined in "Glossary".
2) Reflecting the inclusion of net offering proceeds and increased Tier I capital contribution of SEK 1,603 million from perpetual subordinated debts as a result of the increased share capital level.

# Commentary on the financial development

## Significant factors affecting results of operations and business conditions

SEB's business, results of operations, financial condition and prospects have been affected, and may continue to be affected, by various factors, the most significant of which are described below. The impact of these and other potential factors may vary significantly in the future. Rapidly changing events related to the current global financial crisis mean that past performance is even less of a predictor of future performance than is usually the case. See "General information—Forward looking statements".

### Global financial crisis

The global financial crisis in 2008 has had a significant effect on SEB's results of operations. With the escalation of the credit crunch in global financial markets during and following the third quarter of 2008, SEB, like other banks, has faced significant liquidity constraints due to the limited availability of long-term funding, which made it difficult for SEB to replace maturing long-term debt with funding of similar maturities. As a result, SEB has had to source greater amounts of short-term funding, increasing SEB's liquidity risk. In addition, SEB's funding costs have been adversely affected. Further, the normal functioning of the Swedish and international capital markets has been severely constrained, creating significant market volatility and adversely affecting the fair value of certain assets whose valuation is determined utilising market prices, resulting in fair value accounting losses in SEB's fixed-income securities portfolio. However, the global financial crisis has also led to a gradual withdrawal by several international financial institutions from markets they considered to be non-core, including Sweden and the other Nordic markets, resulting in higher customer demand and decreased pricing pressure for certain of SEB's products and services.

In general, the turmoil in global financial markets caused significant volatility in revenues in 2008. This volatility was reflected during the year by an increase in net interest income, on the one hand, and by decreases in net fee and commission income, net financial income and net life insurance income, on the other, including:

- A 17% increase in net interest income, from SEK 15,998 million in 2007 to SEK 18,710 million in 2008, due mainly to higher loan volumes, higher deposit volumes (which served as a low-cost source of funding for increased lending) and increased deposit margins.
- An 11% decrease in net fee and commission income, from SEK 17,051 million in 2007 to SEK 15,254 million in 2008, due principally to falling values on equities resulting in lower performance fees, lower securities commissions from brokerage services and lower advisory fees from mergers and acquisitions business, partially offset by more stable fees from cash management, custody and payments.
- An 8% decrease in net financial income, from SEK 3,239 million in 2007 to SEK 2,970 million in 2008, due mainly to lower income from certain capital markets-related debt instruments, including losses of SEK 540 million in 2008 related to the Lehman Brothers bankruptcy (consisting of SEK 474 million of impairment losses and SEK 66 million of losses from closing foreign exchange positions and other derivatives), as well as other valuation losses on debt instruments and related derivatives. The decline in SEB's net financial income during 2008 was partially offset by a strong recovery of net financial income during the fourth quarter of 2008, attributable principally to net financial income from SEB's foreign exchange business. This foreign exchange income increased by 43% to SEK 3,086 million during the year due to higher customer activity.
- A 19% decrease in net life insurance income from SEK 2,933 million in 2007 to SEK 2,375 million, due principally to decreased fees from unit-linked insurance business as a result of declines in asset valuations following the stock market downturn and lower interest rates, and to market value-related provisions made in respect of guarantees by the Group in favour of policyholders for traditional life insurance products written by Nya Försäkringsaktiebolaget SEB Trygg Liv ("**Nya Liv**"), as described more fully under "—Life insurance developments" below.

### Macroeconomic environment

The macroeconomic environment is the major driver of the Group's earnings. In particular, it affects the demand for banking services and pricing, as well as asset quality; it therefore also affects the credit and other risk that SEB undertakes in the normal course of its business. The global economy deteriorated in 2008, and economic growth is expected to be substantially lower in the coming years in SEB's key markets. To date, the Nordic economies have been relatively less affected than the economies of certain other European countries and the United States. Industry-wide credit losses in the Nordic markets remain at comparatively low levels, but weakening economic conditions are having an increasing impact on the Nordic region and on the financial condition of corporate and retail banking customers in these countries.

In 2007 and 2008, 23% and 11%, respectively, of SEB's operating profit was generated from its activities in the Baltic countries. A sharp reduction of economic growth and continued economic imbalances in these countries, together with higher past due payments on loans during 2008, reflected, or gave rise to, increasing asset quality problems in that region. In Lithuania, the economic downturn started later than in the other Baltic countries, but accelerated towards the end of 2008, leading to substantial increases in SEB's provisions for credit losses. The slowdown in the Baltic countries has been driven by a decrease in private consumption and investment spending in each of Estonia, Latvia and Lithuania, with real estate prices having declined materially during 2008.

Beginning in 2005, following signs of overheating of the Baltic economies, SEB implemented a more cautious approach in its lending activities in the region, which has resulted in a reduction in market share in SEB's lending business in these countries. Further, during 2008, SEB significantly increased provisions for credit losses in relation to the Baltic countries. See "—Critical accounting and other policies—Impairment testing—Financial assets" for more information regarding SEB's provisioning policies.

For further details of the general macroeconomic situation in SEB's geographic regions, see "Risk factors–Worsening economic conditions in the countries where SEB operates have adversely impacted SEB and are likely to continue to do so".

These factors have resulted in significant increases in the credit losses in relation to SEB's loan portfolio, in the Baltic countries in particular. In addition, general credit spread widening across asset classes, starting in mid-2007, accelerated in the third quarter of 2008, resulting in mark-to-market losses on SEB's fixed-income portfolios affecting both results of operations and equity. For further details see "—Net credit losses" and "—Reclassification of fixed-income securities" below.

### *Currency exchange rates*

SEB's results in 2008 were significantly impacted by the depreciation in the SEK, the functional currency for preparation of SEB's financial statements. A substantial portion of loans made by SEB are denominated in currencies other than the SEK. For instance, most of the loans made by SEB in Germany are denominated in EUR and in the Baltic countries in EUR and local currencies. The SEK had depreciated by 14% against the EUR and by 17% against the U.S. dollar at the end of 2008 compared to the end of 2007. This depreciation accelerated towards the end of the year and has continued in 2009 due to slowed economic development and further interest rate cuts in Sweden. The depreciation of the SEK during 2008 resulted in an increase in SEB's reported volumes of loans to the public by SEK 78 billion, leading to an increase in risk-weighted assets ("**RWAs**") and a negative impact on capital ratios. SEB's credit exposure in the Baltic countries increased during 2008 due to both the weakening of the SEK and lending volume growth in Latvia and Lithuania, although SEB's lending market shares in these countries fell. Due to the foreign exchange effect on deposits from the public in 2008, reported levels of deposits increased by SEK 64 billion, increasing SEB's reported net interest income during the year. For the year ended December 31, 2008, SEB's total reported operating income increased by SEK 509 million, and its reported total operating profit increased by SEK 150 million, due to the weakened SEK.

### *Interest rates*

As asset erosion and financial turbulence during the autumn of 2008 began to jeopardise financial stability and economic growth, central banks globally (including the European Central Bank and the Swedish Riksbank) cut key interest rates significantly. Interest rates in Sweden have fallen from a high of 4.75% in the last quarter of 2008 to 1% as of February 18, 2009, and further cuts may be made going forward.

Fluctuations in short-term and medium- to long-term interest rates impact SEB's net interest income differently based upon the repricing profile of the Group's interest-earning assets and interest-bearing liabilities, which is set forth in Note 43 to the 2008 Financial Statements. SEB's repricing profile depends upon the pricing terms applicable to its products (including base interest rates and yield curves), the mix of funding and lending instruments in SEB's portfolio and the extent of SEB's use of interest rate-related derivative contracts. As a general matter, declining short-term interest rates may negatively impact the profitability of deposit products, particularly fixed-rate products and current accounts, due mainly to reduced spreads between deposit and lending margins. SEB's repricing profile, however, is often characterised by a higher level of short-term liabilities than short-term assets, particularly with respect to its traded assets and related liabilities. As a result, in an environment of declining short-term interest rates SEB generally benefits from the repricing of more of its interest-bearing liabilities than of its interest-earning assets. Furthermore, decreased short-term interest rates generally positively impact the Card business area, where lower interest rates have resulted in lower funding costs on outstanding credit volumes.

### Net credit losses

SEB is exposed to credit losses in connection with its loan portfolios. Those losses have increased with the deteriorating economic conditions in 2008. The uncertainty as to the magnitude and impact of the economic downturn, and the timing of any potential recovery, make it difficult to estimate the size of the probable increases in SEB's future credit losses. In accordance with IFRS, SEB has instituted both collective and specific provisioning in relation to its credit exposures. See "—Critical accounting and other policies—Impairment testing" and "Risk Management—Credit risk—Impaired loans" for more information regarding SEB's provisioning policies.

Total net credit losses for the Group (including change in value of seized assets) increased by SEK 2,252 million over 2007 to SEK 3,268 million in 2008, of which SEK 1,775 million were net credit losses in the Baltic countries. SEB's net provisions (representing the build up of reserves) in 2008 amounted to SEK 2,741 million (compared to SEK 630 million in 2007), of which SEK 1,734 million constituted net provisions in respect of net credit losses in the Baltic countries. In 2008, approximately 50% of SEB's provisions in the Baltic countries related to collective provisioning. Impaired loans and watch list loan volumes increased in the Baltic countries during 2008, with accelerating increases in the third and fourth quarters of 2008. See "—Results of operations for the year ended December 31, 2008 compared to the year ended December 31, 2007—Consolidated results—Net credit losses including changes in value of seized assets" and "—Results of operations for the year ended December 31, 2008 compared to the year ended December 31, 2007—Division results—Retail Banking—Retail Estonia, Retail Latvia and Retail Lithuania".

Outside the Baltic countries, the increase in SEB's net credit loss provisions in 2008 was mainly due to provisions in SEB's Card business totalling SEK 401 million, due in part to an increased number of fraud incidents, and in its Merchant Banking division totalling SEK 904 million, which included credit losses of SEK 137 million related to SEB's exposure to Lehman Brothers (which losses were in addition to losses totalling SEK 540 million in respect of SEB's exposure to Lehman Brothers that were recorded in SEB's net financial income in 2008).

### Reclassification of fixed-income securities

SEB maintains a portfolio of fixed-income securities for the purposes of investment, client trading and Group Treasury transactions. The securities in this portfolio may be classified as assets held-for-trading (changes in the value of which are recorded at fair value in SEB's income statement); assets available-for-sale (changes in the value of which are recorded at fair value in SEB's statement of changes in equity, unless such assets are impaired, in which case they are recorded at fair value in SEB's income statement); or loans and receivables (which are recorded at amortised cost in SEB's balance sheet using the effective interest method, unless such assets are impaired, in which case any impairment is recorded in SEB's income statement).

In 2007 and 2008, SEB took action to divest portions of its portfolio of held-for-trading assets and to acquire similar assets classified in the available-for-sale portfolio.

In October 2008, the IASB adopted, and the European Union endorsed, amendments to the accounting standards IAS 39 and IFRS 7 with respect to the classification of financial instruments. Following this amendment, on October 31, 2008, SEB reclassified to loans and receivables approximately SEK 95 billion of its fixed-income securities portfolio, a significant portion of which was drawn from the Merchant Banking division's investment portfolio, with effect from July 1, 2008. The reclassification included SEK 12 billion of assets held-for-trading and SEK 83 billion of assets available-for-sale, based on valuations as of July 1, 2008. SEK 49 billion of such assets related to structured credits, while SEK 40 billion related to securities issued by financial institutions and SEK 6 billion related to covered bonds and other securities. As of December 31, 2008, the reclassified securities, excluding accrued coupon interest, were carried at an amortised cost of SEK 107 billion, up from a carrying amount of SEK 95 billion as of July 1, 2008, due principally to currency effects. If such securities had not been reclassified, the carrying amount (at fair value), excluding accrued coupon interest, would have been SEK 100 billion.

As of December 31, 2008, SEB's total fixed-income securities portfolio was valued at SEK 355 billion, which included the Merchant Banking investment portfolio valued at SEK 133 billion. At that date, the Merchant Banking investment portfolio consisted of SEK 101 billion in securities classified as loans and receivables (all of which were securities reclassified as such beginning July 1, 2008), SEK 24 billion classified as available-for-sale and SEK 8 billion classified as held-for-trading. During 2008, valuation losses in the Merchant Banking investment portfolio (which were largely incurred prior to the July 1, 2008 reclassification effective date) amounted to SEK 3,976 million (compared to SEK 2,467 million in 2007), of which SEK 1,069 million (compared to SEK 1,769 million in 2007) were recognised in the Group's consolidated income statement and SEK 2,907 million (compared to SEK 698 million in 2007) were recognised in the Group's revaluation reserve in equity. If SEB had not reclassified financial assets during 2008, additional fair value losses amounting to SEK 1,623 million (attributable entirely to the Merchant Banking investment portfolio) would have been recognised in the Group's consolidated income statement, of which SEK 460 million would have arisen in the third quarter and SEK 1,163 million would have arisen in the fourth quarter of 2008. Absent such reclassification, an additional SEK 5,252 million of fair value losses (also attributable entirely to the Merchant Banking investment portfolio) would have been recognised in the Group's revaluation reserve in equity, of which SEK 1,499 million would have arisen in the third quarter and SEK 3,753 million would have arisen in the fourth quarter of 2008. Since the October 31, 2008 reclassification described above, SEB has not recognised any impairment losses on the portfolio reclassified to loans and receivables. The valuation losses in the Merchant Banking investment portfolio constitute substantially all of the net valuation losses in the total fixed-income securities portfolio recorded in 2008.

SEB decided to reclassify an additional SEK 52 billion of its fixed-income securities as loans and receivables as of January 1, 2009. This reclassification included SEK 3 billion of assets from the held-for-trading category and SEK 49 billion of assets from the available-for-sale category.

SEB believes that the above-described reclassifications of its fixed-income securities portfolio reflect its long-term investment view of those assets and that such reclassifications better reflect the purpose of these holdings. SEB also believes that the reclassified assets are of high quality and performing in terms of payment of principal and interest and expects that, in the future, these reclassifications will reduce the effect on its financial statements of the fair value-generated volatility in its fixed-income portfolio.

### Funding

SEB's main funding sources consist of deposits from the public and credit institutions and issuance of covered bonds, unsecured senior debt and commercial papers/certificates of deposits. SEB has a well-diversified investor base. See "—Liquidity and capital resources—Sources of funding" for further details.

Following the bankruptcy of Lehman Brothers in the fall of 2008, the ability of SEB, like other banks, to access a number of sources of liquidity (for example, through the issue and sale of unsecured debt and covered bonds, commercial paper and certificates of deposit) has been constrained. This constraint has been particularly acute with respect to longer-term funding sources, limiting SEB's ability to replace maturing long-term debt with funding having similar maturities. As a result, SEB has had to source greater amounts of shorter-term funding, including funding with terms of one to three months, and overnight funding, with a consequent reduction in overall liquidity. As part of its liquidity management policy, SEB sets specific durational matched funding targets. SEB's matched funding is based on matched funding of loan liabilities with assets having matching maturities and assuming no access to capital markets, no refinancing of debt to credit institutions, issued bonds or subordinated capital, and moderate reduction of business activities. As a result of the financial crisis and market volatility that accelerated starting in the third quarter of 2008 and SEB's greater reliance on shorter-term funding, SEB has reduced the duration of its matched funding targets substantially. The Riksbank, the Swedish National Debt Office and other European central banks, responding to the worsening conditions in the financial markets, have opened additional loan facilities for banks. SEB has selectively utilised loan facilities made available by the Swedish, Danish and Norwegian central banks and the European Central Bank as additional sources of funding.

For more information related to funding, see "—Liquidity and capital resources".

### Costs

Due to the nature of SEB's customer and income mix, including a high proportion of income represented by advisory and fee-based income, SEB generally has a higher cost base than larger retail institutions and other financial institutions that have less of a focus on this segment of the financial industry.

In 2008, SEB's total operating expenses grew by 10% over 2007 to SEK 25,407 million due to several factors, including a 9% increase in staff costs due to customary salary adjustments, currency effects following the weakening of the SEK, particularly against the EUR, Baltic currencies and the U.S. dollar, and a rise in staff levels following the acquisitions of GMAC Commercial Finance, Key Asset Management and Factorial Bank. Other factors contributing to the increase included business growth, increased redundancy costs in the amount of SEK 0.8 billion in connection with ongoing and announced redundancy programmes and an increase in pension costs of SEK 0.4 billion as a result of falling returns on plan assets and changed actuarial assumptions regarding longevity. Increased expenses of SEK 318 million incurred in 2008 to implement SEB's One IT Roadmap also contributed to 2008 cost increases. SEB expects to continue to invest in One IT Roadmap over the next several years. Although SEB's cost-income ratio rose from 0.57 in 2007 to 0.62 in 2008 due to the factors described above, one of SEB's long-term goals is to improve its cost management, and in furtherance of that goal it has, among other things, implemented a comprehensive cost management programme under which it has realised gross cost savings of just over SEK 1 billion in 2007 and 2008 out of a total target of SEK 1.5 billion to SEK 2 billion by the end of 2009.

### Divestitures and acquisitions

SEB's net other income increased by 50% over 2007 to SEK 1,831 million in 2008, principally as a result of the divestitures of NCSD Holding AB ("**NCSD Holding**") (parent company to Euroclear Sweden, which was formerly known as VPC AB), in which SEB held a 24.8% interest, and Pankade Kaardikesku ("**PKK**"), the national processor of card transactions in Estonia, in which SEB held a 41.5% interest. The non-recurring gains recorded by SEB on account of these sales amounted to SEK 780 million and SEK 59 million, respectively.

SEB's results of operations and financial condition have also been affected by its business acquisitions. During 2008, SEB acquired GMAC Commercial Finance Sp. z o.o., a factoring company in Poland, and KAM Group Limited (also known as Key Asset Management), a leading European manager of hedge funds, with SEK 17 billion of assets under management. The two acquisitions together represented a purchase price of SEK 990 million. In 2007, SEB acquired 97.3% of Factorial Bank in Ukraine for a purchase price of SEK 759 million. These acquisitions have had the impact of increasing SEB's income, costs, lending and assets under management due to the consolidation of the new entities into the Group accounts.

SEB's management carries out regular reviews of its businesses and in this context remains flexible and opportunistic about its mix of businesses and potential for divestiture or acquisition of parts of its business. As part of its response to the current international economic downturn, SEB has sharpened its focus on capital efficiency through ongoing assessment of all business areas. As part of this assessment, SEB is continuously exploring a range of strategic and tactical options for its various businesses, which may include potential dispositions, joint ventures, acquisitions or other arrangements, certain of which could be material to the Group. SEB is not currently in negotiations with respect to any material measures, but may proceed with such measures in the future if determined by it to be beneficial, whether in response to changed circumstances or otherwise. Any such divestitures and acquisitions would impact SEB's results of operations and financial condition.

### Life insurance developments

SEB's Life division offers both unit-linked and traditional insurance, although its sales focus is on unit-linked insurance, which represented 75% of the division's total sales in 2008.

Income from SEB's unit-linked life insurance business is determined by reference to the value of assets under management for the benefit of policyholders. During 2008, unit-linked funds held for the benefit of policyholders decreased in value by 15% from SEK 135 billion at year-end 2007 to SEK 114 billion at year-end 2008. This declining market trend had a negative effect on life insurance income during 2008.

SEB's traditional business is mainly written in Denmark and Sweden, with the Danish business representing close to 90% of the total. SEB bears the ultimate risk if investment returns over time are not sufficient to service the guarantees given to policyholders. In the Danish business, buffer funds built up by the policyholders absorb short-term fluctuations in investment returns and interest rates and the bonus allocated to policyholders year by year can also be reduced during a single year to further build up buffer capital. In Sweden, the excess capital in the traditional life insurance portfolios (which were in aggregate valued at SEK 8.1 billion as of December 31, 2008) originally written by Nya Liv and subsequently transferred to Fondförsäkringsaktiebolaget SEB Trygg Liv has been consumed. Policyholders are contractually entitled to a guaranteed rate of return on their policies from Fondförsäkringsaktiebolaget SEB Trygg Liv. For such policies currently outstanding, the guaranteed rate of return is on average 3.1%. Actual returns on these policies during 2008 averaged 4.8%, but due to the falling long-term interest rates, the mark-to-market value of insurance-related liabilities increased more than the value of the corresponding assets, and in 2008 SEB was required to make provisions to cover potential future losses in the amount of SEK 353 million, which accounted for 63% of the decline in SEB's net life insurance income for 2008. The provisions made are mainly market value-related and would reverse if future investment returns are adequate to meet guaranteed return levels over time. From May 2008 to August 2008, policyholders were offered the opportunity to convert their traditional life insurance policies transferred from Nya Liv to Fondförsäkringsaktiebolaget SEB Trygg Liv into unit-linked life insurance policies issued by Fondförsäkringsaktiebolaget SEB Trygg Liv that, subject to certain conditions, would no longer be entitled to a guaranteed rate of return. The transferred amount totalled SEK 1.2 billion, representing 15% of the total portfolio. For more information about these two entities, see "—Critical accounting and other policies—Consolidated and unconsolidated accounts."

## Critical accounting and other policies

SEB's accounting policies are integral to understanding the financial condition and results of operations presented in the consolidated financial statements and the notes thereto. SEB's significant accounting policies in 2008 are described in Note 1 to the 2008 Financial Statements. The preparation of financial statements requires SEB's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of income and expenses, during the reported period. On an on-going basis, SEB's management evaluates its estimates and judgments, including those related to fair value of financial instruments, allowance for impairment of loans and receivables and impairment of intangible assets.

SEB believes that the following accounting policies require it to make the most significant estimates and judgments. SEB bases its estimates and judgments on historical experience and on various other factors that it believes to be reasonable under the circumstances. Actual results may differ from estimates under different assumptions and conditions.

For discussion of additional critical accounting policies, see Note 1 to each of the 2008 Financial Statements and the Unrestated 2007 Financial Statements.

### Fair value measurement

SEB's fair value measurement of financial instruments is based on two valuation methodologies:

(1) Quoted market prices: For financial instruments traded in active markets, values are based on quoted market prices or dealer price quotations.

(2) Valuation techniques with market observable input: In the absence of quoted prices, generally accepted and well-established valuation techniques based on maximum use of observable market information are used to estimate fair values. Such techniques include discounted cash flows, third-party indicative quotes, benchmarking to instruments with similar characteristics and option pricing models. SEB's valuation techniques are subject to regular reviews by the Group's risk control organisation for reliability.

- Fixed-income securities portfolios: As a consequence of increased credit spreads in the fixed-income securities portfolio and the subsequent decrease in market activity, the Group has identified additional external sources for market quotes and continues to determine the fair value of the portfolio using market observable input. To a limited extent, reference instruments with substantially the same underlying risk and structure are used to estimate fair value. The valuation technique together with the judgment involved in evaluating and reviewing third-party quotes and establishing reference instruments are developed with the aim that the fair values recognised on the balance sheet and the changes in fair values recorded in the income statement and in equity reflect the underlying economics. Credit spread risk is the risk that the credit spread premium embedded in the price of a security will change and impact the price of the instrument independently of changes in the so-called "risk free" interest rate. These valuation techniques are also used to value SEB's other assets classified as held-for-trading and available-for-sale.

  As of December 31, 2008, the portion of SEB's fixed-income securities portfolio classified as held-for-trading and available-for-sale had an inherent credit spread sensitivity such that a change of one basis point (0.01%) would affect the Group's consolidated income statement by SEK 2.6 million and the Group's revaluation reserve in equity by SEK 9.8 million. Furthermore, as of December 31, 2008, the fixed-income securities classified as loans and receivables, all of which were reclassified from held-for-trading and available-for-sale during 2008, had an inherent credit spread sensitivity such that a change of one basis point (0.01%) would change the fair value of such securities by SEK 26.0 million, if such securities were still carried at fair value.

- Derivatives: SEB uses recognised valuation techniques demonstrated to provide reliable fair values of financial derivative instruments, such as forwards, options and swaps, with use of market observable inputs.

As of December 31, 2008, the Group had no assets or liabilities where it applies a valuation technique that does not incorporate market input.

### Impairment testing

#### *Financial assets*

Testing financial assets individually for impairment requires judgement to establish the counterparty's repayment capacity and the realisable value of any collateral. SEB believes that 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 generate reliable estimates in the current market situation also requires a high degree of expert judgement using a number of assessments and assumptions. These assessments and assumptions are regularly reviewed by SEB's credit organisation.

#### *Goodwill*

An impairment loss to goodwill is recognised in SEB's consolidated income statement 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. The recoverable amount of goodwill is determined if there is an indication of a reduction in the value of the goodwill. Impairment losses attributable to goodwill are not reversed, regardless of whether the cause of the impairment has ceased to exist.

### Reclassification

Since October 2008, IFRS permits non-derivative financial assets classified as held-for-trading but no longer held for the purpose of sale or repurchase in the near term and financial assets classified as available-for-sale to be reclassified to other categories (such as loans and receivables) if certain conditions are met, including if SEB has the intention and ability to hold the assets for the foreseeable future or until maturity. The reclassified assets are required to meet the definition of the category to which they are reclassified at the reclassification date.

SEB makes reclassifications at fair value as of a reclassification date. The fair value at that date becomes the new amortised cost of the reclassified asset. 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 reflected in the Group's income statement.

See the description above under "—Significant factors affecting results of operations and business conditions—Reclassification of fixed-income securities" and "—Fair value measurement" for further details.

### Fair value determination of own debt securities

The Group issues equity index-linked bonds, which contain both a liability component and an equity component. The Group has decided to account for issued equity index-linked bonds with fair values amounting to SEK 28,527 million as of December 31, 2008 (compared to SEK 26,512 million as of December 31, 2007) at fair value through its income statement, because they contain embedded derivatives. This treatment means that the entire hybrid contract is measured at fair value and that changes in such fair value are recorded in the income statement. Fair value of these financial instruments is calculated using a valuation technique based exclusively on quoted market prices. Fair value of these financial liabilities has not been adjusted to reflect changes in the Group's own credit risk because SEB has determined that the Issuer's credit ratings are stable for this purpose. The Group's contractual liability in respect of these securities was SEK 29,261 million as of December 31, 2008 (compared to SEK 24,863 million as of December 31, 2007).

### Consolidated and unconsolidated accounts

### Gamla Liv

SEB's Life division offers both unit-linked and traditional insurance. One of the entities within the traditional life insurance operations of the Group, Gamla Liv, is a stock corporation operated according to mutual life insurance company principles and in which SEB owns a 99.6% share. SEB does not, however, exercise control over Gamla Liv as a result of a "golden share" held by Trygg-Stiftelsen, a foundation formed to represent the interests of policyholders. As a result, Gamla Liv is not consolidated in SEB Trygg Liv's or the Group's accounts, as the judgement of the

Group is that it does not have control of the entity. The Group determines control based on 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, as in the case of Gamla Liv, also cannot pay dividends, supporting the Group's determination that it does not control Gamla Liv. Further, Gamla Liv has policies specifying the composition of the board, which implies that the Group is not able to govern the financial and operating policies of the entity. Gamla Liv is closed for new business. Neither insurance premiums received by nor assets or liabilities of Gamla Liv are consolidated in SEB's accounts and SEB does not have any financial obligation and has not made any guarantees to Gamla Liv or its policyholders.

### Nya Liv Portfolio

Prior to October 2007, a portion of SEB's traditional life insurance business was run by Nya Liv and was not consolidated into Fondförsäkringsaktiebolaget SEB Trygg Liv or Group accounts. In October 2007, however, the Nya Liv insurance portfolio was merged into Fondförsäkringsaktiebolaget SEB Trygg Liv, and has, since that time, been consolidated into Fondförsäkringsaktiebolaget SEB Trygg Liv's and the Group's accounts. Following the merger, the Nya Liv portfolio of policies and its assets and liabilities are kept segregated within SEB's accounts, including as to the distribution of profits, which are fully allocated to policyholders. However, SEB bears the risk if investment returns are not adequate to service the contractual guaranteed rate of return on these policies. Any provisions made by SEB in respect of such guarantees would be recoverable to SEB if the investment return over time is sufficient to cover the guarantees to policyholders. See "—Significant factors affecting results of operations and business conditions—Life insurance developments".

### Unit-Linked Insurance

In its unit-linked life insurance business, SEB does not consolidate the assets of the funds in respect of which it is an investment manager for policyholders. Investors in such policies choose to invest in a variety of funds, and SEB invests in the funds chosen by the policyholders. Consequently, the policyholders are entitled to all of the returns generated by the funds. Due to the legislation regarding fund operations, SEB believes that it does not have the power to govern the financial and operating policies of such investment funds to obtain benefits for itself, irrespective of whether the assets held on behalf of SEB's customers are greater or less than 50% of a fund. In each case, it is the policyholders, and not SEB, who carry the investment risk. SEB charges fees, on market terms, for managing the funds. For these reasons, SEB has concluded that the funds that it manages on behalf of unit-linked life insurance policyholders should not be consolidated within the Group accounts. However, the units that the Group holds in such funds on behalf of its policyholders are reported on the Group's balance sheet.

### Surplus Values

Surplus values are the net present values of future profits from written insurance policies. They are calculated as an additional measure of the profitability of a life insurance business since an insurance policy often has a long duration, while income accrues regularly throughout the duration of the policy. Costs, on the other hand, mainly arise at the time of sale, which leads to an imbalance between income and costs at the time when a policy is issued. SEB's reporting of surplus value is according to international practice and is reviewed by an external actuary on an annual basis. Neither the net change in surplus value from operations nor the total accumulated surplus value is consolidated in the Group's financial statements.

## Results of operations for the year ended December 31, 2008 compared to the year ended December 31, 2007

### Consolidated results

The table below summarises the Group's income statement for the years ended December 31, 2008 and December 31, 2007:

| SEK million | 2008 | 2007 |
|---|---|---|
| Net interest income | 18,710 | 15,998 |
| Net fee and commission income | 15,254 | 17,051 |
| Net financial income | 2,970 | 3,239 |
| Net life insurance income | 2,375 | 2,933 |
| Net other income | 1,831 | 1,219 |
| **Total operating income** | **41,140** | **40,440** |
| Staff costs | –16,241 | –14,921 |
| Other expenses | –7,642 | –6,919 |
| Depreciation of assets | –1,524 | –1,354 |
| **Total operating expenses** | **–25,407** | **–23,194** |
| Gains less losses from tangible and intangible assets | 6 | 788 |
| Net credit losses including change in value of seized assets | –3,268 | –1,016 |
| **Operating profit** | **12,471** | **17,018** |
| Income tax expense | –2,421 | –3,376 |
| **Net profit** | **10,050** | **13,642** |
| Attributable to minority interests | 9 | 24 |
| Attributable to equity holders | 10,041 | 13,618 |

#### *Total operating income*

SEB's total operating income increased by SEK 700 million, or 2%, to SEK 41,140 million in 2008 compared to SEK 40,440 million in 2007. The effect of a weaker SEK added SEK 509 million to SEB's reported total operating income in 2008. Excluding such currency effects, operating income was essentially flat. Further, excluding the effects of the reclassification as of July 1, 2008 of SEK 95 billion of SEB's fixed-income securities portfolio from assets held-for-trading and assets available-for-sale to loans and receivables, total operating income would have been reduced to SEK 39,517 million in 2008.

SEB's operating income is comprised of net interest income, net fee and commission income, net financial income, net life insurance income and net other income, each discussed below.

*Net interest income*

The following table shows the components of the Group's net interest income for the years ended December 31, 2008 and December 31, 2007:

| SEK million | 2008 | 2007 |
|---|---|---|
| Loans to credit institutions | 11,873 | 10,865 |
| Loans to the public | 64,612 | 53,770 |
| Interest-bearing securities[1] | 18,706 | 18,127 |
| Other interest income | 2,090 | 3,273 |
| **Interest income[2][3]** | **97,281** | **86,035** |
| | | |
| Deposits by credit institutions | –19,485 | –17,287 |
| Deposits and borrowing from the public | –31,292 | –26,760 |
| Interest-bearing securities | –21,593 | –20,668 |
| Subordinated liabilities | –2,336 | –2,075 |
| Other interest costs | –3,865 | –3,247 |
| **Interest expense** | **–78,571** | **–70,037** |
| | | |
| **Net interest income** | **18,710** | **15,998** |
| 1) Of which, measured at fair value: | 18,706 | 18,007 |
| 2) Including interest on impaired loans: | 101 | 107 |

3) Fixed-income securities reclassified as of July 1, 2008 contributed interest earned before July 1, 2008 to "interest-bearing securities" and interest earned on July 1, 2008 and thereafter to "loans to credit institutions" and "loans to the public".

Net interest income during 2008 improved mainly due to:

- Higher loan volumes, combined with higher deposit volumes (which served as a low-cost source of funding for increased lending), accounted for SEK 1,699 million, or 60%, of the increase in net interest income. During the year, daily average deposit volumes grew by 9% and daily average lending volumes to the public grew by 11% compared with 2007. Most lending and deposit growth, excluding currency translational effects, arose from SEB's Swedish corporate and mortgage businesses as a result of high customer activity and a gradual withdrawal during 2008 by several international financial institutions from SEB's core markets.
- Higher margins during the year also contributed to net interest income growth. The net effect on net interest income from lending and deposit margins was an increase of SEK 217 million in 2008. However, the significant decline in interest rates during the last quarter of 2008 negatively impacted deposit margins.
- Depreciation of the SEK contributed SEK 316 million to the increase in the Group's reported net interest income in 2008.

*Net fee and commission income*

The following table shows the components of the Group's net fee and commission income for the years ended December 31, 2008 and December 31, 2007:

| SEK million | 2008 | 2007 |
|---|---|---|
| Issue of securities | 172 | 335 |
| Secondary market | 2,769 | 3,751 |
| Custody and mutual funds | 7,022 | 7,165 |
| **Securities commissions** | **9,963** | **11,251** |
| Payments | 1,844 | 1,808 |
| Card fees | 4,300 | 4,093 |
| **Payment commissions** | **6,144** | **5,901** |
| Lending | 1,004 | 1,055 |
| Deposits | 98 | 89 |
| Advisory | 1,118 | 1,473 |
| Guarantees | 301 | 264 |
| Derivatives | 601 | 363 |
| Other | 648 | 1,004 |
| **Other commissions** | **3,770** | **4,248** |
| **Total fee and commission income** | **19,877** | **21,400** |
| Securities commissions | –970 | –902 |
| Payment commissions | –2,450 | –2,373 |
| Other commissions | –1,203 | –1,074 |
| **Fee and commission expense** | **–4,623** | **–4,349** |
| **Net fee and commission income** | **15,254** | **17,051** |

SEB's net fee and commission income decreased during 2008 compared to 2007, due mainly to declining net fee and commission income from advisory services and securities transactions within both its retail and its institutional business. Payment commissions increased due primarily to higher volumes in payment-related services such as cash management and cards. Performance fees related to the asset management business increased to SEK 655 million in 2008 compared to SEK 555 million in 2007, due primarily to the strong performance of certain SEB-managed funds. Depreciation of the SEK contributed SEK 179 million to the Group's reported net fee and commission income in 2008.

*Net financial income*

The following table shows the components of the Group's net financial income for the years ended December 31, 2008 and December 31, 2007:

| SEK million | 2008 | 2007 |
|---|---|---|
| Equity instruments and related derivates | 1,483 | 569 |
| Debt instruments and related derivatives | –936 | –100 |
| Currency related | 3,106 | 2,787 |
| Other financial instruments | 12 | |
| **Gains (losses) on financial assets and liabilities held-for-trading, net** | **3,665** | **3,256** |
| Equity instruments and related derivates | –68 | –49 |
| Debt instruments and related derivatives | –123 | –1 |
| Currency related | –30 | 33 |
| **Gains (losses) on financial assets and liabilities designated at fair value, net** | **–221** | **–17** |
| **Impairments on available-for-sale financial assets** | **–474** | **–** |
| **Net financial income[1)]** | **2,970** | **3,239** |

1) Includes ineffectiveness for net investment hedges of equity in foreign operations of SEK -85 million.
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.

SEB's net financial income decreased in 2008 compared to 2007, due in part to lower income from capital market-related debt instruments and a SEK 540 million loss in connection with the bankruptcy of Lehman Brothers, as well as other valuation losses on debt instruments and related derivatives.

These losses were partially offset by an increase of SEK 926 million, or 43%, to SEK 3,086 million in income from SEB's foreign exchange business, as well as by decreased valuation losses totalling SEK 1,069 million in 2008 (compared to valuation losses of SEK 1,769 million in 2007) in the Merchant Banking division's fixed-income investment portfolio, mainly due to the reclassification of a portion of that portfolio, as described under "—Significant factors affecting results of operations and business conditions—Reclassification of fixed income securities".

*Net life insurance income*

The following table shows the components of the Group's net life insurance income for the years ended December 31, 2008 and December 31, 2007:

| SEK million | 2008 | 2007 |
|---|---|---|
| Direct yield[1)] | 4,230 | 4,427 |
| Change in value on investments at fair value, net | –7,069 | –2,813 |
| Foreign exchange gains (losses) | 39 | –419 |
| Expenses for asset management services | –119 | –108 |
| Policyholders tax | 400 | –106 |
| **Investment income, net** | **–2,519** | **981** |
| Claims paid, net | –9,330 | –7,918 |
| Change in insurance contract provisions | 5,718 | 2,371 |
| **Net insurance expenses** | **–3,612** | **–5,547** |
| Premium income, net | 7,126 | 5,961 |
| Income investment contracts | 983 | 1,067 |
| Other insurance income | 397 | 471 |
| **Net life insurance income** | **2,375** | **2,933** |

1) Net interest income, dividends received and operating surplus from properties.

SEB's net life insurance income decreased in 2008 compared to 2007, due mainly to decreased unit-linked insurance asset valuations, which led to lower investment income from unit-linked insurance policies, and market value-related provisions of SEK 353 million made in relation to portfolio returns that were lower than the guaranteed rates of return under certain traditional life insurance policies originally written by Nya Liv. These provisions were mainly market value-related and would reverse if future investment returns become adequate to meet guaranteed return levels over time. Within the traditional life and risk insurance businesses, the decrease of SEK 3,500 million in investment income, net, more than offset a decrease of SEK 1,935 million in net insurance expenses and an increase of SEK 1,165 million in premium income, net. Depreciation of the SEK contributed SEK 2 million to the Group's reported net life insurance income in 2008.

*Net other income*

The following table shows the components of the Group's net other income for the years ended December 31, 2008 and December 31, 2007:

| SEK million | 2008 | 2007 |
|---|---|---|
| Available-for-sale investments | 122 | 79 |
| **Dividends** | **122** | **79** |
| NCSD Holding | 60 | 89 |
| BGC Holding | 13 | 26 |
| Other | 4 | 13 |
| **Investments in associates[1)]** | **77** | **128** |
| Available-for-sale financial assets — Equity instruments | 1,232 | 638 |
| Available-for-sale financial assets — Debt instruments | 85 | 791 |
| Loans | 9 | 1 |
| Capital gains | 1,326 | 1,430 |
| Available-for-sale financial assets — Equity instruments | –18 | –45 |
| Available-for-sale financial assets — Debt instruments | –55 | –641 |
| Loans | –17 | –91 |
| Capital losses | –90 | –777 |
| **Gains less losses from investment securities** | **1,236** | **653** |
| Fair value adjustment in hedge accounting | –46 | –132 |
| Operating result from non-life insurance, run off | –12 | –12 |
| Other income[1)] | 454 | 503 |
| **Other income** | **396** | **359** |
| **Net other income** | **1,831** | **1,219** |

1) Recognised through the equity method.

SEB's net other income rose in 2008 compared to 2007 due mainly to a capital gain of SEK 780 million from the sale of SEB's interest in NCSD Holding, which, together with the sale of PKK, resulted in a total non-recurring capital gain of SEK 839 million. Depreciation of the SEK contributed SEK 24 million to the Group's reported net other income in 2008.

### *Total operating expenses*

SEB's total operating expenses increased by SEK 2,213 million, or 10%, to SEK 25,407 million in 2008 compared to SEK 23,194 million in 2007. Excluding the effects from increased redundancy costs of SEK 769 million, new pension provisions of SEK 374 million, increased investments in One IT Roadmap of SEK 318 million and expenses related to the acquisitions of Factorial Bank and Key Asset Management totalling SEK 246 million, operating expenses would have increased by SEK 506 million, or 2%, in 2008 over 2007. The effects of a weaker SEK increased reported operating expenses by SEK 293 million, or 1%. Excluding the above-mentioned expenses and currency effects, operating expenses would have been nearly flat in 2008 over 2007. Savings from SEB's cost management program totalled SEK 483 million in 2008 and just over SEK 1 billion during both 2007 and 2008 compared to the total target of SEK 1.5 billion to SEK 2 billion to be achieved from 2007 to 2009. SEB's cost-income ratio was 0.62 in 2008 compared to 0.57 in 2007.

SEB's total operating expenses are comprised of staff costs, other expenses and depreciation of assets, each as described below.

*Staff costs*

The following table shows the components of the Group's staff costs for the years ended December 31, 2008 and December 31, 2007:

| SEK million | 2008 | 2007 |
|---|---|---|
| Salaries and remuneration | –11,088 | –10,808 |
| Payroll overhead[1] | –2,618 | –2,615 |
| Employee stock option programme | 67 | –71 |
| **Payroll related costs** | **–13,639** | **–13,494** |
| Benefit retirement plans | –7 | 369 |
| Contribution retirement plans | –732 | –733 |
| **Pension related costs[2]** | **–739** | **–364** |
| **Other staff costs[3]** | **–1,863** | **–1,063** |
| **Staff costs** | **–16,241** | **–14,921** |

1) Payroll overhead includes social charges payable by SEB in respect of salaries and remuneration.
2) Pension costs in the Group are accounted for according to IAS 19, Employee benefits.
3) Includes costs for redundancies of SEK 1,050 million in 2008 and SEK 281 million in 2007.

Staff costs increased in 2008 compared to 2007, due principally to a SEK 1,082 million increase for salaries and remuneration and other staff costs across SEB, and particularly in the Baltic region, as well as to increased pension-related costs in Sweden of SEK 374 million. The increase in costs for salaries and remuneration was due principally to annual adjustments of salaries and the growth of the average number of FTEs by 1,785 to 21,291 in 2008 compared to 19,506 in 2007, which growth included more than 1,000 FTEs added following the acquisitions of Factorial Bank, Key Asset Management and GMAC Commercial Finance. Increased pension-related costs arose from decreased returns on pension plan assets and from changed actuarial assumptions regarding longevity applicable to SEB's pension plans in Sweden. Increases in staff costs in 2008 were also due to a higher provision of SEK 1,050 million for redundancy costs, of which SEK 600 million were related to the announced net reduction of 500 FTEs in SEB's Swedish operations, compared to SEK 281 million provisioned for redundancies in 2007.

Increased salaries and remuneration costs and other staff costs were partially offset by a decrease in 2008 of SEK 797 million in short-term incentive remuneration (including social benefit charges) to SEK 2,235 million compared to SEK 3,172 million in 2007. In addition, 2008 included a gain of SEK 67 million in employee stock option programmes (compared to a loss of SEK 71 million in 2007), which partially offset the increased costs for salaries and remuneration.

*Other expenses*

The following table shows the components of the Group's other expenses for the years ended December 31, 2008 and December 31, 2007:

| SEK million | 2008 | 2007 |
|---|---|---|
| Costs for premises[1] | –1,880 | –1,532 |
| Data costs | –2,866 | –2,321 |
| Stationery | –194 | –183 |
| Travel and entertainment | –527 | –526 |
| Postage | –250 | –256 |
| Consultants | –995 | –797 |
| Marketing | –720 | –783 |
| Information services | –388 | –362 |
| Other operating costs | 178 | –159 |
| **Other expenses** | **–7,642** | **–6,919** |
| 1) Of which rental costs: | –1,339 | –1,026 |

Other expenses increased in 2008 compared to 2007, principally due to higher information technology costs, including increased costs of SEK 318 million in 2008 in connection with One IT Roadmap. Also contributing to the increase were rental costs of SEK 1,339 million compared to SEK 1,026 million in 2007, following the sale and lease back at the end of 2007 of real estate properties used as office premises in Estonia, Latvia and Lithuania.

*Depreciation, amortisation and impairments of tangible and intangible assets*

The following table shows the components of the Group's depreciation of assets for the years ended December 31, 2008 and December 31, 2007:

| SEK million | 2008 | 2007 |
|---|---|---|
| Depreciation of tangible assets | –641 | –628 |
| Amortisation of intangible assets | –351 | –223 |
| Amortisation of deferred acquisition costs | –519 | –494 |
| Impairment of tangible assets | –13 | –9 |
| **Depreciation, amortisation and impairments of tangible and intangible assets** | **–1,524** | **–1,354** |

Depreciation, amortisation and impairments of tangible and intangible assets increased in 2008 compared to 2007. This increase was principally due to capitalised costs associated with information technology infrastructure development and increased amortisation associated with the acquisition of Key Asset Management in 2008.

### *Gains less losses from tangible and intangible assets*

The following table shows the components of the Group's gains and losses from tangible and intangible assets for the years ended December 31, 2008 and December 31, 2007:

| SEK million | 2008 | 2007 |
|---|---|---|
| Properties[1)] | 2 | 791 |
| Other tangible assets | 62 | 5 |
| **Capital gains** | **64** | **796** |
| Other tangible assets | –58 | –8 |
| **Capital losses** | **–58** | **–8** |
| **Gains less losses from tangible and intangible assets** | **6** | **788** |

1) Includes gain of SEK 785 million on sale of properties in the Baltic region in 2007.

Gains less losses from tangible and intangible assets were significantly higher in 2007 than in 2008 due to a 2007 gain of SEK 785 million from the sale of real estate properties used as office premises in the Baltic countries.

### *Net credit losses including changes in value of seized assets*

The following table shows the components of the Group's net credit losses including changes in value of seized assets for the years ended December 31, 2008 and December 31, 2007:

| SEK million | 2008 | 2007 |
|---|---|---|
| *Provisions:* | | |
| Net collective provisions | –1,303 | –390 |
| Specific provisions | –1,718 | –653 |
| Reversal of specific provisions no longer required | 336 | 405 |
| Net provisions for contingent liabilities | –56 | 8 |
| **Net provisions** | **–2,741** | **–630** |
| *Write-offs:* | | |
| Total write-offs | –1,428 | –1,395 |
| Reversal of specific provisions utilised for write-offs | 699 | 711 |
| Write-offs not previously provided for | –729 | –684 |
| Recovered from previous write-offs | 239 | 293 |
| **Net write-offs** | **–490** | **–391** |
| **Net credit losses (impairments)** | **–3,231** | **–1,021** |
| **Change in value of seized assets** | **–37** | **5** |
| **Net credit losses including change in value** | **–3,268** | **–1,016** |

Net credit losses consist of net provisions and net write-offs. Net credit losses, including changes in the value of seized assets, more than tripled, increasing by SEK 2,252 million to SEK 3,268 million in 2008 compared to SEK 1,016 million in 2007. SEK 2,741 million, or 84%, of such net credit losses for 2008 were attributable to net provisions compared to SEK 630 million, or 62%, in 2007, while SEK 490 million was attributable to net write-offs in 2008 compared to SEK 391 million in 2007. The Group's credit loss level, which measures the ratio of credit losses to the value of loans outstanding, rose to 0.30% in 2008 compared to 0.11% in 2007.

Net credit losses from SEB's operations in Estonia, Latvia and Lithuania together increased by SEK 1,421 million to SEK 1,775 million in 2008 compared to SEK 354 million in 2007. This increase was primarily due to SEB's continued build-up of net collective provisions in connection with SEB's loan portfolio in the Baltic countries. The net credit loss level in Estonia, Latvia and Lithuania nearly tripled to 1.28% from 0.43% in 2007 and reflected the continuing deterioration of economic conditions in these countries.

In 2008, total impaired loans (both performing and non-performing) before provisions increased by SEK 5,520 million to SEK 13,911 million compared to SEK 8,391 million in 2007, corresponding to total impaired loan levels of 0.35% net and 0.84% gross. The level of impaired loans attributable to Estonia, Latvia and Lithuania in 2008 was 1.33% net and 3.05% gross. The total reserve ratio was 66.3% in 2008 compared to 76.1% in 2007. See Note 44 to the 2008 Financial Statements for more information.

### *Operating profit*

Operating profit for 2008 decreased by SEK 4,547 million, or 27%, to SEK 12,471 million compared to SEK 17,018 million in 2007, for the reasons described above.

### *Income tax*

Total income tax in 2008 decreased by SEK 955 million, or 28%, to SEK 2,421 million compared to SEK 3,376 million in 2007, as a result of lower profits, the effect of the lowered Swedish tax rate on deferred tax assets and increased tax-free capital gains arising from divestments. SEB's total income tax rate (income tax as a percentage of operating profit) was 19.4% in 2008 compared to 19.8% in 2007.

The Swedish corporate tax rate was lowered to 26.3% from 28.0%, effective from January 1, 2009. As a result, SEB expects that its effective tax rate (estimated income tax as a percentage of estimated operating profit) starting in 2009 will be 0.8% lower than it otherwise would have been without this change. Based upon the expected geographic and jurisdictional mix of taxable income and capital gains within the Group, SEB expects that its effective income tax rate for 2009 will be approximately 25%.

### *Net profit*

Net profit decreased by SEK 3,592 million, or 26%, to SEK 10,050 million compared to SEK 13,642 million in 2007, for the reasons described above.

## Division results

The table below summarises SEB's income statement by division for the years ended December 31, 2008 and December 31 2007:

| | Merchant Banking | | Retail Banking | | Wealth Management | | Life[1] | | Other including eliminations[2] | | SEB Group | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **SEK million** | **2008** | **2007** | **2008** | **2007** | **2008** | **2007** | **2008** | **2007** | **2008** | **2007** | **2008** | **2007** |
| *Net interest income* | 7,414 | 5,610 | 10,750 | 9,698 | 891 | 843 | –36 | –28 | –309 | –125 | 18,710 | 15,998 |
| Net fee and commission income | 5,248 | 5,945 | 5,641 | 6,219 | 3,681 | 4,077 | | | 684 | 810 | 15,254 | 17,051 |
| Net financial income | 3,625 | 2,613 | 397 | 482 | 67 | 79 | | | –1,119 | 65 | 2,970 | 3,239 |
| Net life insurance income | | , | | | | | 3,296 | 3,958 | –921 | –1,025 | 2,375 | 2,933 |
| Net other income | 541 | 839 | 244 | 159 | 48 | 86 | | | 998 | 135 | 1,831 | 1,219 |
| **Total operating income** | **16,828** | **15,007** | **17,032** | **16,558** | **4,687** | **5,085** | **3,260** | **3,930** | **–667** | **–140** | **41,140** | **40,440** |
| Staff costs | –3,890 | –4,246 | –4,632 | –4,235 | –1,427 | –1,340 | –1,105 | –1,050 | –5,187 | –4,050 | –16,241 | –14,921 |
| Other expenses | –3,594 | –3,489 | –5,449 | –5,286 | –1,132 | –1,040 | –523 | –530 | 3,056 | 3,426 | –7,642 | –6,919 |
| Depreciation of assets | –95 | –85 | –311 | –318 | –100 | –60 | –569 | –548 | –449 | –343 | –1,524 | –1,354 |
| **Total operating expenses** | **–7,579** | **–7,820** | **–10,392** | **–9,839** | **–2,659** | **–2,440** | **–2,197** | **–2,128** | **–2,580** | **–967** | **–25,407** | **–23,194** |
| Gains less losses from tangible and intangible assets | 5 | 2 | 2 | 4 | | –1 | | | –1 | 783 | 6 | 788 |
| Net credit losses[3] | –904 | –326 | –2,380 | –715 | –17 | –7 | | | 33 | 32 | –3,268 | –1,016 |
| **Operating profit (less)** | **8,350** | **6,863** | **4,262** | **6,008** | **2,011** | **2,637** | **1,063** | **1,802** | **–3,215** | **–292** | **12,471** | **17,018** |

1) Business result (sum of operating profit and change in surplus values) in Life amounted to SEK 2,052 million in 2008 and SEK 3,075 million in 2007, of which changes in surplus values were net SEK 989 million and net SEK 1,273 million, respectively. See "—Life".
2) Profit and losses from associated companies accounted for under the equity method are recognised in net other income in the amount of SEK 77 million in 2008. The aggregated investments were SEK 99 million.
3) Including change in value of seized assets.

### *Merchant Banking*

The table below summarises the Merchant Banking division's results for the years ended December 31, 2008 and December 31, 2007:

| | 2008 | | 2007 | |
|---|---|---|---|---|
| **SEK million** | **Merchant Banking** | **% of Group[1]** | **Merchant Banking** | **% of Group[1]** |
| *Net interest income* | 7,414 | | 5,610 | |
| Net fee and commission income | 5,248 | | 5,945 | |
| Net financial income | 3,625 | | 2,613 | |
| Net other income | 541 | | 839 | |
| **Total operating income** | **16,828** | **41%** | **15,007** | **37%** |
| Staff costs | –3,890 | | –4,246 | |
| Other expenses | –3,594 | | –3,489 | |
| Depreciation of assets | –95 | | –85 | |
| **Total operating expenses** | **–7,579** | **30%** | **–7,820** | **34%** |
| **Profit before credit losses, etc.** | **9,249** | **59%** | **7,187** | **42%** |
| Gains less losses from assets | 5 | | 2 | |
| Net credit losses | –904 | 28% | –326 | 32% |
| **Operating profit** | **8,350** | **67%** | **6,863** | **40%** |

1) The division's percentage share of the corresponding line item of the Group is calculated based on the Group's consolidated financial information, which includes "Other, incl. eliminations". Further details may be found under "General Information—Presentation of financial and other information" and the heading "Other incl. eliminations" in Note 2 to the 2008 Financial Statements.

Operating profit in the Merchant Banking division increased by SEK 1,487 million, or 22%, to SEK 8,350 million in 2008 compared to SEK 6,863 million in 2007. This increase was primarily due to increased profits in the Trading and Capital Markets business area.

Revenues were particularly strong in the Merchant Banking division in the fourth quarter of 2008, driven by financing activities, high foreign exchange transaction revenues and improved fixed-income investment portfolio performance. Income was supported by market share gains and weakened competition in the market. The division's 2008 operating income increased by SEK 1,821 million, or 12%, to SEK 16,828 million in 2008 compared to SEK 15,007 million in 2007. As a result of the reclassifications described under "—Significant factors affecting results of operations and business conditions—Reclassification of fixed-income securities", the Merchant Banking division reclassified a portion of the holdings in its fixed-income investment portfolio as of July 1, 2008 from investments held-for-trading and available-for-sale to loans and receivables. As a result, valuation losses from SEB's Merchant Banking fixed-income investment portfolio decreased to SEK 131 million in the second half of 2008 compared to SEK 938 million in the first half of the year, for a total of SEK 1,069 million in 2008 compared to SEK 1,769 million in 2007. Absent the reclassification, income statement valuation losses from the Merchant Banking investment portfolio as of December 31, 2008 would have been SEK 1,623 million, which would have reduced the Merchant Banking division's 2008 operating income to SEK 15,205 million.

Operating expenses in the Merchant Banking division decreased in 2008 compared to 2007 due principally to lower staff costs attributable to lower levels of variable compensation.

Net credit losses in the Merchant Banking division in 2008 almost tripled compared to 2007. This increase primarily corresponds to the provision of SEK 137 million for the Lehman Brothers bankruptcy filing and increased net provisions within the Merchant Banking division related to a limited number of specific customer exposures. In general, however, overall asset quality within the Merchant Banking division remained stable. In the fourth quarter of 2008, net credit losses attributable to the Merchant Banking division totalled SEK 593 million, 62% of which was comprised of net collective provisions, compared to SEK 69 million in the fourth quarter of 2007.

The Merchant Banking division has two large business areas, Trading and Capital Markets and Global Transaction Services. The other business units, consisting of client relationship functions, Commercial Real Estate, Corporate Finance and Structured Finance, are consolidated within the Corporate Banking business area. The results for these three segments are described below.

*Trading and Capital Markets*

In the Trading and Capital Markets businesses, operating profit increased by SEK 1,746 million, or 70%, to SEK 4,241 million in 2008 compared to SEK 2,495 million in 2007.

Within this business area, all major business units – Capital Markets, Equities and Foreign Exchange Trading – performed well. Although volumes and commissions were down in its equities trading business, SEB Enskilda Equities increased its market share on the Nordic stock exchanges during the year. The foreign exchange trading unit performed particularly well, especially in the fourth quarter, with active customers and favourable conditions for market-making and an annual increase of 43% in operating profit for the unit in 2008.

Net credit losses in 2008 attributable to SEB's Trading and Capital Market business increased by SEK 212 million, to SEK 297 million compared to SEK 85 million in 2007. In the fourth quarter of 2008, net credit losses increased to SEK 196 million, an increase of SEK 128 million compared to SEK 68 million in the previous quarter and compared to no such costs in the corresponding period of 2007. These increases were due in significant part to provisions totalling SEK 137 million recorded in respect of SEB's exposure to Lehman Brothers.

The Trading and Capital Markets business accounted for 51% of the Merchant Banking division's operating profit in 2008 compared to 36% thereof in 2007.

*Global Transaction Services*

In the Global Transaction Services businesses, operating profit decreased slightly by SEK 33 million, or 2%, to SEK 1,428 million in 2008 compared to SEK 1,461 million in 2007. Further inflow of new customers, particularly subsidiaries of existing cash management customers, partially offset the negative effects of lower asset valuations. At year-end 2008, assets under custody were SEK 3,891 billion compared to SEK 5,314 billion in 2007. The Global Transaction Services business accounted for 17% of the Merchant Banking division's operating profit in 2008 compared to 21% thereof in 2007.

*Corporate Banking*

In the Corporate Banking businesses, operating profit decreased by SEK 226 million, or 8%, to SEK 2,681 million in 2008 compared to SEK 2,907 million in 2007. This decrease was due primarily to significantly lower corporate finance advisory and acquisition finance income, which was not fully offset by volume and revenue growth in lending during the year. Higher credit loss provisions also reduced operating profit in Corporate Banking.

Interest income attributable to increased lending volumes in 2008 primarily reflected increased financing of SEB's "blue chip" corporate clients. Reduced activities of international banks within SEB's core markets resulted in stronger demand for SEB's services and allowed improved pricing of credit compared to historically low risk premiums earned in 2007.

Total operating expenses in 2008 decreased by SEK 154 million to SEK 2,433 million compared to SEK 2,587 million in 2007. This decrease was due primarily to decreased staff costs of SEK 191 million, or 10%, compared to 2007, which was partially offset by increases in other expenses and depreciation of assets.

Net credit losses in 2008 attributable to the Corporate Banking business increased by SEK 364 million to SEK 600 million compared to SEK 236 million in 2007. In the fourth quarter of 2008, net credit losses increased to SEK 397 million, an increase of SEK 217 million compared to SEK 180 million in the previous quarter and an increase of SEK 328 million compared to SEK 69 million in the corresponding period of 2007. These increases were due in significant part to a limited number of specific customer exposures.

The Corporate Banking business accounted for 32% of the Merchant Banking division's operating profit in 2008 compared to 42% thereof in 2007.

### *Retail Banking*

The table below summarises the Retail Banking division's results for the years ended December 31, 2008 and December 31, 2007:

| | 2008 | | 2007 | |
|---|---|---|---|---|
| **SEK million** | **Retail Banking** | **% of Group[1)]** | **Retail Banking** | **% of Group[1)]** |
| Net interest income | 10,750 | | 9,698 | |
| Net fee and commission income | 5,641 | | 6,219 | |
| Net financial income | 397 | | 482 | |
| Net other income | 244 | | 159 | |
| **Total operating income** | **17,032** | **41%** | **16,558** | **41%** |
| Staff costs | –4,632 | | –4,235 | |
| Other expenses | –5,449 | | –5,286 | |
| Depreciation of assets | –311 | | –318 | |
| **Total operating expenses** | **–10,392** | **41%** | **–9,839** | **42%** |
| **Profit before credit losses, etc.** | **6,640** | **42%** | **6,719** | **39%** |
| Gains less losses from assets | 2 | | 4 | |
| Net credit losses | –2,380 | 73% | –715 | 70% |
| **Operating profit** | **4,262** | **34%** | **6,008** | **35%** |

1) The division's percentage share of the corresponding line item of the Group is calculated based on the Group's consolidated financial information, which includes "Other, incl. eliminations". Further details may be found under "General Information—Presentation of financial and other information" and the heading "Other incl. eliminations" in Note 2 to the 2008 Financial Statements.

Operating profit in the Retail Banking division decreased by SEK 1,746 million, or 29%, to SEK 4,262 million compared to SEK 6,008 million in 2007. This decrease was due primarily to an increase of SEK 1,665 million in 2008 in net credit losses mainly attributable to the Baltic operations. The Retail Banking division's operating profit before net credit losses and net gains on assets in 2008 decreased by SEK 79 million, or 1%, to SEK 6,640 million compared to SEK 6,719 million in 2007.

Operating income in the Retail Banking division increased by SEK 474 million to SEK 17,032 million in 2008 compared to SEK 16,558 million in 2007. This increase was due to an 11% rise in net interest income in 2008, driven by higher deposit and lending volumes and favourable deposit margins and exchange rate changes. The rise in net interest income was partially offset by a 9% decrease of SEK 578 million in 2008 in net fee and commission income and an 18% decrease of SEK 85 million in net financial income in 2008.

Operating expenses in the Retail Banking division increased by SEK 553 million to SEK 10,392 million in 2008 compared to SEK 9,839 million in 2007. This increase was driven by high historical inflation in the Baltic countries, higher rental costs in the Baltic countries following the sale of office premises in these countries, increased pension costs in Sweden and exchange rate effects.

Net credit losses in the Retail Banking division increased by SEK 1,665 million to SEK 2,380 million in 2008 compared to SEK 715 million in 2007. Provisions for credit losses increased throughout 2008. During the fourth quarter of 2008, provisions increased by SEK 597 million to SEK 1,113 million compared to SEK 516 million in the third quarter of 2008, a result of the economic slowdown during the fourth quarter in SEB's markets, particularly in the Baltic countries. Such provisions for credit losses totalled SEK 872 million in the fourth quarter of 2007.

SEB's Retail Banking division operates through six business units: Retail Sweden, Retail Estonia, Retail Latvia, Retail Lithuania, Retail Germany and Card, the results for each of which are described below.

*Retail Sweden*

Operating profit in Retail Sweden decreased by SEK 35 million, or 1%, to SEK 2,377 million in 2008 compared to SEK 2,412 million in 2007. This decrease was due mainly to an increase of SEK 127 million to SEK 191 million in net credit losses and an increase of SEK 196 million to SEK 3,916 million in total operating expenses, partially offset by an increase of SEK 288 million to SEK 6,484 million in total operating income. Operating profit before net credit losses and net gains on assets increased by SEK 92 million, or 4%, to SEK 2,568 million in 2008 compared to SEK 2,476 million in 2007. Retail banking in Sweden accounted for 56% of the Retail Banking division's operating profit in 2008 and 40% thereof in 2007.

Net interest income increased by SEK 620 million to SEK 4,726 million in 2008 compared to SEK 4,106 million in 2007, driven by favourable deposit margin development together with an 8% increase in mortgage lending and a 5% increase in deposits. The strengthened offerings to SMEs contributed to growth of over 10,000 net new Swedish SME customers during 2008. Operating expenses increased by SEK 196 million, or 5%, to SEK 3,916 million in 2008 compared to SEK 3,720 million in 2007, due principally to increased pension costs.

Net credit losses in 2008 attributable to Retail Sweden increased by SEK 127 million to SEK 191 million in 2008 compared to SEK 64 million in 2007. In the fourth quarter of 2008, net credit losses almost doubled to SEK 105 million, an increase of SEK 52 million, or 98%, compared to SEK 53 million in the previous quarter and an increase of SEK 107 million compared to a reversal of SEK 2 million in the corresponding period of 2007.

*Retail Estonia, Retail Latvia and Retail Lithuania*

The following table summarises the Retail Banking division's operations in the Baltic countries for the years ended December 31, 2008 and December 31, 2007:

| | Estonia | | Latvia | | Lithuania | |
|---|---|---|---|---|---|---|
| **SEK million** | **2008** | **2007** | **2008** | **2007** | **2008** | **2007** |
| Total operating income | 1,399 | 1,308 | 1,274 | 1,337 | 2,132 | 2,028 |
| Total operating expenses | –577 | –474 | –624 | –542 | –857 | –746 |
| Gains less losses from assets | | | | | | 2 |
| Net credit losses | –509 | –214 | –495 | –112 | –726 | –125 |
| **Operating profit** | **313** | **620** | **155** | **683** | **549** | **1,159** |

For Retail Estonia, Retail Latvia and Retail Lithuania, the global economic slowdown combined with local economic imbalances led to increasingly challenging market conditions in 2008. Annual credit growth, measured in local currencies, decreased by 2% in Estonia and increased by 5% and 8% in Latvia and Lithuania, respectively, in 2008 compared to annual growth rates of 17% in Estonia, 18% in Latvia and 30% in Lithuania in 2007. Credit growth rates continued to decrease during the fourth quarter of 2008, especially in Lithuania. SEB continued to increase provisions for credit losses throughout 2008. Operating expenses in the Baltic countries increased in 2008 compared to 2007 as a result of currency effects, increases in rental costs following the sale of office premises, and cost inflation, although the rate of increase in such expenses slowed in the fourth quarter of 2008 due to reduced inflation and cost saving measures such as the reductions of more than 100 FTEs in these countries.

*Retail Germany*

Operating profit in Germany decreased by SEK 136 million, or 50%, to SEK 134 million in 2008 compared to SEK 270 million in 2007. This decrease was due primarily to a decrease of total operating income by SEK 110 million to SEK 3,250 million in 2008 compared to SEK 3,360 million in 2007, primarily as a result of decreased securities-related income reflecting lower levels of market activity, which was partially offset by an increase in net interest income of SEK 66 million. Total operating expenses increased mainly due to a weaker SEK against the EUR. Retail banking in Germany accounted for 3% of the Retail Banking division's operating profit in 2008 and 4% thereof in 2007.

*Card*

Operating profit in the Card business decreased by SEK 130 million, or 15%, to SEK 734 million in 2008 compared to SEK 864 million in 2007. This decrease was due to net credit losses nearly tripling to SEK 401 million in 2008 compared to SEK 134 million in 2007, and increased total operating expenses of SEK 39 million, or 3%, to SEK 1,363 million in 2008 compared to SEK 1,324 million in 2007. These increases were only partially offset by an increase in total operating income of SEK 177 million, or 8%, to SEK 2,498 million in 2008 compared to SEK 2,321 million in 2007. The Card business accounted for 17% of the Retail Banking division's operating profit in 2008 compared with 14% in 2007.

### *Wealth Management*

The table below summarises the Wealth Management division's results for the years ended December 31, 2008 and December 31, 2007:

| | 2008 | | 2007 | |
|---|---|---|---|---|
| SEK million | Wealth Management | % of Group[1] | Wealth Management | % of Group[1] |
| Net interest income | 891 | | 843 | |
| Net fee and commission income | 3,681 | | 4,077 | |
| Net financial income | 67 | | 79 | |
| Net other income | 48 | | 86 | |
| **Total operating income** | **4,687** | **11%** | **5,085** | **13%** |
| Staff costs | –1,427 | | –1,340 | |
| Other expenses | –1,132 | | –1,040 | |
| Depreciation of assets | –100 | | –60 | |
| **Total operating expenses** | **–2,659** | **10%** | **–2,440** | **11%** |
| **Profit before credit losses, etc.** | **2,028** | **13%** | **2,645** | **15%** |
| Gains less losses from assets | | | –1 | |
| Net credit losses | –17 | 1% | –7 | 1% |
| **Operating profit** | **2,011** | **16%** | **2,637** | **15%** |

1) The division's percentage share of the corresponding line item of the Group is calculated based on the Group's consolidated financial information, which includes "Other, incl. eliminations". Further details may be found under "General Information—Presentation of financial and other information" and the heading "Other incl. eliminations" in Note 2 to the 2008 Financial Statements.

Wealth Management's operating profit decreased by SEK 626 million, or 24%, to SEK 2,011 million in 2008 compared to SEK 2,637 million in 2007. This decrease was mainly due to lower operating income as a result of depreciation of asset values in the wake of the 2008 financial market turmoil. Moreover, operating expenses increased, following selected investments in Sweden and the acquisition of Key Asset Management.

The Wealth Management division's 2008 operating income decreased by SEK 398 million, or 8%, to SEK 4,687 million compared to SEK 5,085 million in 2007, reflecting lower net fee and commission income as a result of the sharp fall of global stock markets in 2008, which lowered assets under management and decreased brokerage income. Partially offsetting those decreases were net interest income, which rose by SEK 48 million, or 6%, to SEK 891 million in 2008 compared to SEK 843 million in 2007, due to increased interest margins. Performance and transaction fees rose by SEK 100 million, or 18%, to SEK 655 million. The increase in performance fees was mainly due to successful sales and investment management of certain SEB-managed absolute-return mutual funds. SEK 404 million of the 2008 increase in performance and transaction fees were realised in the fourth quarter due to the strong performance of certain SEB-managed investment funds.

The following table shows assets under management by the Wealth Management division as of December 31, 2008, 2007 and 2006:

| | As of December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2008 | | 2007 | | 2006 | |
| | SEK billion | % of total | SEK billion | % of total | SEK billion | % of total |
| Institutional portfolio[1] | 548 | 48% | 580 | 45% | 555 | 47% |
| Mutual funds | 446 | 39% | 518 | 40% | 463 | 39% |
| Private clients | 147 | 13% | 187 | 15% | 173 | 15% |
| **Assets under management** | **1,142** | **100%** | **1,285** | **100%** | **1,192** | **100%** |

1) Institutional portfolio includes assets under management on behalf of institutional and corporate clients, excluding mutual funds.

Assets under management in the Wealth Management division decreased by 11% to SEK 1,142 billion compared to year-end 2007 due to declining equity markets. This decrease was partially offset by net new sales of SEK 33 billion (compared to SEK 55 billion in 2007), which was substantial given market turbulence.

SEB continued to grow its market share of the Swedish mutual fund market in 2008. Total net inflows, which represent a portion of net new sales, amounted to SEK 6.5 billion in 2008 compared to SEK 14 billion in 2007, in a market that experienced net outflows of SEK 17.5 billion compared to net inflows of SEK 19 billion in 2007. Alternative investments attracted net inflows totalling SEK 8.6 billion in 2008 compared to SEK 6.7 billion in 2007. During 2008, investment appetite shifted from equities to fixed-income securities and alternative investments, such as absolute return funds that invest in currencies, commodities and other asset classes.

Investment performance fell during the last part of the fourth quarter due to market turbulence, and performance for 2008 was unsatisfactory, with only 34% of portfolios and 33% of assets under management ahead of their respective benchmarks compared to 49% and 54%, respectively, in 2007.

Operating expenses in 2008 increased by SEK 219 million, or 9%, to SEK 2,659 million compared to SEK 2,440 million in 2007, of which 6% was related to the acquisition of Key Asset Management. Excluding this acquisition, costs increased by 3% due to expansion of the Private Banking and Institutional Clients business areas and the increased sales of alternative investment products.

Net credit losses in the Wealth Management division in 2008 increased to SEK 17 million (compared to SEK 7 million in 2007). In the fourth quarter of 2008, net credit losses increased to SEK 15 million, an absolute increase compared to no such losses in the previous quarter, and an increase of SEK 25 million compared to a gain of SEK 10 million in the corresponding period of 2007.

The Wealth Management division operates through two business units: Institutional Clients (which was renamed from Asset Management in 2007) and Private Banking, the results for which are described below:

*Institutional Clients*

Operating profit in the Institutional Clients business, which operates SEB's mutual funds, decreased by SEK 402 million, or 20%, to SEK 1,593 million in 2008 compared to SEK 1,995 million in 2007. The Institutional Clients business accounted for 79% of the Wealth Management division's operating profit in 2008. Operating income decreased by SEK 283 million, or 8%, to SEK 3,221 million in 2008 compared to SEK 3,504 million in 2007. The decline reflected the sharp fall of global stock markets by some 40% during the year according to MSCI World Index. The depreciation of asset prices and lower net fee and commission income was balanced by successful net sales of mutual funds in Sweden, increased net sales to large institutions, increased net interest income and stable performance fees. The Institutional Clients business's 2008 operating expenses increased by SEK 120 million, or 8%, to SEK 1,628 million compared to SEK 1,508 million in 2007.

*Private Banking*

Operating profit in the Private Banking business decreased by SEK 224 million, or 35%, to SEK 418 million in 2008 compared to SEK 642 million in 2007. This decrease was primarily due to a decrease of SEK 116 million in total operating income to SEK 1,465 million due to lower net fee and commission income following decreased asset values on which commissions are earned, as well as to an increase of SEK 98 million in total operating expenses to SEK 1,030 million. Private Banking generated net sales of SEK 19 billion in 2008 compared to SEK 13 billion in 2007, despite adverse market conditions, as a result of high new sales activity and increased customer referrals from SEB's Retail Banking division. The Private Banking business accounted for 21% of the Wealth Management division's operating profit in 2008.

### *Life*

The table below summarises the Life division's results for the years ended December 31, 2008 and December 31, 2007:

| | 2008 | | 2007 | |
|---|---|---|---|---|
| **SEK million** | **Life** | **% of Group[1)]** | **Life** | **% of Group[1)]** |
| Net interest income | –36 | | –28 | |
| Net life insurance income | 3,296 | | 3,958 | |
| Net other income | | | | |
| **Total operating income** | **3,260** | **8%** | **3,930** | **10%** |
| Staff costs | –1,105 | | –1,050 | |
| Other expenses | –523 | | –530 | |
| Depreciation of assets | –569 | | –548 | |
| **Total operating expenses** | **–2,197** | **9%** | **–2,128** | **9%** |
| **Profit before credit losses, etc** | **1,063** | **7%** | **1,802** | **10%** |
| Gains less losses from assets | | | | |
| Net credit losses | | | | |
| **Operating profit[2)]** | **1,063** | **9%** | **1,802** | **11%** |
| Change in surplus values[3)] | 989 | | 1,273 | |
| **Business result[4)]** | **2,052** | | **3,075** | |

1) The division's percentage share of the corresponding line item of the Group is calculated based on the Group's consolidated financial information, which includes "Other, incl. eliminations". Further details may be found under "General Information—Presentation of financial and other information" and the heading "Other incl. eliminations" in Note 2 to the 2008 Financial Statements.
2) Consolidated in the Group accounts.
3) The present value of future profits from written insurance policies. Not consolidated in the Group accounts.
4) Sum of operating profit and change in surplus values.

*Income statement items*

Operating profit in the Life division decreased by SEK 739 million, or 41%, to SEK 1,063 million in 2008 compared to SEK 1,802 million in 2007.

Operating income in the Life division decreased by SEK 670 million to SEK 3,260 million in 2008 compared to SEK 3,930 million in 2007. The Life division's operating income includes net life insurance income attributable to the division, which reflects net claims paid to policyholders. Income from unit-linked policies decreased in 2008, mainly as a result of falling equity values and customers' increased risk awareness, which led to reallocations from higher fee-generating equity exposures to lower fee-generating fixed-income alternatives. The traditional insurance portfolios in Denmark and Sweden were also negatively affected during the second half of the year by both the deteriorating value of assets such as equities and fixed-income investments and increased insurance liabilities due to falling long-term interest rates, which increase the mark-to-market value of liabilities. See "—Significant factors affecting results of operations and business conditions—Life insurance developments". The market value-related effects on the Life division's asset portfolios consisted mainly of unrealised losses on equity and debt securities, which may be recoverable if markets improve. The results for risk products, such as sickness insurance and care products, were higher in 2008 than in 2007.

A provision of SEK 353 million, of which SEK 218 million was made in the fourth quarter, was made in 2008 to cover potential losses from future guaranteed rates of return related to the traditional life insurance portfolios transferred to Fondförsäkringsaktiebolaget SEB Trygg Liv from Nya Liv in 2007. The provision is mainly market value-related and would be recoverable if future investment returns are adequate to meet the guaranteed average return levels over the time horizons covered by the policies.

Unit-linked insurance remains the major product within this division, representing 75% of total sales in 2008 compared to 80% in 2007. SEB's share of sales of individual pensions increased to 31% in 2008 compared to 28% in 2007, as a result of strong growth in the demand for Portfolio Bond and endowment policies in Sweden.

Total sales by weighted volume (that is, new contracts sold and additions to existing contracts based on a single premium equivalent weighting) rose by 10% in 2008 compared to 2007. The share of the division's total sales arising from regular premium contracts remained stable at approximately 80%, with the remainder arising from single premium contracts. Margin pressure in 2008 continued to be an issue in the corporate markets in Sweden and Denmark, which, combined with a higher volume of investment related products, had a negative effect on margins. New business margin dropped to 18.6% in 2008 compared with 23.7% in 2007.

In Sweden, net new sales (that is, new contracts sold in addition to existing contracts) increased by 8% in 2008. In Denmark, sales rose by 10% in 2008 and premium income increased by 9%. Sales in the Baltic countries were 20% lower in 2008 than in 2007, while sales of the Portfolio Bond product in Sweden through SEB Life & Pension International increased by 68% during 2008.

Total premium income (comprised of premium income from insurance contracts and unit-linked investment contracts) increased by 10% in 2008 to SEK 28.9 billion (approximately 75% of which arose from unit-linked investment contracts and approximately 25% of which arose from traditional insurance contracts) compared with SEK 26.4 billion in 2007. The total value of unit-linked funds decreased by 15% in 2008, to SEK 114 billion compared with SEK 136 billion at year-end 2007. Total assets under management decreased by 13% in 2008, to SEK 354 billion.

Operating expenses in the Life division increased by SEK 69 million to SEK 2,197 million in 2008 compared to SEK 2,128 million in 2007, due mainly to higher sales and investments in new markets. The number of staff remained stable during 2008, except for additions in the Baltic countries and Ukraine and reduction of staff in the division during the fourth quarter.

*Surplus values*

The net change in surplus value from operations attributable to the Life division in 2008 decreased by SEK 284 million, or 22%, to SEK 989 million compared to SEK 1,273 million in 2007, due to a decrease in unit-linked fund values and a shift in product mix. The total accumulated surplus value net of deferred acquisition cost, was SEK 11,549 million at the end of 2008 compared to SEK 14,496 million at the end of 2007.

## Geographic results

The table below summarises the Group's results by geography for the years ended December 31, 2008 and December 31, 2007:

| | 2008 | | 2007 | |
|---|---|---|---|---|
| | SEK million | % of Group | SEK million | % of Group |
| *Sweden*[1)] | | | | |
| Total operating income | 22,507 | | 20,489 | |
| Total operating expenses | –13,675 | | –12,265 | |
| **Profit before credit losses, etc.** | **8,832** | | **8,224** | |
| Gains less losses from assets | | | | |
| Net credit losses | –488 | | –79 | |
| **Operating profit** | **8,344** | **65%** | **8,145** | **48%** |
| *Norway* | | | | |
| Total operating income | 2,902 | | 2,942 | |
| Total operating expenses | –1,464 | | –1,546 | |
| **Profit before credit losses, etc.** | **1,438** | | **1,396** | |
| Gains less losses from assets | | | | |
| Net credit losses | –266 | | –94 | |
| **Operating profit** | **1,172** | **9%** | **1,302** | **8%** |
| *Denmark* | | | | |
| Total operating income | 2,232 | | 2,823 | |
| Total operating expenses | –1,407 | | –1,555 | |
| **Profit before credit losses, etc.** | **825** | | **1,268** | |
| Gains less losses from assets | | | | |
| Net credit losses | –269 | | –36 | |
| **Operating profit** | **556** | **4%** | **1,232** | **7%** |
| *Finland* | | | | |
| Total operating income | 1,234 | | 1,177 | |
| Total operating expenses | –669 | | –589 | |
| **Profit before credit losses, etc.** | **565** | | **588** | |
| Gains less losses from assets | | | | |
| Net credit losses | –11 | | –9 | |
| **Operating profit** | **554** | **4%** | **579** | **3%** |
| *Germany* | | | | |
| Total operating income | 5,956 | | 6,148 | |
| Total operating expenses | –4,967 | | –4,810 | |
| **Profit before credit losses, etc.** | **989** | | **1,338** | |
| Gains less losses from assets | 4 | | –1 | |
| Net credit losses | –239 | | –341 | |
| **Operating profit** | **754** | **6%** | **996** | **6%** |
| *Estonia* | | | | |
| Total operating income | 1,536 | | 1,660 | |
| Total operating expenses | –715 | | –649 | |
| **Profit before credit losses, etc.** | **821** | | **1,011** | |
| Gains less losses from assets | | | 298 | |
| Net credit losses | –512 | | –219 | |
| **Operating profit** | **309** | **2%** | **1,090** | **6%** |

| | 2008 | | 2007 | |
|---|---|---|---|---|
| | SEK million | % of Group | SEK million | % of Group |
| *Latvia* | | | | |
| Total operating income | 1,637 | | 1,649 | |
| Total operating expenses | –734 | | –602 | |
| **Profit before credit losses, etc.** | **903** | | **1,047** | |
| Gains less losses from assets | | | 257 | |
| Net credit losses | –512 | | –112 | |
| **Operating profit** | **391** | **3%** | **1,192** | **7%** |
| *Lithuania* | | | | |
| Total operating income | 2,498 | | 2,386 | |
| Total operating expenses | –1,030 | | –876 | |
| **Profit before credit losses, etc.** | **1,468** | | **1,510** | |
| Gains less losses from assets | 1 | | 234 | |
| Net credit losses | –752 | | –123 | |
| **Operating profit** | **717** | **6%** | **1,621** | **10%** |
| *Other countries and eliminations*[1)] | | | | |
| Total operating income | 638 | | 1,166 | |
| Total operating expenses | –746 | | –302 | |
| **Profit before credit losses, etc.** | **–108** | | **864** | |
| Gains less losses from assets | 1 | | | |
| Net credit losses | –219 | | –3 | |
| **Operating profit** | **326** | **3%** | **861** | **5%** |
| *SEB Group Total* | | | | |
| Total operating income | 41,140 | | 40,440 | |
| Total operating expenses | –25,407 | | –23,194 | |
| **Profit before credit losses, etc.** | **15,733** | | **17,246** | |
| Gains less losses from assets | 6 | | 788 | |
| Net credit losses | –3,268 | | –1,016 | |
| **Operating profit** | **12,471** | **100%** | **17,018** | **100%** |

1) Adjusted for movement of investment portfolios from the U.S. to Sweden as part of SEB's ongoing centralisation efforts, which movement affected operating income and profit by SEK 1.8 billion in the fourth quarter of 2008.

## Results of operations for the year ended December 31, 2007 compared to the year ended December 31, 2006

### Consolidated results

The table below shows a summary of SEB's income statement for the years ended December 31, 2007 and December 31, 2006:

| SEK million | 2007 | 2006 |
|---|---|---|
| Net interest income | 15,998 | 14,281 |
| Net fee and commission income | 17,051 | 16,146 |
| Net financial income | 3,239 | 4,036 |
| Net life insurance income | 2,933 | 2,661 |
| Net other income | 1,219 | 1,623 |
| **Total operating income** | **40,440** | **38,747** |
| Staff costs | –14,921 | –14,363 |
| Other expenses | –6,919 | –6,887 |
| Depreciation of assets | –1,354 | –1,287 |
| **Total operating expenses** | **–23,194** | **–22,537** |
| **Profit before credit losses, etc.** | | |
| Gains less losses from tangible and intangible assets | 788 | 70 |
| Net credit losses including change in value of seized assets | –1,016 | –718 |
| **Operating profit** | **17,018** | **15,562** |
| Income tax expense | –3,376 | –2,939 |
| **Net profit** | **13,642** | **12,623** |
| Attributable to minority interests | 24 | 18 |
| **Attributable to equity holders** | **13,618** | **12,605** |

### *Total operating income*

SEB's total operating income increased by SEK 1,693 million, or 4%, to SEK 40,440 million in 2007 compared to SEK 38,747 million in 2006. Adjusted for the valuation loss in the fixed-income portfolio of SEK 1,769 million, total operating income would have risen by 9% to SEK 42,209 million.

*Net interest income*

The following table shows the components of the Group's net interest income for the years ended December 31, 2007 and December 31, 2006:

| SEK million | 2007 | 2006 |
|---|---|---|
| Loans to credit institutions | 10,865 | 8,548 |
| Loans to the public | 53,770 | 42,090 |
| Interest-bearing securities[1)] | 18,127 | 11,929 |
| Other interest income | 3,273 | 3,570 |
| **Interest income[2)]** | **86,035** | **66,137** |
| Deposits by credit institutions | –17,287 | –13,313 |
| Deposits and borrowing from the public | –26,760 | –18,472 |
| Interest-bearing securities | –20,668 | –14,771 |
| Subordinated liabilities | –2,075 | –2,111 |
| Other interest costs | –3,247 | –3,189 |
| **Interest expense** | **–70,037** | **–51,856** |
| **Net interest income** | **15,998** | **14,281** |
| 1) Of which, measured at fair value: | 18,007 | 11,167 |
| 2) Including interest on impaired loans: | 107 | 56 |

SEB's net interest income in 2007 increased by SEK 1,717 million, or 12%, to SEK 15,998 million compared to SEK 14,281 million in 2006, reflecting volume growth in both deposit and lending volumes. Deposits from the public grew by 17% in 2007, while lending to the public grew by 12% in 2007. Deposit margins increased due to higher short-term rates and more than offset the decrease in interest income caused by reduced lending margins in SEB's Retail Banking division. As a consequence, customer-driven net interest income (that is, net interest income generated from deposits and lending to customers) grew by 16% in 2007 compared with 2006.

*Net fee and commission income*

The following table shows the components of the Group's net fee and commission income for the years ended December 31, 2007 and December 31, 2006:

| SEK million | 2007 | 2006 |
|---|---|---|
| Issue of securities | 335 | 290 |
| Secondary market shares | 3,153 | 3,100 |
| Secondary market other | 598 | 531 |
| Custody and mutual funds | 7,165 | 6,184 |
| **Securities commissions** | **11,251** | **10,105** |
| Payments | 1,808 | 1,787 |
| Card fees | 4,093 | 3,730 |
| **Payment commissions** | **5,901** | **5,517** |
| Advisory | 1,473 | 1,742 |
| Lending | 1,055 | 946 |
| **Deposits** | **89** | **124** |
| Guarantees | 264 | 278 |
| Derivatives | 363 | 384 |
| Other | 1,004 | 849 |
| **Other commissions** | **4,248** | **4,323** |
| **Total commission income** | **21,400** | **19,945** |
| Securities commissions | –902 | –698 |
| Payment commissions | –2,373 | –2,150 |
| Other commissions | –1,074 | –951 |
| **Commission expense** | **–4,349** | **–3,799** |
| **Net fee and commission income** | **17,051** | **16,146** |

SEB's net fee and commission income increased in 2007 compared to 2006, due to increases in payment and card transaction commissions and mutual fund fees in 2007 compared with 2006, supported by higher values in assets under management.

*Net financial income*

The following table shows the changes in the components of the Group's net financial income for the years ended December 31, 2007 and December 31, 2006:

| SEK million | 2007 | 2006 |
|---|---|---|
| Equity instruments and related derivates | 569 | 392 |
| Debt instruments and related derivatives | –100 | 1,437 |
| Currency related | 2,787 | 2,269 |
| **Gains (losses) on financial assets and liabilities held-for-trading, net** | **3,256** | **4,098** |
| Equity instruments and related derivatives | –49 | –50 |
| Debt instruments and related derivatives | –1 | –13 |
| Currency related | 33 | 1 |
| **Gains (losses) on financial assets and liabilities designated at fair value, net** | **–17** | **–62** |
| **Net financial income**[1)] | **3,239** | **4,036** |
| 1) Of which measured at fair value with valuation techniques based on assumptions that are not supported by prices from observable current market transactions in the same instrument and not based on observable market data. | | –69 |

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.

SEB's net financial income decreased in 2007 compared to 2006, due principally to increased credit spreads resulting in lower valuations of fixed-income securities during the second half of 2007, which resulted in a SEK 1,769 million valuation loss recognised in net financial income on SEB's fixed-income securities holdings for 2007. Given SEB's intention to hold a portfolio of fixed-income securities long-term, and to limit further income volatility, in 2007 SEB began to increase the part of its total fixed-income securities holdings in its available-for-sale portfolio, while reducing the part held in the held-for-trading portfolio. See "—Significant factors affecting results of operations and business conditions—Reclassification of fixed-income securities".

*Net life insurance income*

The following table shows the changes in the components of the Group's net insurance income for the years ended December 31, 2007 and December 31, 2006:

| SEK million | 2007 | 2006 |
|---|---|---|
| Direct yield[1] | 4,427 | 3,896 |
| Change in value on investments at fair value, net | –2,813 | –1,849 |
| Foreign exchange gains (losses) | –419 | –240 |
| Expenses for asset management services | –108 | –96 |
| Policyholders tax | –106 | –204 |
| **Investment income, net** | **981** | **1,507** |
| | | |
| Claims paid, net | –7,918 | –8,054 |
| Change in insurance contract provisions | 2,371 | 2,226 |
| **Net insurance expenses** | **-5,547** | **–5,828** |
| | | |
| Premium income, net | 5,961 | 5,726 |
| Income investment contracts | 1,067 | 873 |
| Other insurance income | 471 | 383 |
| **Net life insurance income** | **2,933** | **2,661** |

1) Net interest income, dividends received and operating surplus from properties.

Net life insurance income increased in 2007 compared to 2006, due mainly to increased unit-linked fund values, generating higher average fees. Within the traditional life and risk insurance businesses, the decrease of SEK 526 million in investment income, net balanced a decrease of SEK 281 million in net insurance expenses and an increase of SEK 235 million in premium income, net.

*Net other income*

The following table shows the changes in the components of the Group's net other income for the years ended December 31, 2007 and 2006:

| SEK million | 2007 | 2006 |
|---|---|---|
| Available-for-sale investments | 79 | 61 |
| Investments in associates | | 2 |
| Shares in subsidiaries | | |
| **Dividends** | **79** | **63** |
| Impairments | | |
| Reversals | 1 | 7 |
| **Impairment of financial assets** | **1** | **7** |
| NCSD Holding | 89 | –15 |
| BGC Holding | 26 | 56 |
| Other | 13 | 3 |
| **Investments in associates[1)]** | **128** | **44** |
| Available-for-sale financial assets – Equity instruments | 638 | 942 |
| Available-for-sale financial assets – Debt instruments | 791 | 168 |
| Loans | 1 | 17 |
| Capital gains | 1,430 | 1,127 |
| Available-for-sale financial assets – Equity instruments | –45 | –5 |
| Available-for-sale financial assets – Debt instruments | –641 | –74 |
| Loans | –91 | –10 |
| Capital losses | –777 | –89 |
| **Gains less losses from investment securities** | **653** | **1,038** |
| **Gains less losses from tangible assets[2)]** | | |
| Fair value adjustment in hedge accounting | –132 | 124 |
| Operating result from non-life insurance, run off | –12 | 7 |
| Other income[3)] | 502 | 340 |
| **Other income** | **358** | **471** |
| **Net other income** | **1,219** | **1,623** |

1) Recognised through the equity method.
2) See note 12 to the Unrestated 2007 Financial Statements.
3) Realised gains from financial instruments where fair value previously could not be measured, totalled SEK 55 million in 2007.

Net other income decreased in 2007 compared to 2006, due mainly to decreases in fair value adjustments in hedge accounting, which were partially offset by one-time capital gains of SEK 110 million from the sale of ÅF Bil in 2007.

### *Total operating expenses*

SEB's total operating expenses increased by SEK 657 million, or 3%, to SEK 23,194 million in 2007 compared to SEK 22,537 million in 2006. Excluding provisions for redundancy costs of SEK 281 million and performance-related remuneration totalling SEK 3,172 million, in 2007 underlying expenses would have been up by 3% compared with 2006, primarily as a result of increased staff costs.

*Staff costs*

The following table shows the components of the Group's staff costs for the years ended December 31, 2007 and December 31, 2006:

| SEK million | 2007 | 2006 |
|---|---|---|
| Salaries and remuneration | –10,808 | –10,246 |
| Payroll overhead[1)] | –2,615 | –2,631 |
| Employee stock option programme | –71 | –397 |
| **Payroll-related costs** | **–13,494** | **–13,274** |
| Benefit retirement plans | 369 | 388 |
| Contribution retirement plans | –733 | –703 |
| **Pension-related costs[2)]** | **–364** | **–315** |
| **Other staff costs[3)]** | **–1,063** | **–774** |
| **Staff costs** | **–14,921** | **–14,363** |

1) Payroll overhead includes social charges payable by SEB in respect of salaries and remuneration.
2) Pension costs in the Group are accounted for according to IAS 19, Employee benefits.
3) Includes costs for redundancies of SEK 281 million in 2007 and SEK 71 million in 2006.

Staff costs rose in 2007 compared to 2006. The average number of FTEs decreased by 166, to 19,506 in 2007 compared to 19,672 in 2006. Net reductions of close to 300 FTEs during the year, primarily in Sweden and Germany, were balanced by net recruitments of some 500 FTEs, primarily in the Baltic business.

*Other expenses*

The following table shows the changes in the components of the Group's other expenses for the years ended December 31, 2007 and December 31, 2006:

| SEK million | 2007 | 2006 |
|---|---|---|
| Costs for premises[1)] | –1,532 | –1,572 |
| Data costs | –2,321 | –1,848 |
| Stationery | –183 | –186 |
| Travel and entertainment | –526 | –503 |
| Postage | –256 | –440 |
| Consultants | –797 | –678 |
| Marketing | –783 | –784 |
| Information services | –362 | –319 |
| Other operating costs | –159 | –557 |
| **Other expenses** | **–6,919** | **–6,887** |
| 1) Of which rental costs. | –1,026 | –1,269 |

Other expenses were almost unchanged at SEK 6,919 million in 2007 compared to SEK 6,887 million in 2006, benefiting from increased scalability in SEB's operations. Information technology costs increased due to investments in infrastructure and compliance with new European Union regulations, such as the SEPA and the Markets in Financial Instruments Directive (**"MiFID"**).

*Depreciation, amortisation and impairments of tangible and intangible assets*

The following table shows the changes in the components of the Group's depreciation of assets costs for the years ended December 31, 2007 and December 31, 2006:

| SEK million | 2007 | 2006 |
|---|---|---|
| Depreciation tangible assets | –628 | –689 |
| Amortisation intangible assets | –223 | –191 |
| Amortisation of deferred acquisition costs | –494 | –404 |
| Impairment tangible assets | –9 | –3 |
| **Depreciation, amortisation and impairments of tangible and intangible assets** | **–1,354** | **–1,287** |

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 five years. Properties are depreciated according to plan.

Depreciation, amortisation and impairments of tangible and intangible assets increased in 2007 compared to 2006. This increase was primarily the result of increased amortisation of deferred acquisition costs from the Life division.

### *Gains less losses from tangible and intangible assets*

The following table shows the components of the Group's gains and losses from tangible and intangible assets for the years ended December 31, 2007 and December 31, 2006:

| SEK million | 2007 | 2006 |
|---|---|---|
| Properties[1] | 791 | 92 |
| Other tangible assets | 5 | 5 |
| **Capital gains** | **796** | **97** |
| | | |
| Properties | | –18 |
| Other tangible assets | –8 | –9 |
| **Capital losses** | **–8** | **–27** |
| | | |
| **Gains less losses from tangible and intangible assets** | **788** | **70** |

1) Includes gain of SEK 785 million on sale of properties in the Baltic region in 2007.

Gains less losses from tangible and intangible assets were significantly higher in 2007 than in 2006 due to a gain in 2007 of SEK 785 million from the sale of real estate properties used as office premises in the Baltic countries.

### *Net credit losses including changes in value of seized assets*

The following table shows the changes in the components of the Group's net credit losses for the years ended December 31, 2007 and December 31, 2006:

| SEK million | 2007 | 2006 |
|---|---|---|
| *Provisions:* | | |
| Net collective provisions | –390 | –108 |
| Specific provisions | –653 | –888 |
| Reversal of specific provisions no longer required | 405 | 544 |
| Net provisions for contingent liabilities | 8 | 31 |
| **Net provisions** | **–630** | **–421** |
| *Write-offs:* | | |
| Total write-offs | –1,395 | –1,308 |
| Reversal of specific provisions utilised for write-offs | 711 | 704 |
| Write-offs not previously provided for | –684 | –604 |
| Recovered from previous write-offs | 293 | 322 |
| **Net write-offs** | **–391** | **–282** |
| **Net credit losses** | **–1,021** | **–703** |
| **Change in value of seized assets** | **5** | **–15** |
| **Net credit losses including change in value** | **–1,016** | **–718** |

Net credit losses including changes in the value of seized assets amounted to SEK 1,016 million in 2007 compared to SEK 718 million in 2006. The increase was mainly due to higher collective provisioning following the continued macroeconomic imbalances and growing lending volumes in the Baltic countries, which increased from SEK 108 million in 2006 to SEK 390 million in 2007. This increase was offset in part by lower levels of specific provisions (SEK 653 million in 2007 and SEK 888 million in 2006). The net credit loss level was 0.11% in 2007 compared to 0.08% in 2006. Overall asset quality remained stable.

### *Operating profit*

Operating profit increased by SEK 1,456 million, or 9%, to SEK 17,018 million in 2007 compared to SEK 15,562 million in 2006 for the reasons described above.

### *Income tax*

Total income tax in 2007 increased by SEK 437 million, or 15%, to SEK 3,376 million from SEK 2,939 million in 2006, as a result of increased profits. SEB's total income tax rate (income tax as a percentage of operating profit) for 2007 was 19.8% compared to 18.9% for 2006, reflecting the geographic mix of profits earned over those years.

### *Net profit*

Net profit increased by SEK 1,019 million, or 8%, to SEK 13,642 million in 2007 compared to SEK 12,623 million in 2006 for the reasons described above.

## Division results

The table below summarises SEB's income statement by division for the years ended December 31, 2007 and December 31, 2006:

| | Merchant Banking | | Retail Banking | | Wealth Management | | Life[1] | | Other including eliminations | | SEB Group | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **SEK million** | **2007** | **2006** | **2007** | **2006** | **2007** | **2006** | **2007** | **2006** | **2007** | **2006** | **2007** | **2006** |
| Net interest income | 5,540 | 4,809 | 9,888 | 8,514 | 843 | 644 | –28 | –15 | –245 | 329 | 15,998 | 14,281 |
| Net fee and commission income | 5,890 | 5,874 | 6,274 | 5,752 | 4,077 | 3,836 | | | 810 | 684 | 17,051 | 16,146 |
| Net financial income | 2,285 | 3,676 | 812 | 614 | 79 | 55 | | | 63 | –309 | 3,239 | 4,036 |
| Net life insurance income | – | | – | | – | | 3,958 | 3,471 | –1,025 | –810 | 2,933 | 2,661 |
| Net other income | 784 | 779 | 248 | 235 | 86 | 60 | – | | 101 | 549 | 1,219 | 1,623 |
| **Total operating income** | **14,499** | **15,138** | **17,222** | **15,115** | **5,085** | **4,595** | **3,930** | **3,456** | **–296** | **443** | **40,440** | **38,747** |
| Staff costs | –4,217 | –4,082 | –5,169 | –4,885 | –1,475 | –1,440 | –1,055 | –1,008 | –3,005 | –2,958 | –14,921 | –14,363 |
| Other expenses | –3,432 | –3,227 | –4,314 | –4,203 | –902 | –801 | –525 | –474 | 2,254 | 1,818 | –6,919 | –6,887 |
| Depreciation of assets | –82 | –89 | –435 | –440 | –63 | –51 | –548 | –454 | –226 | –253 | –1,354 | –1,287 |
| **Total operating expenses** | **–7,731** | **–7,398** | **–9,918** | **–9,528** | **–2,440** | **–2,292** | **–2,128** | **–1,936** | **–977** | **–1,383** | **–23,194** | **–22,537** |
| Gains less losses from tangible and intangible assets | 2 | –2 | 5 | 45 | –1 | 29 | – | | 782 | –2 | 788 | 70 |
| Net credit losses[2] | –323 | –320 | –718 | –412 | –7 | 25 | – | | 32 | –11 | –1,016 | –718 |
| **Operating profit** | **6,447** | **7,418** | **6,591** | **5,220** | **2,637** | **2,357** | **1,802** | **1,520** | **–459** | **–953** | **17,018** | **15,562** |

1) Business result (sum of operating profit and change in surplus values) in Life amounted to SEK 3,075 million in 2007 and SEK 3,175 million in 2006, of which changes in surplus values were net SEK 1,273 million and net SEK 1,655 million respectively. See "—Life".
2) Including change in value of seized assets.

### *Merchant Banking*

The table below summarises the Merchant Banking division's results for the years ended December 31, 2007 and December 31, 2006:

| | 2007 | | 2006 | |
|---|---|---|---|---|
| **SEK million** | **Merchant Banking** | **% of Group[1]** | **Merchant Banking** | **% of Group[1]** |
| *Net interest income* | 5,540 | | 4,809 | |
| Net fee and commission income | 5,890 | | 5,874 | |
| Net financial income | 2,285 | | 3,676 | |
| Net other income | 784 | | 779 | |
| **Total operating income** | **14,499** | **36%** | **15,138** | **39%** |
| Staff costs | –4,217 | | –4,082 | |
| Other expenses | –3,432 | | –3,227 | |
| Depreciation of assets | –82 | | –89 | |
| **Total operating expenses** | **–7,731** | **33%** | **–7,398** | **33%** |
| **Profit before credit losses, etc.** | **6,768** | **39%** | **7,740** | **48%** |
| Gains less losses from assets | 2 | | –2 | |
| Net credit losses | –323 | 32% | –320 | 45% |
| **Operating profit** | **6,447** | **38%** | **7,418** | **48%** |

1) The division's percentage share of the corresponding line item of the Group is calculated based on the Group's consolidated financial information, which includes "Other, incl. eliminations". Further details may be found under "General Information—Presentation of financial and other information" and the heading "Other incl. eliminations" in Note 2 to the Unrestated 2007 Financial Statements.

Operating profit in the Merchant Banking division decreased by SEK 971 million, or 13%, to SEK 6,447 million in 2007 compared to SEK 7,418 million in 2006.

Merchant Banking's financial result in 2007 reflected a year in which record revenues and profits were posted in the first six months, whereas financial market turbulence in the second half of the year led to lower earnings. Market conditions in the first half of the year were benign and contributed to strong earnings across all business lines, although margins on basic loan products were still affected by the over-supply of liquidity. Despite credit market dislocations in the second half of the year, customer activity remained at a high level throughout 2007.

During 2007, mark-to-market valuation losses amounting to SEK 1,769 million were recorded on the fixed-income securities portfolios and reduced net financial income from SEK 3,676 million in 2006 to SEK 2,285 million in 2007, a 38% decrease. These losses more than offset the otherwise positive development in net interest income, with the result that total operating income decreased in 2007 compared to 2006.

Operating expenses increased in 2007 compared to 2006, mainly due to increased staff costs as a result of higher performance-based remuneration. Preparations for SEPA and the new initiative and new securities trading regimes intensified during 2007 and also contributed to higher information technology costs.

Net credit losses in the Merchant Banking division remained stable in 2007 compared to 2006.

*Trading and Capital Markets*

Within Trading and Capital Markets, operating profit decreased by SEK 1,428 million, or 40%, to SEK 2,103 million in 2007 compared to SEK 3,531 million in 2006. Foreign exchange activities showed improved revenues and profitability, while the equities businesses benefited from high market activity and equity financing demand. The credit market turmoil in the second half of 2007 had a negative effect on the fixed-income businesses, both in terms of activity levels and portfolio valuations, and led to the overall decline.

Primary issuance of structured products in 2007 grew by 30% over 2006, and SEB had a 15% market share of such products registered with Euroclear Sweden.

The Trading and Capital Markets business accounted for 33% of the Merchant Banking division's operating profit in 2007 compared to 48% in 2006.

*Global Transaction Services*

Within Global Transaction Services, operating profit increased by SEK 341 million, or 33%, to SEK 1,383 million in 2007 compared to SEK 1,042 million in 2006. Customer acquisition efforts as well as ongoing productivity gains from the SEB Way efficiency programme more than offset the effects of margin pressure. In terms of profitability and customer satisfaction, the business area continued to perform well. Within the custody services business, assets under custody reached an all-time high during 2007 and, despite lower stock market valuations, amounted to SEK 5,314 billion as of December 31, 2007 compared to SEK 5,234 billion as of December 31, 2006. Transaction volumes also increased significantly, peaking at an average of 129,500 per day in December.

The Global Transaction Services business accounted for 21% of the Merchant Banking division's operating profit in 2007 compared to 15% in 2006.

*Corporate Banking*

Within Corporate Banking, operating profit increased by SEK 117 million, or 4%, to SEK 2,962 million in 2007 compared to SEK 2,845 million in 2006. Most units delivered higher operating profit, offsetting the lower income in corporate finance that resulted from reduced mergers and acquisitions activity in the latter part of the year.

Although overall activity in leveraged buy-outs declined in the wake of the credit crisis, conditions in the Nordic area were more favourable and the development of SEB's activities continued to be positive.

The Corporate Banking business accounted for 46% of the Merchant Banking division's operating profit in 2007 compared to 38% in 2006.

### *Retail Banking*

The table below summarises the Retail Banking division's results for the years ended December 31, 2007 and December 31, 2006:

| | 2007 | | 2006 | |
|---|---|---|---|---|
| **SEK million** | **Retail Banking** | **% of Group[1)]** | **Retail Banking** | **% of Group[1)]** |
| Net interest income | 9,888 | | 8,514 | |
| Net fee and commission income | 6,274 | | 5,752 | |
| Net financial income | 812 | | 614 | |
| Net other income | 248 | | 235 | |
| **Total operating income** | **17,222** | **43%** | **15,115** | **39%** |
| Staff costs | –5,169 | | –4,885 | |
| Other expenses | –4,314 | | –4,203 | |
| Depreciation of assets | –435 | | –440 | |
| **Total operating expenses** | **–9,918** | **43%** | **–9,528** | **42%** |
| **Profit before credit losses, etc.** | **7,304** | **42%** | **5,587** | **34%** |
| Gains less losses from assets | 5 | | 45 | |
| Net credit losses | –718 | 71% | –412 | 57% |
| **Operating profit** | **6,591** | **39%** | **5,220** | **34%** |

1) The division's percentage share of the corresponding line item of the Group is calculated based on the Group's consolidated financial information, which includes "Other, incl. eliminations". Further details may be found under "General Information—Presentation of financial and other information" and the heading "Other incl. eliminations" in Note 2 to the Unrestated 2007 Financial Statements.

Operating profit in the Retail Banking division increased by SEK 1,371 million, or 26%, to SEK 6,591 million in 2007 compared to SEK 5,220 million in 2006, following high customer activity and cost control. Growth of business volumes, income and profit were high throughout 2007, with the fourth quarter being the strongest.

Operating income increased in 2007 compared to 2006, mainly driven by increases in net interest income in the Baltic countries, in particular Lithuania, following strong business growth. Operating expenses increased in 2007 compared to 2006, principally due to increased expenses in the Baltic region, driven by the expansion of SEB's business and an increased number of employees in the area.

Net credit losses in the Retail Banking division increased in 2007 compared to 2006. This increase was mainly related to credit exposure in the Baltic countries.

#### *Retail Sweden*

Within Retail Sweden, operating profit increased by SEK 281 million, or 13%, to SEK 2,399 million in 2007 compared to SEK 2,118 million in 2006. The Retail Sweden business accounted for 37% of the Retail Banking division's operating profit in 2007 compared to 41% in 2006.

Operating income increased by SEK 191 million, or 3%, to SEK 6,040 million in 2007 compared to SEK 5,849 million in 2006. Household mortgages and deposits grew by 13% and 21%, respectively, both with increased market shares. SEB's share of the savings market in total also increased according to SEB's Sparbarometern, a quarterly publication showing statistics on Swedish household savings by type (including investments in funds and pension savings) and by financial institution (based on public data from Statistics Sweden, Riksbanken, Finansinspektionen, Svensk Fondstatistik and banks' annual accounts). Customer growth among SMEs exceeded both the market average in 2007 and SEB's performance in 2006. The "Enkla assortment", SEB's base offering for private individuals and SMEs, was complemented with "Enkla firman", a new full service offering for the smaller SME segment. "Enkla firman" attracted 11,000 customers during the first three months after launch. SEB's other "Enkla" products continued to develop very strongly. For example, 60,000 internet trading accounts ("Enkla depån") were opened from the launch in December 2006 until year-end 2007. Mortgage margin pressure was fierce but decelerated during 2007 and in fact margins improved on new lending towards the end of the year.

Operating expenses decreased by SEK 73 million, or 2%, to SEK 3,577 million in 2007 compared to SEK 3,650 million in 2006.

Net credit losses decreased by SEK 17 million, or 21%, to SEK 64 million in 2007 compared to SEK 81 million in 2006.

*Retail Estonia, Retail Latvia and Retail Lithuania*

Within the Baltic business areas of the Retail division, operating profit increased by SEK 875 million, or 40%, to SEK 3,058 million in 2007 compared to SEK 2,183 million in 2006. The Baltics business accounted for 46% of the Retail Banking division's operating profit in 2007 compared to 42% in 2006.

SEB's controlled slowdown of credit growth in the Baltic countries continued in 2007. Quarterly credit growth more than halved during 2007, and in the fourth quarter of 2007 credit growth in Latvia was 1%, in Estonia 3% and in Lithuania 4%. The slowdown resulted in reduced lending market shares, particularly in Latvia and Estonia, throughout 2007. Net credit losses increased by SEK 368 million to SEK 454 million in 2007 compared to SEK 86 million in 2006, as a result of collective provisioning based on growing lending volumes in combination with a gradual deterioration in the macroeconomic environment.

Although lending growth slowed, sales of savings products developed very strongly across the Baltic countries. For example, life insurance sales in Latvia increased by almost 300% in 2007 compared with 2006, while the market share was 48%.

*Retail Germany*

Within Retail Germany, operating profit increased by SEK 232 million to SEK 270 million in 2007 compared to SEK 38 million in 2006. Income growth, sales activity and customer growth all developed favourably during 2007. Life insurance sales and consumer lending volumes grew by 36% and 26%, respectively, in 2007 compared to 2006. The Retail Germany business accounted for 4% of the Retail Banking division's operating profit in 2007 compared to 1% in 2006.

*Card*

Within the Card business area, operating profit decreased by SEK 17 million, or 2%, to SEK 864 million in 2007 compared to SEK 881 million in 2006. In 2007, the Card business area's operating profit increased by 7%, adjusted for capital gains, over 2006, as increased turnover of 9% combined with flat development of expenses compensated for the higher funding costs of the outstanding credit volumes driven by higher interest rates.

Strong focus was given to product development to safeguard Card's leading position among Nordic charge cards. Card's Diners and Eurocard call centres received awards for best customer service in the Nordics and Sweden, respectively.

The Card business accounted for 13% of the Retail Banking division's operating profit in 2007 compared to 17% in 2006.

### *Wealth Management*

The table below summarises the Wealth Management division's results for the years ended December 31, 2007 and December 31, 2006:

| SEK million | 2007 Wealth Management | 2007 % of Group[1)] | 2006 Wealth Management | 2006 % of Group[1)] |
|---|---|---|---|---|
| Net interest income | 843 | | 644 | |
| Net fee and commission income | 4,077 | | 3,836 | |
| Net financial income | 79 | | 55 | |
| Net other income | 86 | | 60 | |
| **Total operating income** | **5,085** | **13%** | **4,595** | **12%** |
| Staff costs | –1,475 | | –1,440 | |
| Other expenses | –902 | | –801 | |
| Depreciation of assets | –63 | | –51 | |
| **Total operating expenses** | **–2,440** | **11%** | **–2,292** | **10%** |
| **Profit before credit losses, etc.** | **2,645** | **15%** | **2,303** | **14%** |
| Gains less losses from assets | –1 | | 29 | |
| Net credit losses | –7 | 1% | 25 | 3% |
| **Operating profit** | **2,637** | **15%** | **2,357** | **15%** |

1) The division's percentage share of the corresponding line item of the Group is calculated based on the Group's consolidated financial information, which includes "Other, incl. eliminations". Further details may be found under "General Information—Presentation of financial and other information" and the heading "Other incl. eliminations" in Note 2 to the Unrestated 2007 Financial Statements.

Operating profit in the Wealth Management division increased by SEK 280 million, or 12%, to SEK 2,637 million in 2007 compared to SEK 2,357 million in 2006.

The first half of 2007 showed strong investment performance, growth in new sales, growing assets under management and strong revenue growth. During the second half of 2007, there was a dramatic shift in market sentiment and investment performance, resulting in lower brokerage and performance fees. Nevertheless, the division was able to maintain net interest income and net fee and commission income and to attract new business.

Total operating income increased in 2007 compared to 2006, a result of increased net fee and commission income. Performance and transaction fees increased by SEK 91 million, or 20%, to SEK 555 million in 2007 compared to SEK 465 million in 2006.

Net sales decreased to SEK 55 billion during 2007 from SEK 58 billion in 2006. The client shift to alternative asset products continued and SEB launched additional products in this area, which attracted SEK 22 billion in new volumes during 2007. Net sales of third-party funds increased to SEK 11 billion in 2007 compared to SEK 8 billion in 2006. Business units outside Sweden contributed 32% of total net sales compared to 28% in 2006.

Wealth Management in Finland had a good year in terms of net sales, especially within the institutional segment. Market share of net sales more than doubled, to 11.2% in 2007 compared with 4.4% in 2006. In Denmark, net sales market share improved to 4.7% in 2007 compared to 0.7% in 2006. The net sales market share for the real estate fund company SEB ImmoInvest rose to 9.1% in 2007 from 8.2% in 2006. In Sweden, SEB's net sales of its own mutual funds amounted to SEK 14 billion in 2007 compared to SEK 18 billion in 2006. The strong mutual fund sales were due to strong net sales through the Life division's distribution channels and to institutional clients.

The division's total assets under management increased by 8% in 2007, to SEK 1,285 billion compared to SEK 1,192 billion in 2006. Total mutual funds, including third-party mutual funds, increased its share of the division's assets under management, representing 40% thereof, or SEK 514 billion, as of December 31, 2007 compared to SEK 453 billion, or 39%, as of December 31, 2006.

Operating expenses increased in 2007 compared to 2006, mainly due to investments in information technology systems and SEB Way.

*Asset Management*

Within Asset Management, operating profit increased by SEK 242 million, or 16%, to SEK 1,767 million in 2007 compared to SEK 1,525 million in 2006, a result of an 11% increase in net fee and commission income. Several new products were launched in 2007, which helped attract new money. The Asset Management business accounted for 67% of the Wealth Management division's operating profit in 2007.

*Private Banking*

Within Asset Management, operating profit increased by SEK 38 million, or 5%, to SEK 870 million in 2007 compared to SEK 832 million in 2006. Sales within Private Banking almost doubled during 2007, to SEK 23 billion from SEK 13 billion in 2006, with a strong demand for alternative asset products. Brokerage income declined due to margin pressure and lower client trading activity.

### *Life*

The table below summarises the Life division's results for the years ended December 31, 2007 and December 31, 2006:

| | 2007 | | 2006 | |
|---|---|---|---|---|
| **SEK million** | **Life** | **% of Group[1)]** | **Life** | **% of Group[1)]** |
| Net interest income | –28 | | –15 | |
| Net life insurance income | 3,958 | | 3,471 | |
| Net other income | | | | |
| **Total operating income** | **3,930** | **10%** | **3,456** | **9%** |
| Staff costs | –1,055 | | –1,008 | |
| Other expenses | –525 | | –474 | |
| Depreciation of assets | –548 | | –454 | |
| **Total operating expenses** | **–2,128** | **9%** | **–1,936** | **9%** |
| **Profit before credit losses, etc.** | **1,802** | **10%** | **1,520** | **9%** |
| Gains less losses from assets | | | | |
| Net credit losses | | | | |
| **Operating profit[2)]** | **1,802** | **11%** | **1,520** | **10%** |
| Change in surplus values[3)] | 1,273 | | 1,655 | |
| **Business result[4)]** | **3,075** | | **3,175** | |

1) The division's percentage share of the corresponding line item of the Group is calculated based on the Group's consolidated financial information, which includes "Other, incl. eliminations". Further details may be found under "General Information–Presentation of financial and other information" and the heading "Other incl. eliminations" in Note 2 to the Unrestated 2007 Financial Statements.
2) Consolidated in the Group accounts.
3) The present value of future profits from written insurance policies. Not consolidated in the Group accounts.
4) Sum of operating profit and change in surplus values.

### *Income statement items*

Operating profit in the Life division increased by SEK 282 million, or 19%, to SEK 1,802 million in 2007 compared to SEK 1,520 million in 2006, mainly as a result of increased income from higher average unit-linked fund values during 2007, generating higher average fees. The declining stock markets did not significantly affect the unit-linked fund values or income in 2007. The 2007 results for traditional life and risk products such as sickness insurance and care products were essentially unchanged from 2006.

Unit-linked insurance remained the most important product group, representing 80% of total sales. Corporate pension insurance accounted for 72% of total sales compared to 67% in 2006. Total sales by weighted volume rose by 6% compared with 2006, excluding the effect of the legislative initiatives in Sweden that stopped the high-volume product "Kapitalpension". Increased competition from new entrants reduced sales of corporate pension products through the broker channel in Sweden, while sales of regular endowment policies increased in all channels during 2007. As a consequence, the sales margin on new business decreased slightly, to 23.7% in 2007 compared to 24.5% in 2006.

Operating expenses increased in 2007 compared to 2006, chiefly due to investments in new markets and related growth in activities. Excluding the effect of increased depreciation of deferred acquisition costs, operating expenses increased by 7% in 2007. The number of staff was stable during 2007, despite investments in growth markets. The focus on efficiency continued, especially in the more mature markets.

### *Surplus values*

The net change in surplus value from operations attributable to the Life division in 2007 decreased by SEK 382 million, or 23%, to SEK 1,273 million compared to SEK 1,655 million in 2006, due to lower sales of regular premium pension products and lower total sales compared to 2006 as a result of the Swedish government's decision to ban the "Kapitalpension" product in early 2007. The total accumulated surplus value of deferred acquisition cost was SEK 14,496 million at the end of 2007.

## Geographic results

The table below summarises the Group's results by geography for the years ended December 31, 2007 and December 31, 2006:

| | 2007 | | 2006 | |
|---|---|---|---|---|
| | SEK million | % of Group | SEK million | % of Group |
| *Sweden*[1)] | | | | |
| Total operating income | 20,489 | | 19,811 | |
| Total operating expenses | –12,265 | | –12,130 | |
| **Profit before credit losses, etc.** | **8,224** | | **7,681** | |
| Gains less losses from assets | | | | |
| Net credit losses | –79 | | –232 | |
| **Operating profit** | **8,145** | **48%** | **7,449** | **48%** |
| *Norway* | | | | |
| Total operating income | 2,942 | | 3,042 | |
| Total operating expenses | –1,546 | | –1,674 | |
| **Profit before credit losses, etc.** | **1,396** | | **1,368** | |
| Gains less losses from assets | | | | |
| Net credit losses | –94 | | 15 | |
| **Operating profit** | **1,302** | **8%** | **1,383** | **9%** |
| *Denmark* | | | | |
| Total operating income | 2,823 | | 2,633 | |
| Total operating expenses | –1,555 | | –1,487 | |
| **Profit before credit losses, etc.** | **1,268** | | **1,146** | |
| Gains less losses from assets | | | | |
| Net credit losses | –36 | | –24 | |
| **Operating profit** | **1,232** | **7%** | **1,122** | **7%** |
| *Finland* | | | | |
| Total operating income | 1,177 | | 976 | |
| Total operating expenses | –589 | | –579 | |
| **Profit before credit losses, etc.** | **588** | | **397** | |
| Gains less losses from assets | | | | |
| Net credit losses | –9 | | –5 | |
| **Operating profit** | **579** | **3%** | **392** | **3%** |
| *Germany* | | | | |
| Total operating income | 6,148 | | 6,564 | |
| Total operating expenses | –4,810 | | –4,618 | |
| **Profit before credit losses, etc.** | **1,338** | | **1,946** | |
| Gains less losses from assets | –1 | | –9 | |
| Net credit losses | –341 | | –392 | |
| **Operating profit** | **996** | **6%** | **1,545** | **10%** |
| *Estonia* | | | | |
| Total operating income | 1,660 | | 1,295 | |
| Total operating expenses | –649 | | –518 | |
| **Profit before credit losses, etc.** | **1,011** | | **777** | |
| Gains less losses from assets | 298 | | 31 | |
| Net credit losses | –219 | | –20 | |
| **Operating profit** | **1,090** | **6%** | **788** | **5%** |

| | 2007 | | 2006 | |
|---|---|---|---|---|
| | SEK million | % of Group | SEK million | % of Group |
| *Latvia* | | | | |
| Total operating income | 1,649 | | 1,183 | |
| Total operating expenses | –602 | | –503 | |
| **Profit before credit losses, etc.** | **1,047** | | **680** | |
| Gains less losses from assets | 257 | | 4 | |
| Net credit losses | –112 | | –25 | |
| **Operating profit** | **1,192** | **7%** | **659** | **4%** |
| *Lithuania* | | | | |
| Total operating income | 2,386 | | 1,603 | |
| Total operating expenses | –876 | | –705 | |
| **Profit before credit losses, etc.** | **1,510** | | **898** | |
| Gains less losses from assets | 234 | | 16 | |
| Net credit losses | –123 | | –41 | |
| **Operating profit** | **1,621** | **10%** | **873** | **6%** |
| *Other countries and eliminations[1)]* | | | | |
| Total operating income | 1,166 | | 1,640 | |
| Total operating expenses | –302 | | –323 | |
| **Profit before credit losses, etc.** | **864** | | **1,317** | |
| Gains less losses from assets | | | 28 | |
| Net credit losses | –3 | | 6 | |
| **Operating profit** | **861** | **5%** | **1,351** | **9%** |
| *SEB Group Total* | | | | |
| Total operating income | 40,440 | | 38,747 | |
| Total operating expenses | –23,194 | | –22,537 | |
| **Profit before credit losses, etc.** | **17,246** | | **16,210** | |
| Gains less losses from assets | 788 | | 70 | |
| Net credit losses | –1,016 | | –718 | |
| **Operating profit** | **17,018** | **100%** | **15,562** | **100%** |

## Selected balance sheet items

SEB's balance sheet as of December 31, 2008, 2007 and 2006 is summarised below:

| | As of December 31, | | |
|---|---|---|---|
| **SEK million** | **2008** | **2007** | **2006** |
| Cash and cash balances with central banks | 44,852 | 96,871 | 11,314 |
| Loans to credit institutions | 266,363 | 263,012 | 180,478 |
| Loans to the public | 1,296,777 | 1,067,341 | 950,861 |
| Financial assets at fair value | 635,454 | 661,223 | 614,288 |
| Available-for-sale financial assets | 163,115 | 170,137 | 116,630 |
| Held-to-maturity investments | 1,997 | 1,798 | 2,231 |
| Investments in associates | 1,129 | 1,257 | 1,085 |
| Tangible and intangible assets | 29,511 | 24,697 | 22,914 |
| Other assets | 70,652 | 58,126 | 36,640 |
| **Total assets** | **2,510,702** | **2,344,462** | **1,934,441** |
| | | | |
| Deposits by credit institutions | 429,425 | 421,348 | 368,326 |
| Deposits and borrowing from the public | 841,034 | 750,481 | 643,849 |
| Liabilities to policyholders | 211,070 | 225,916 | 203,719 |
| Debt securities | 525,219 | 510,564 | 394,357 |
| Financial liabilities at fair value | 295,533 | 216,390 | 151,032 |
| Other liabilities | 71,565 | 97,519 | 60,150 |
| Provisions | 1,897 | 1,536 | 2,066 |
| Subordinated liabilities | 51,230 | 43,989 | 43,675 |
| Total equity | 83,729 | 76,719 | 67,267 |
| **Total liabilities and shareholders' equity** | **2,510,702** | **2,344,462** | **1,934,441** |

### *Assets*

*Total assets and loans to the public*

As of December 31, 2008, SEB had total assets of SEK 2,511 billion compared to SEK 2,344 billion as of December 31, 2007. Net of currency effects of SEK 209 billion, total assets would have decreased to SEK 2,302 billion as of December 31, 2008. The largest component of SEB's assets are its loans to the public, which increased by 21% to SEK 1,297 billion as of December 31, 2008 compared to SEK 1,067 billion as of December 31, 2007. Net of currency effects of SEK 78 billion, loans to the public would have increased to SEK 1,218 billion as of December 31, 2008. The increase was primarily attributable to volume growth in lending to corporate customers and, to a lesser extent, the reclassification of certain fixed-income securities to loans and receivables, offset in part by a decrease of SEK 70 billion in the value of repurchase agreements, which are included in loans to the public, from SEK 130 billion as of December 31, 2007 to SEK 60 billion as of December 31, 2008.

As of December 31, 2007, SEB's total assets increased by 21%, to SEK 2,344 billion compared to SEK 1,934 billion as of December 31, 2006. This increase was mainly due to growth within lending, deposits and trading but also the result of actions taken to substantially increase SEB's liquidity buffer during the second half of 2007. The 17% growth in deposits balanced the 12% growth in lending. Currency effects of SEK 36 billion contributed to the volume increase, despite a weaker U.S. dollar during 2007. Loans to the public as of December 31, 2007, rose to SEK 1,067 billion compared to SEK 951 billion as of December 31, 2006. Repurchase agreements increased slightly from SEK 112 billion as of December 31, 2006 to SEK 130 billion at the end of 2007. Offsetting such lending were deposits and borrowing from the public, which increased to SEK 750 billion as of December 31, 2007 compared to SEK 644 billion as of December 31, 2006.

*Financial assets at fair value*

As of December 31, 2008, SEB's financial assets at fair value decreased by 4% to SEK 635 billion compared to SEK 661 billion in 2007. The decrease was a result of decreases in the fair market values of SEB's securities held-for-trading and financial assets for which insurance policyholders carry the risk and, to a lesser extent, the reclassification of certain fixed-income securities to loans and receivables. Securities held-for-trading amounted to SEK 161 billion as of December 31, 2008 compared to SEK 348 billion as of December 31, 2007, while derivatives held for trading increased to SEK 248 billion as of December 31, 2008 compared to SEK 85 billion as of December 31, 2007, due mainly to significant market volatility related to currency and interest rate derivatives. See Note 22 to the 2008 Financial Statements for further details. Financial assets for which the insurance policyholders carry the risk (unit-linked insurance) amounted to SEK 114 billion as of December 31, 2008 compared to SEK 135 billion as of December 31, 2007. Financial assets within traditional insurance operations amounted to SEK 95 billion as of December 31, 2008 compared to SEK 88 billion as of December 31, 2007.

As of December 31, 2007, SEB's financial assets at fair value increased by 8% to SEK 661 billion compared to SEK 614 billion in 2006. The increase was primarily as a result of increases in fair market values of SEB's securities held-for-trading, derivatives held-for-trading, financial assets where insurance policyholders carry the risk and insurance assets designated at fair value. Financial assets where the insurance policyholders carry the risk (unit-linked insurance) amounted to SEK 135 billion as of December 31, 2007 compared to SEK 121 billion as of December 31, 2006. Financial assets within traditional insurance operations amounted to SEK 88 billion as of December 31, 2007 compared to SEK 81 billion as of December 31, 2006.

*Fixed-income securities portfolio*

For investment, treasury and client trading purposes, SEB maintains portfolios of fixed-income securities, mainly government bonds, covered bonds, bonds issued by financial institutions and asset-backed securities. Most of these positions are within SEB's Merchant Banking division and Group Treasury. SEB's fixed-income securities portfolio is included, to varying degrees, within loans to credit institutions, loans to the public, financial assets at fair value, available-for-sale financial assets, and held-to-maturity investments on SEB's balance sheet.

The investment portfolio, which constitutes a part of SEB's fixed-income portfolio, is primarily attributable to the Merchant Banking division and is used to provide SEB with a liquidity reserve of highly rated fixed-income products that can be pledged with central banks. The investment portfolio includes fixed-income securities issued by financial institutions, covered bonds and structured credits.

The following table shows the distribution of the Group's fixed-income securities portfolio as of the years ended December 31, 2008 and 2007:

| SEK billion (at period end) | 2008 | 2007 |
|---|---|---|
| Investment portofolio | 133 | 131 |
| *– of which financial institutions* | 52 | 55 |
| *– of which covered bonds* | 13 | 5 |
| *– of which structured credits* | 68 | 71 |
| *– of which residential mortgage backed securities* | 25 | 25 |
| *– of which asset-backed securities* | 11 | 13 |
| *– of which collateralised loan obligations* | 13 | 11 |
| *– of which collateral mortgage obligations* | 9 | 10 |
| *– of which commercial mortgage backed securities* | 5 | 5 |
| *– of which collateralised debt obligation* | 5 | 5 |
| *– of which sub prime* | 2 | 2 |
| Trading portfolio | 59 | 62 |
| **Merchant Banking fixed-income portfolio** | **192** | **193** |
| Group Treasury fixed-income portfolio | 156 | 119 |
| Other divisions fixed-income portfolio | 7 | 19 |
| **Total fixed-income portfolio** | **355** | **331** |

Valuation of and accounting for the investment portfolio assets are dependent upon the type of exposure and the intended holding period of the relevant asset. The assets are classified as held-for-trading (with fair value losses and gains recorded in income), available-for-sale (with fair value losses and gains recorded in equity) or loans and receivables (with amortised cost net of impairments, rather than fair value losses or gains, recorded in assets and only impairment of such loans and receivables impacting income). The widening of credit spreads in 2007 and 2008, a reflection of reduced market liquidity and the increased risk of issuer default as perceived by global credit markets, required the Group to record substantial fair value losses on its investment portfolio assets during 2007 and 2008.

On October 31, 2008, SEB reclassified SEK 95 billion of securities from its fixed-income portfolio (a substantial portion of which was from the Merchant Banking investment portfolio) to loans and receivables, with effect from July 1, 2008. The SEK 95 billion in reclassified assets (valued as of July 1, 2008) consisted of SEK 12 billion of assets previously designated as held-for-trading and SEK 83 billion of assets previously designated as available-for-sale. SEK 49 billion of such reclassified securities related to structured credits, SEK 40 billion related to securities issued by financial institutions and SEK 6 billion related to other covered bonds.

The following table shows, as of July 1, 2008, September 30, 2008 and December 31, 2008, the distribution among asset classification categories of the portion of the Group's fixed-income securities portfolio reclassified as of July 1, 2008:

| SEK million | As of July 1, 2008[1)] | As of September 30, 2008[2)] | As of December 31, 2008[3)] |
|---|---|---|---|
| from Held-for-trading | 12 | 13 | 15 |
| from Available-for-sale | 83 | 86 | 92 |
| **Fixed-income portfolio reclassified as of July 1, 2008** | **95** | **99** | **107** |
| whereof in Merchant Banking | | | 101 |
| whereof in Other | | | 6 |

1) As of July 1, 2008, the carrying amount of the reclassified securities, excluding accrued coupon interest, was their fair value at that date.
2) As of September 30, 2008, the carrying amount of the reclassified securities, excluding accrued coupon interest, primarily reflected their amortised cost, calculated on the basis of their fair value as of July 1, 2008, and currency translation effects.
3) As of December 31, 2008, the carrying amount of the reclassified securities, excluding accrued coupon interest, primarily reflected their amortised cost, calculated on the basis of their fair value as of July 1, 2008, and currency translation effects.

SEB also reclassified an additional SEK 52 billion of its fixed-income securities as loans and receivables as of January 1, 2009. This new pool of reclassified assets included SEK 3 billion of assets previously designated as held-for-trading and SEK 49 billion of assets previously designated as available-for-sale. SEB believes that these reclassifications of its fixed-income securities portfolio reflect its long-term investment view in those assets and expects these reclassifications to reduce the effect on its financial statements of the fair value-generated volatility of its fixed-income portfolios in the future. See "—Significant factors affecting results of operations and business conditions—Reclassification of fixed income securities".

*Year ended December 31, 2008*

As of December 31, 2008, SEB held total net positions in fixed-income securities of SEK 355 billion compared to SEK 331 billion as of December 31, 2007. As of December 31, 2008, SEK 133 billion related to the Merchant Banking division's investment portfolio compared to SEK 131 billion as of December 31, 2007.

The Merchant Banking division's SEK 133 billion fixed-income securities investment portfolio at year-end 2008 was negatively affected by the dislocations in the credit markets. Valuation losses amounted to SEK 3,976 million during 2008 compared to SEK 2,467 million during 2007, of which SEK 1,069 million (compared to SEK 1,769 million during 2007) affected SEB's income and SEK 2,907 million (compared to SEK 698 million as of December 31, 2007) was charged against equity. The carrying amount at amortised cost of fixed-income securities classified as loans and receivables, excluding accrued coupon interest, was SEK 107 billion as of December 31, 2008, but the fair value of those securities, excluding accrued coupon interest, was SEK 100 billion at that date. The net market value of the Merchant Banking division's trading portfolio was SEK 59 billion as of December 31, 2008 compared to SEK 62 billion as of December 31, 2007.

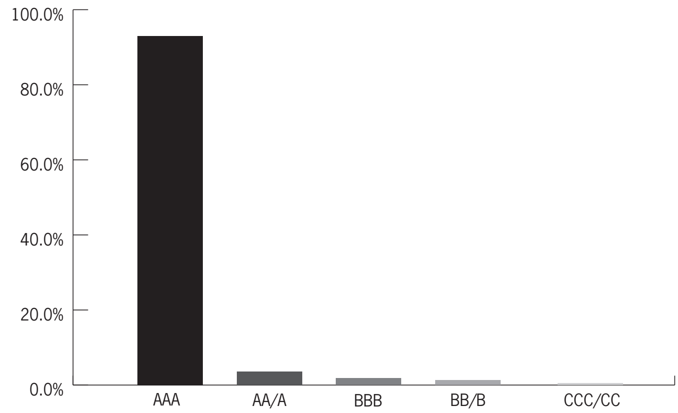
The valuation losses in respect of SEB's investment portfolio in 2008 were reduced as a result of the reclassification of SEK 95 billion as of July 1, 2008 of securities from SEB's fixed-income portfolio. If the Group had not reclassified financial assets during 2008, additional fair value losses amounting to SEK 1,623 million would have been recognised in the Group's consolidated income statement, with SEK 460 million of such losses arising in the third quarter and SEK 1,163 million arising in the fourth quarter of 2008. In addition, absent the reclassification of such assets, additional fair value losses of SEK 5,252 million would have been recognised in the Group's revaluation reserve in equity, with SEK 1,499 million arising in the third quarter and SEK 3,753 million arising in the fourth quarter of the year. See "—Significant factors affecting results of operations and business conditions—Reclassification of fixed-income securities". As of December 31, 2008, all of the reclassified assets were performing with respect to principal and interest payments.

Through the reclassifications described above, as well as the sale of certain assets in the held-for-trading portfolio and purchase of similar assets which were classified as available-for-sale, securities in SEB's fixed-income investment portfolio classified as held-for-trading decreased to SEK 8 billion as of December 31, 2008 (compared to SEK 71 billion as of December 31, 2007) and those classified as available-for-sale decreased to SEK 24 billion as of December 31, 2008 (compared to SEK 60 billion as of December 31, 2007), while securities classified as loans and receivables increased to SEK 101 billion as of December 31, 2008 (compared to SEK 0 as of December 31, 2007).

A large part of the fair value losses in the fixed-income securities investment portfolio was related to the structured credits portfolio, a diversified portfolio of asset-backed securities including residential mortgage-backed securities, commercial mortgage-backed securities, collateralised loan obligations, collateralised debt obligations and collateralised mortgage obligations. SEB's holdings of structured credits within the investment portfolio amounted to SEK 68 billion as of December 31, 2008 (compared to SEK 71 billion as of December 31, 2007). In 2008, SEK 2,530 million (compared to SEK 1,682 million in 2007) of fair value losses related to holdings in structured credits and SEK 1,446 million (compared to SEK 785 million in 2007) thereof related to other financial instruments, mainly bonds issued by financial institutions. As of December 31, 2008, the portfolio included 655 positions, 60 of which have been downgraded since the summer of 2007. By year-end 2008, 93% of the portfolio was rated AAA/Aaa and 1.7% had a sub-investment grade rating. As of December 31, 2008, there were no impaired assets in the portfolio and no "level 3" assets (that is, no assets whose fair value was determined without reference to market input).

The graph below shows the composition by credit rating of the Merchant Banking division's structured credit portfolio as of December 31, 2008:

**December 31, 2008, SEK 68 billion**




The table below shows credit ratings by category of the structured credits in the Merchant Banking investment portfolio as of December 31, 2008:

| Ratings breakdown by structured credit category | | | |
|---|---|---|---|
| | **AAA** | **Investment-Grade** | **Non Investment-Grade** |
| Residential mortgage backed securities | 35.0% | 37.1% | 1.4% |
| Collateralised mortgage obligations | 12.8% | 12.8% | 0.0% |
| Collateralised loan obligations | 18.6% | 18.6% | 0.0% |
| Collateralised debt obligations | 4.2% | 6.4% | 0.3% |
| Commercial mortgage backed securities | 6.4% | 6.9% | 0.0% |
| Asset-backed securities | 16.0% | 16.5% | 0.0% |
| **Total** | **93.0%** | **98.3%** | **1.7%** |

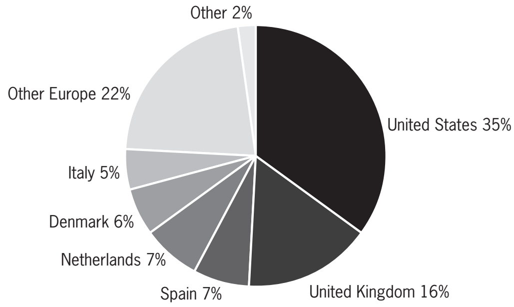
The table below shows the changes during 2008 in credit ratings of the structured credits in the Merchant Banking investment portfolio that were rated AAA as of December 31, 2007:

| Ratings migration | | | | |
|---|---|---|---|---|
| | **% of ratings 31 December 2007** | **% Upgraded** | **% Downgraded** | **% of ratings 31 December 08** |
| AAA | 99.6% | 0.0% | – | 93.0% |
| AA/A | 0.4% | 0.0% | 3.1% | 3.5% |
| BBB | 0.0% | 0.0% | 1.8% | 1.8% |
| BB/B | 0.0% | 0.0% | 1.2% | 1.2% |
| CCC/CC | 0.0% | 0.0% | 0.5% | 0.5% |
| **Total** | **100.0%** | **0.0%** | **6.6%** | **100.0%** |

The average maturity of SEB's holdings as of December 31, 2008 in structured credits was approximately three and one-half years. As of December 31, 2008, 67% of SEB's structured credit exposures were related to the European markets, 35% to the U.S. market and 2% related to other markets. SEK 1.5 billion of SEB's structured credit exposures as of December 31, 2008 related to the U.S. sub-prime mortgage market.

The chart below shows the geographic distribution of the structured credits in the Merchant Banking investment portfolio, which were valued at SEK 68 billion as of December 31, 2008:

**Structured credits**
SEK 68 billion as of December 31, 2008



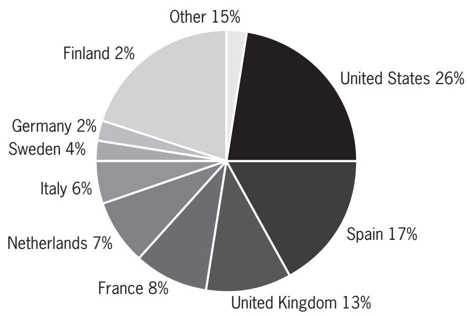

The table below shows the geographic distribution by category of the structured credits in the Merchant Banking investment portfolio, which were valued at SEK 68 billion as of December 31, 2008:

| SEK Billion | Volume breakdown by structured credit type as of December 31, 2008 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | US | UK | Spain | Netherlands | Italy | Denmark | Other Europe | Other | Total |
| Residential mortgage backed securities | 4.2 | 8.4 | 2.5 | 4.6 | 1.4 | | 2.7 | 0.7 | 24.6 |
| Collateralised loan obligations | 5.4 | 1.1 | | | | | 5.6 | 0.5 | 12.6 |
| Asset-backed securities | 0.7 | 0.6 | 2.3 | | 1.6 | 4.1 | 1.8 | | 11.1 |
| Collateralised mortgage obligations | 8.7 | | | | | | | | 8.7 |
| Commercial mortgage backed securities | 0.4 | 0.8 | | 0.2 | 0.2 | | 3.0 | | 4.6 |
| Collateralised debt obligations | 2.6 | 0.2 | | | | | 1.6 | 0.2 | 4.6 |
| Sub-prime | 1.6 | | | | | | | | 1.6 |
| **Total** | **23.6** | **11.0** | **4.8** | **4.9** | **3.2** | **4.1** | **14.7** | **1.5** | **67.7** |

SEB's holdings of covered bonds and bonds issued by financial institutions in the investment portfolio amounted to SEK 65 billion as of December 31, 2008 (compared to SEK 60 billion as of December 31, 2007), as shown in the table describing the Group's fixed-income securities portfolio on page 117. As of December 31, 2008, 70% of SEB's holdings of covered bonds and bonds issued by financial institutions related to European institutions, 26% to U.S. institutions and 4% Australian institutions.

The chart below shows the geographic distribution of the bonds issued by financial institutions in the Merchant Banking investment portfolio, which were valued at SEK 52 billion as of December 31, 2008:

**Financial institutions**
SEK 52 billion as of December 31, 2008



*Year ended December 31, 2007*

SEB's investment portion of its fixed-income securities portfolio, which was attributed to SEB's Merchant Banking division, was negatively affected by the dislocations in the credit markets during the third and fourth quarters of 2007. The fair value loss on this portfolio amounted to SEK 2,467 million, of which SEK 1,769 million related to securities classified as held-for-trading and SEK 698 million related to securities classified as available-for-sale.

SEK 1,682 million of these fair value losses related to holdings in structured credits and SEK 785 million related to other financial instruments, mainly bonds issued by financial institutions. SEB's holdings of structured credits amounted to SEK 71 billion as of December 31, 2007, of which 99.3% were AAA-rated. Negative rating actions during 2007 affected three out of 748 positions held by SEB and the eligibility to use the portfolio as collateral with central banks was generally sustained. The average maturity of SEB's structured credit holdings was approximately four years. Sixty-one percent of the structured credit exposures were related to the European markets and 39% to the U.S. market. Direct and indirect asset-backed securities exposures to the U.S. sub-prime mortgage sector amounted to SEK 2.3 billion as of December 31, 2007.

### Liabilities

*Deposits and borrowing from the public and deposits by credit institutions*

As of December 31, 2008, SEB's deposits and borrowing from the public totalled SEK 841 billion, an increase of 12% over SEK 750 billion as of December 31, 2007. This increase was due to heightened customer appetite for low-risk banking and investment options during the financial market turmoil in the third and fourth quarters of 2008. Net of currency effects of SEK 64 billion, deposits and borrowing from the public would have increased to SEK 777 billion as of December 31, 2008.

Deposits by credit institutions increased by SEK 8 billion, or 2%, to SEK 429 billion as of December 31, 2008 compared to SEK 421 billion as of December 31, 2007, a result of lower values of repurchase agreements. Net of currency effects of SEK 31 billion, deposits by credit institutions would have decreased to SEK 398 billion as of December 31, 2008.

SEB's deposits and borrowing from the public totalled SEK 750 billion as of December 31, 2007, an increase of SEK 106 billion, or 16%, over SEK 644 billion as of December 31, 2006. This increase was principally due to the growth of short-term deposits.

SEB's deposits by credit institutions amounted to SEK 421 billion as of December 31, 2007, which represented an increase of SEK 53 billion, or 14%, over SEK 368 billion as of December 31, 2006, due to short-term deposits.

*Financial liabilities at fair value*

As of December 31, 2008, SEB's financial liabilities at fair value increased by SEK 79 billion, or 37%, to SEK 295 billion, as a result of increases in the fair value of trading derivatives. Net of currency effects of SEK 16 billion, financial liabilities at fair value would have increased to SEK 279 billion as of December 31, 2008.

As of December 31, 2007, SEB's financial liabilities at fair value increased by SEK 65 billion, or 30%, to SEK 216 billion, principally due to trading liabilities.

### Total equity

SEB's total equity as of January 1, 2008 amounted to SEK 76.7 billion (compared to SEK 67.3 billion as of January 1, 2007). In accordance with a resolution of the Annual General Meeting in April 2008, SEK 4,451 million (compared to SEK 4,079 million in 2007) of this equity was used to pay dividends in respect of the 2007 financial year. At year-end 2008, total equity amounted to SEK 83.7 billion. In connection with its announcement of this Offering, the Board of Directors has recommended to the Annual General Meeting that no dividend be paid in respect of 2008. See "Dividend and dividend policy" for more details.

SEB's total equity as of January 1, 2007 amounted to SEK 67.3 billion compared to SEK 56.8 billion as of January 1, 2006. In accordance with a resolution of the Annual General Meeting in March 2007, SEK 4,079 million (compared to SEK 3,189 million in 2006) of this equity was used to pay dividends in respect of the 2006 financial year, including dividends on repurchased shares. As of December 31, 2007, total equity amounted to SEK 76.7 billion.

## Investments

In the summer of 2008, SEB acquired GMAC Commercial Finance Sp. z o.o., a factoring company in Poland. In January 2008, SEB acquired 100% of the shares in Key Asset Management, a leading European manager of hedge funds with SEK 17 billion of assets under management. The two acquisitions together represented a purchase price of SEK 990 million.

In December 2007, SEB acquired 97.3% of Factorial Bank (Ukraine). The purchase price was SEK 759 million; the agreement implies an aggregate consideration of USD 120 million at a 100% holding. SEB had about 15,000 corporate and 90,000 private customers in the Ukraine as of December 31, 2008.

In 2006, SEB acquired the Russian bank PetroEnergoBank in St. Petersburg and the Danish asset management company Prime Management. The two acquisitions together represented a purchase price of SEK 130 million.

## Divestments and restructuring

During 2008, SEB's shares of NCSD Holding (24.8%) and PKK (41.5%) were divested and SEB realised capital gains of SEK 780 million and SEK 59 million, respectively, on the sales. During the autumn of 2008, SEB initiated certain organisational changes in its German operations, whereby its German Retail Banking business is in the process of being separated from its German Merchant Banking business within the legal entity SEB AG, thereby creating flexibility to benefit from the changing German banking market.

In the first quarter of 2007, SEB completed the sale of Union Inkasso, a retail debt collection subsidiary of the Issuer, with minor effects on operating profit. The sale of the vendor-based car financing operation ÅF Bil of SEB Finans was completed during the second quarter, with a capital gain of SEK 110 million.

The sale of the properties owned by SEB's Baltic subsidiary banks was finalised in December 2007, with a capital gain of SEK 785 million: SEK 298 million in Estonia, SEK 255 million in Latvia and SEK 232 million in Lithuania.

In line with SEB's integration of operations, SEB Finans AB and SEB Bolån AB were merged with the Issuer as at October 1, 2007. The covered bonds issued by SEB Bolån AB have been assumed by SEB, and Moody's Aaa rating for these issues has been confirmed.

In July 2006, SEB sold its total holding of 47.5% in BOŚ to the Polish National Environmental Protection and Water Management Fund for approximately SEK 1.4 billion. Later that year, SEB opened a branch in Warsaw.

## Cash Flows

The table below shows the composition of SEB's cash flow for the years ended December 31, 2008, December 31, 2007 and December 31, 2006:

| SEK million | 2008 | 2007 | 2006 |
|---|---|---|---|
| **Cash flow from the profit and loss statement** | 12,205 | 17,890 | 15,490 |
| Increase (–)/decrease (+) in portfolios | –12,646 | –32,503 | –69,110 |
| Increase (+)/decrease (–) in issued short term securities | 13,276 | 72,454 | 10,581 |
| Increase (–)/decrease (+) in lending to credit institutions | 38,890 | –45,995 | 17,745 |
| Increase (–)/decrease (+) in lending to the public | –162,529 | –116,298 | –46,351 |
| Increase (+)/decrease (–) in liabilities to credit institutions | 9,208 | 52,274 | –33,559 |
| Increase (+)/decrease (–) in deposits and borrowings from the public | 87,815 | 104,715 | 71,495 |
| Increase (–)/decrease (+) in net investment contracts in insurance business | 234 | 22,302 | 18,319 |
| Change in other balance sheet items | –2,894 | 10,348 | –1,587 |
| **Cash flow from operating activities** | **–16,441** | **85,187** | **–16,977** |
| Cash flow from investment activities[1)] | –6,050 | –2,350 | –12 |
| Cash flow from financing activities | 2,653 | 38,397 | 21,048 |
| **Net increase in cash and cash equivalents** | **–19,838** | **121,234** | **4,059** |
| Cash and cash equivalents at beginning of year | 194,985 | 73,751 | 70,796 |
| Exchange difference in cash and cash equivalents | | | –1,104 |
| Net increase in cash and cash equivalents | –19,838 | 120,820 | 4,059 |
| **Cash and cash equivalents at end of period[2)]** | **175,147** | **194,985** | **73,751** |
| 1) Including investments in subsidiaries: | | | |
| Cost of acquisitions | –1,040 | –759 | –130 |
| Less cash acquired | – | 102 | 113 |
| **Outflow on acquisition** | **–1,040** | **–657** | **–17** |

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

### Cash flows from operating activities

Cash flow from operating activities is based on profit for the year, adjusted for non-cash items and items not related to operating activities. Changes in assets and liabilities from operating activities consist of items that are part of SEB's operating activities, such as loans to, and deposits and borrowings from, the public and credit institutions; such changes do not include items attributable to investment or financing activities.

Net cash flow used in operating activities was SEK 16,441 million in 2008 compared to net cash from operating activities of SEK 85,187 million in 2007, a decrease of SEK 101,628 million, or 119%. Net cash flow used in operating activities in 2008 was strongly influenced by the cash effects of higher levels of lending to the public. This development more than offset the positive cash effects in 2008 attributable to continued high levels of deposits and borrowings from the public and changes in lending to credit institutions, among other things.

### Cash flows from investment activities

Investment activities in 2008 used more than twice the cash flow as in 2007, increasing to SEK 6,050 million in 2008 from SEK 2,350 million in 2007. The increase in cash flow used in investment activities during 2008 was due mainly to business acquisitions and investments in intangible and tangible assets, including investments in information technology infrastructure (such as One IT Roadmap and system upgrades in response to regulatory changes) and other investments in SEB's operations.

Cash flow used in investment activities in 2008 reflects the acquisitions of GMAC Commercial Finance and Key Asset Management, which together represented a purchase price of SEK 990 million. In 2007, SEB acquired 97.3% of Factorial Bank in Ukraine for a purchase price of SEK 759 million.

Cash flow from investment activities in 2008 reflects SEB's divestment of its shares of NCSD Holding and PKK. SEB recorded non-recurring gains on account of these sales in the amounts of SEK 780 million and SEK 59 million, respectively. By comparison, cash flow from investment activities in 2007 included SEK 1,431 million from sales of intangible and tangible fixed assets, arising principally from the divestment of SEB's office premises in the Baltic countries.

### Cash flows from financing activities

Cash flow from financing activities was SEK 2,653 million in 2008 compared to SEK 38,397 million in 2007. The decrease in the cash flow from financing activities in 2008 was due primarily to an increase in the repayment of SEB's borrowings and a reduction in both the issuance of securities and the making of new borrowings.

## Liquidity and capital resources

The following discussion of the Group's funding and capital requirements should be read in conjunction with the section of this Prospectus entitled "Risk management—Liquidity risk".

### *Working capital*

SEB's working capital and its capital resources are, in the opinion of the Issuer, sufficient for SEB's requirements for a period of 12 months from the date of this Prospectus.

### *Sources of funding*

The principal sources of funding for the Group consists of deposits from the public (including retail and wholesale deposits), deposits from Swedish, German and other financial institutions and issues of money market instruments, covered bonds, other types of bonds and subordinated debt. SEB believes these sources give it access to a well-diversified funding base.

SEB continues to receive a large part of its funding from deposits from the public, which constituted 42% of its funding as of December 31, 2008. During 2008, it was also able to issue SEK 100 billion of covered bonds and SEK 60 billion of unsecured long-term senior unsecured debt.

Starting in the autumn of 2008, the access by banks generally to capital market funding was substantially reduced. This trend was exacerbated by the collapse of Lehman Brothers in September 2008, following which SEB's ability to access wholesale sources of liquidity (for example, through the issue and sale of unsecured and covered bonds, commercial paper and certificates of deposit) has been constrained. This has particularly been the case with longer-term funding sources, including commercial paper with maturities over six months, which has limited SEB's ability to replace maturing longer-term financing with funds having similar maturities. As a result, like other banks, SEB has had to rely on greater amounts of shorter-term funding with a term of one to three months, and overnight funding, with a consequent reduction in overall liquidity.

As part of its liquidity management policy, SEB sets specific durational matched funding targets. SEB's matched funding is based on matched funding of loan liabilities with assets having matching maturities and assuming no access to capital markets, no refinancing of debt to credit institutions, issued bonds or subordinated capital, and moderate reduction of business activities. As a result of the financial crisis and market volatility that accelerated starting in the third quarter of 2008 and SEB's greater reliance, like other banks, on shorter-term funding, SEB has reduced the duration of its matched funding targets substantially.

As of the date of this Prospectus, the activity in the markets for covered bonds and unsecured bonds remains low, and SEB continues to source short-term funding and to utilise available central bank liquidity programs to cover its liquidity needs.

The following table shows the breakdown of SEB's different funding sources as of December 31, 2008 and 2007:

| | As of December 31, | |
|---|---|---|
| **SEK billion** | **2008** | **2007** |
| Schuldscheins and registered bonds[1] | 28 | 44 |
| Public covered bonds Germany | 29 | |
| Other deposits and borrowing from the public | 747 | 667 |
| **Deposits and borrowing from the public[2]** | **804** | **711** |
| | | |
| Deposits from financial institutions | 274 | 305 |
| Deposits from central banks | 132 | 46 |
| **Deposits by credit institutions[3]** | **406** | **351** |
| | | |
| Mortgage covered bonds Sweden | 178 | 125 |
| Mortgage covered bonds Germany | 45 | 39 |
| Commercial paper/Certificates of deposit | 149 | 202 |
| Public covered bonds Germany | 97 | 102 |
| Senior debt | 56 | 43 |
| **Debt securities** | **525** | **511** |
| | | |
| Subordinated liabilities | 51 | 44 |
| **Funding** | **1,787** | **1,617** |

1) Privately placed German bonds.
2) Excludes repurchase agreements valued at SEK 36 billion in 2008 and SEK 39 billion in 2007.
3) Excludes repurchase agreements valued at SEK 24 billion in 2008 and SEK 71 billion in 2007.

### *Deposits and borrowing from the public*

SEB's Swedish and German operations are the main deposit-taking entities within the Group, although the banking operations in all three Baltic countries receive significant levels of deposits. The majority of funds used by SEB to make loans is sourced through deposits. As of December 31, 2008, SEB's total deposits and borrowings from the public, excluding repurchase agreements, amounted to SEK 747 billion.

### *Covered bonds*

SEB's mortgage lending is primarily financed through issuance of Swedish and German mortgage covered bonds. SEB's covered bonds are debt securities backed by cash flows from mortgages, and are consolidated on the Group's balance sheet.

SEB's Swedish and German mortgage covered bonds carry an AAA rating from Moody's. The credit quality of the covered bonds is based on the credit quality of SEB's Swedish secured loan portfolio, which consists of loans backed by collateral in Swedish and German real estate. During 2008, SEB issued covered bonds for SEK 100 billion to investors in the Swedish and international markets, of which approximately SEK 14 billion was issued in the fourth quarter of 2008.

SEB's lending to the public sector in Germany is financed through issuance of German public covered bonds. The covered bonds have an AAA rating from Moody's. Total amount of issued German public covered bonds was SEK 126 billion as of December 31, 2008.

### *Interbank funding*

In addition to capital markets funding, SEB also receives short-term funds from other financial institutions. As of December 31, 2008, funding from financial institutions amounted to SEK 274 billion. SEB's interbank funding sources are well diversified and consist of both funds from correspondent banks and funds from financial institutions actively seeking stable counterparties with whom to place surplus funds.

*Loans from central banks and the Swedish National Debt Office*

During the 2008 autumn market turmoil, the Swedish and other European central banks and the Swedish National Debt Office opened different loan facilities for banks in order to improve market liquidity. SEB has used these facilities as an additional source of funds and borrowed funds from the Swedish, Danish and Norwegian central banks and the European Central Bank. SEB's funding from central bank sources increased from SEK 46 billion as of December 31, 2007 to SEK 132 billion as of December 31, 2008. As of December 31, 2008, SEB's pool of unutilised eligible assets in its liquidity reserve that could be pledged with central banks and thus transformed into liquid funds was SEK 123 billion.

The Swedish government has launched a plan with measures intended to secure financial stability in Sweden and to address negative effects of the global financial crisis, including systemic illiquidity and high borrowing costs. The Swedish government scheme also includes measures aimed at enabling solvent banks to strengthen their capital base to allow for continued supply of credit. See "Banking and insurance regulation and supervision —Sweden— The Financial Stability Plan". SEB has a positive view of the initiatives to strengthen the financial position of the banking sector taken by the Swedish government and is positively evaluating whether to participate in these stability measures. Accordingly, SEB may decide to apply for such participation in the near to medium term.

*Other issued debt*

As a source of long-term funding, SEB issues senior unsecured bonds. SEB also has several funding programs for issuance of short to medium-term debt, including Swedish, French, European and U.S. commercial paper programs and programmes for issuance of Yankee certificates of deposit and certificates of deposit from the London Branch. As a further source of funding, SEB had outstanding as of December 31, 2008 issued subordinated liabilities, mainly accounted as Tier I or Tier II capital for the purposes of capital adequacy, amounting to SEK 51.2 billion.

*Maturing liquidity*

As of December 31, 2008, the amount of outstanding debt scheduled to mature in 2009 and require refinancing was SEK 246 billion.

### *Credit rating*

In February 2009, Standard & Poor's downgraded its long-term counterparty credit rating of SEB to A (with stable outlook) from A+ (with negative outlook), primarily due to concerns regarding SEB's Baltic operations, but confirmed its short-term A-1 rating. In December 2008, Moody's changed its outlook from stable to negative, but affirmed SEB's long-term Aa2 rating in February 2009, at which time, Fitch also affirmed its A+ rating for SEB, with maintained stable outlook. DBRS rates SEB's long-term rating at AA (low) with a stable outlook.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation. Each rating should be evaluated independently of any other rating.

## Capital adequacy

The Group is a financial group that comprises banking, finance, securities and insurance companies. The capital adequacy rules applicable to SEB apply to each individual Group company that has a licence to carry on banking, finance or securities operations as well as to the Group's consolidated financial group of undertakings, which includes both Group companies (other than insurance companies within the Group) and non-consolidated associated companies. Similarly, Group companies that carry on insurance operations must comply with applicable capital solvency requirements. In addition, the consolidated Group is required to comply with capital requirements with respect to its financial conglomerate, which consists of the combined banking and insurance operations of the Group. the financial conglomerate requirements supplement existing banking and insurance regulations. Swedish legislation in place since July 1, 2006 provides for yearly reporting of capital adequacy at the financial conglomerate level. See "Capital management" generally.

### *Composition of capital base*

The following table sets forth SEB's regulatory capital base as of December 31, 2008 and December 31, 2007:

| Calculation of capital base | Financial group of undertakings* | |
|---|---|---|
| | As of December 31, | |
| SEK million | 2008 | 2007 |
| Total equity according to balance sheet[1)] | 83,729 | 76,719 |
| Proposed dividend (excluding repurchased shares)[2)] | 0 | –4,442 |
| Deductions for investments outside the financial group of undertakings[3)] | –76 | –81 |
| Other deductions outside the financial group of undertakings[4)] | 2,878 | –2,975 |
| **Total equity in the capital adequacy** | **80,775** | **69,221** |
| Tier I capital contribution | 12,371 | 10,907 |
| Adjustment for hedge contracts[5)] | –1,395 | 237 |
| Net provisioning amount for IRB-reported credit exposures[6)] | –1,133 | –235 |
| Unrealised value changes on available-for-sale financial assets[7)] | 3,062 | 572 |
| Goodwill[8)] | –7,305 | –6,079 |
| Other intangible assets | –2,090 | 1,135 |
| Deferred tax assets | –1,822 | –786 |
| **Tier I Capital** | **82,463** | **72,702** |
| Dated subordinated debts | 21,552 | 18,670 |
| Deductions for remaining maturity | –2,242 | –1,414 |
| Perpetual subordinated debts | 14,421 | 14,256 |
| Net provisioning amount for IRB-reported credit exposures[6)] | –1,133 | –235 |
| Unrealised gains on available-for-sale financial assets[7)] | 1,221 | 451 |
| Deduction for investments outside the financial group of undertakings[3)] | –76 | –81 |
| **Supplementary capital (Tier II)** | **33,743** | **31,647** |
| Deductions for investments in insurance companies[9)] | –10,620 | –10,592 |
| Deductions for pension assets in excess of related liabilities[10)] | –863 | –784 |
| **Capital base** | **104,723** | **92,973** |

* The capital adequacy reporting comprises the financial group of undertakings, which includes both Group companies (other than insurance companies within the Group) and non-consolidated associated companies.
1) Total equity according to the balance sheet includes the profit from the year which has been reviewed by the auditors.
2) In order to improve SEB's capital position, the Board of Directors proposed that no dividend be paid for 2008.
3) Deductions for investments outside the financial group of undertakings should be made with equal parts from Tier I and Tier II capital. However, investments in insurance companies made before July 20, 2006 can be deducted from the capital base (see note 9 below).
4) The deduction consists of retained earnings in subsidiaries outside the financial group of undertakings.
5) The adjustment refers to differences in how hedging contracts are taken into account according to the capital adequacy regulation, as compared with the preparation of the balance sheet.
6) If provisions and value adjustments for credit exposures reported according to the IRB approach fall short of expected losses on these exposures, the difference should be deducted in equal parts from Tier I and Tier II capital. A corresponding excess can, up to a certain limit, be added to the supplementary capital. IRB is discussed in further detail under "Capital management—New Basel II capital adequacy rules".
7) For available-for-sale portfolios, value changes on debt instruments are not taken into account for capital adequacy. Any surplus attributable to equity instruments may be included in Tier II capital.
8) Goodwill in this row relates only to consolidation into the financial group of undertakings, rather than the Group.
9) When consolidating the entire Group's balance sheet further goodwill of SEK 5,721 million is created, which is included in the insurance investments.
10) Pension surplus values should be deducted from the capital base, excepting such indemnification as prescribed in the Swedish Act on Safeguarding of Pension Undertakings.

As of December 31, 2008, the Issuer's Tier I capital was SEK 66,688 million, compared to SEK 57,075 million at December 31, 2007, and the reported Tier I capital ratio (applying Basel II with transitional rules) was 9.9% at December 31, 2008, compared to 10.2% at December 31, 2007.

The capital base of the financial group of undertakings was SEK 104.7 billion as of December 31, 2008 compared to SEK 93.0 billion as of December 31, 2007. Tier I capital as of December 31, 2008 amounted to SEK 82.5 billion compared to SEK 72.7 billion as of December 31, 2007.

Tier I capital consists of total equity plus minority interests, after deduction for intangible assets (mainly acquisition goodwill relating to the financial group of undertakings), deferred tax claims and any dividend proposed by the board of directors. Adjustments are required to be made where capital adequacy regulation differs from how the balance sheet is prepared, specifically as concerns hedge accounting and surplus values in available-for-sale portfolios. Certain subordinated debt issues can be included as Tier I capital contributions within regulatory-defined limits. As of December 31, 2008, SEB included SEK 12.4 billion of such debt in its Tier I capital. Since December 2008, Swedish law has permitted hybrid capital to account for up to 30% of Tier I capital, with a lower limit of 15% applied to hybrid capital with incentives for issuer redemption — for example, hybrid capital with a step-up in interest. Prior to December 2008, hybrid capital of any type could account for only 15% of Tier I capital.

The capital base may include additional subordinated debt (Tier II capital) up to a maximum 100% of Tier I capital. As of December 31, 2008, SEB included SEK 33.7 billion of such debt in its capital base.

Under Basel II transitional rules, during the years 2007, 2008 and 2009, institutions are required to have a capital base not below 95%, 90% and 80%, respectively, of the capital requirements according to Basel I regulation.

Investments in insurance companies made before July 20, 2006 (such as the acquisition of the Trygg-Hansa group in 1997 and the acquisition of Codan Pension in 2004, together totalling SEK 10.6 billion) are deducted from the total capital base. A further deduction of SEK 0.2 billion for investments outside the financial group of undertakings was made with equal parts from Tier I and Tier II capital.

Provisions and value adjustments for credit exposures reported by SEB according to the Basel II Internal Ratings Based ("IRB") approach fall short of expected losses on these exposures, and the difference of SEK 2.3 billion is deducted in equal parts from Tier I and Tier II capital. A corresponding excess would, up to a certain limit, be added to Tier II capital.

A deduction from the capital base of SEK 0.9 billion in 2008 is also made for pension surplus values, except for such indemnification as prescribed in the Swedish Act on safeguarding of pension undertakings.

The combined capital requirements for the SEB financial conglomerate was SEK 88.3 billion as of December 31, 2008 (compared to SEK 75.9 billion as of December 31, 2007), while the capital resources amounted to SEK 117.3 billion as of December 31, 2008 (compared to SEK 104.4 billion as of December 31, 2007).

See "Capital management—New Basel II capital adequacy rules", "Capital management—Capital requirements—Basel II framework" and "Capital management—Capital base" for further details regarding SEB's capital resources framework.

### *Risk-weighted assets, capital position and capital adequacy ratio*

As a result of the growth of business volumes during 2008, the Group increased its RWAs calculated according to Basel I by SEK 235 billion, or 26%, to SEK 1,127 billion as of December 31, 2008 (compared to SEK 892 billion as of December 31,2007). Considering SEB's gradual Basel II roll-out and applying the RWAs reduction of the Basel I calculated equivalent, the Group reported combined RWAs comprised of assets, off-balance-sheet commitments, market risk positions and operational risk of SEK 986 billion as of December 31, 2008. A majority of SEB's total credit volume was reported according to the Internal Ratings Based approach during 2008. Growing corporate lending in the Nordic countries constituted the largest factor behind the increase. Currency effects contributed SEK 80 billion to RWAs.

As of December 31, 2008, Basel II RWAs amounted to SEK 818 billion, which would represent a Tier I capital ratio of 10.1% and a total capital ratio of 12.8% applying Basel II without transitional floors. Adjusted for the net proceeds following full subscription of the Offering at the Subscription Price, the Tier I capital ratio as of December 31, 2008 would have been 12.1% and the total capital ratio at that date would have been 14.6%, on a pro forma basis, applying Basel II without transitional floors.

As of December 31, 2008, the reported Tier I capital ratio applying Basel II transitional rules was 8.4% (compared to 8.6% as of December 31, 2007) and the total capital ratio 10.6% (compared to 11.0% as of December 31, 2007).

## Collateral and contractual obligations

### Contractual obligations

The table below summarises certain of SEB's contractual obligations (excluding long-term debt, which is set forth in Note 41 to the 2008 Financial Statements) as of December 31, 2008:

| | Payment due by period | | | | |
|---|---|---|---|---|---|
| SEK million | Total | Less than 1 year | 1–3 years | 3–5 years | More than 5 years |
| Operating leases | 7,727 | 1,659 | 2,378 | 835 | 2,855 |
| **Total** | **7,727** | **1,659** | **2,378** | **835** | **2,855** |

### Collateral, contingent liabilities and commitments

The following table shows the value of SEB's collateral, pledged assets and comparable security; contingent liabilities and commitments as of December 31, 2008, 2007 and 2006:

| | As of December 31, | | |
|---|---|---|---|
| SEK million | 2008 | 2007 | 2006 |
| Collateral and comparable security pledged for own liabilities | 375,227 | 308,342 | 354,694 |
| Other pledged assets and comparable collateral | 152,142 | 207,363 | 189,730 |
| Contingent liabilities | 86,675 | 66,984 | 60,156 |
| Commitments | 416,533 | 394,128 | 346,517 |

For more information about the items in the table above, see Note 38 to each of the 2008 Financial Statements and the Unrestated 2007 Financial Statements.

SEB's contingent liabilities as of December 31, 2008 are comprised of SEK 12,309 million (compared to SEK 7,188 million as of December 31, 2007) in guarantee commitments, SEK 61,334 million (compared to SEK 48,694 million as of December 31, 2007) in other guarantee commitments (which include guarantee commitments in respect of completion guarantees), SEK 836 million (compared to SEK 799 million as of December 31, 2007) in respect of own acceptances, and SEK 12,196 million (compared to SEK 10,303 million as of December 31, 2007) approved, but unutilised letters of credit.

The Issuer has undertaken to the Monetary Authority of Singapore to ensure that SEB Luxembourg's branch in Singapore is able to fulfil its commitments. The Issuer has also issued a deposit guarantee for SEB AG in Germany to the Bundesverband deutscher Banken e.V.

### Derivatives and hedging

*Derivatives*

As of December 31, 2008, the notional amount of the Group's derivatives contracts totalled SEK 9,007 billion (compared to SEK 7,145 billion as of December 31, 2007). SEB's derivative contract volumes are primarily driven by offering clients derivatives products for management of their financial exposures. The Group manages the resulting positions by entering into offsetting contracts in the market place. As a consequence, the mix of derivatives, as detailed in Note 45 to the 2008 Financial Statements included elsewhere in this Prospectus, largely reflects the demand of SEB's customer base. Customer and market making transactions form part of SEB's trading book and are valued on a continuous basis based on market prices.

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

The major portion of the Group's derivatives 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 of SEB's derivative contracts imply a counterparty risk. To reflect 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 are included in the Group's overall credit portfolio.

Close-out netting agreements (giving the ability to offset positive market values against negative market values) are disregarded for accounting purposes, but form a very important part of the Group's credit risk mitigation strategy. In order to reduce counterparty exposure in event of default, SEB strives to enter into close-out netting agreements as well as collateral agreements with all major derivatives counterparties. The counterparties are mainly Swedish and international banks with strong credit ratings. The total credit risk equivalent as of December 31, 2008 was SEK 130.4 billion (compared to SEK 74.6 billion as of December 31, 2007). Further details on exposures by industry are found in Note 44 to the 2008 Financial Statements included elsewhere in this Prospectus.

*Hedging*

The group hedges the currency valuation risk of net investments in foreign operations through currency borrowings and currency forwards. Borrowings in foreign currencies totalling SEK 55,899 million in 2008 (compared to SEK 53,260 million in 2007) and currency forwards totalling SEK 4,486 million in 2008 (compared to SEK 349 million in 2007) were designated as hedges of net investments in foreign operations.

When the Group hedges the fair value of interest rate exposure in a portfolio including financial assets or financial liabilities, the gains and losses attributable to the hedged item are reported as separate items under assets or liabilities, as appropriate, in the consolidated balance sheet. The Group applies the version of IAS 39 adopted by the European Union when determining the accounting treatment of these portfolio hedges of interest rate risk.

### Off balance sheet arrangements

SEB does not currently have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

#### *Life insurance business*

Certain entities, portfolios and funds within SEB's life insurance business are not consolidated into the accounts of the Group. See "—Critical accounting and other policies—Consolidated and unconsolidated accounts" for more information.

#### *Conduit liquidity facilities*

SEB closed down Three Crowns Funding LLC, an asset-backed commercial paper conduit, during 2007 and currently operates no similar structure. SEB provides liquidity facilities to four ABCP issuing conduits, with commitments totalling SEK 5.1 billion at end of 2008, none of which was drawn. The liquidity facilities may only be used for SEB's clients' transactions to the conduit and not for other assets. All such transactions are related to the clients' trade or lease receivables.

### Recent developments

Based on preliminary financial data available to SEB's management, the Group's performance through the end of February 2009 is consistent with management's expectations as of year-end 2008, with continued deterioration in the Group's credit portfolios, in particular the Baltic loan portfolio. There has been no material change in SEB's financial condition since December 31, 2008. Results to date are not necessarily indicative of results for the full first quarter of 2009 or for 2009 as a whole and such results could differ materially from the preliminary financial data available to management as of the date of the Prospectus.

# Dividend and dividend policy

The size of the Issuer's dividend is determined by the economic environment as well as the financial position and growth potential of the Group. SEB strives to achieve long-term growth based on a capital base for its financial group of undertakings, which includes Group companies (other than insurance companies within the Group) and non-consolidated associated companies.

The Issuer has traditionally had the objective that the annual dividend per share shall, over a business cycle, correspond to around 40% of the earnings per share. However, the Board of Directors has proposed not to declare a dividend for the 2008 financial year. This will improve SEB's capital base by approximately SEK 4.5 billion, which had been deducted from SEB's Tier I capital during 2008 on a pro rata basis. This will be capital in addition to the capital raised by SEB in the Offering.

SEB maintains its existing long-term dividend policy of 40% of earnings per share over a business cycle, although future dividends will be assessed in the light of prevailing economic conditions and the Issuer's earnings and capital position.

The New A Shares will entitle holders to dividends, assuming a dividend is approved, on any record date for dividends that occurs as from the registration of the New A Shares with the SCRO. Subsequent to such registration, the New A Shares will carry the same rights to dividends as the Issuer's existing A Shares. Please note that the Issuer's normal practice is to consider payments of dividends only once a year for declaration in connection with its Annual General Meetings. Accordingly, the New A Shares will in practice not entitle holders to dividends, assuming a dividend is approved, until the declaration of any such dividend in connection with the 2010 Annual General Meeting. The payment of any dividends is managed by Euroclear Sweden.

The following table sets forth the dividends per share paid by the Issuer over the last three financial years. No inferences as to the amount of future dividends can be drawn from dividends paid in the past.

| For financial year ended December 31, | Dividend per share, SEK |
|---|---|
| 2008 | None |
| 2007 | 6.50 |
| 2006 | 6.00 |

# Selected statistical data

The information below is derived from SEB's consolidated financial information and should be read in conjunction with SEB's financial statements and accompanying notes included elsewhere in this Prospectus, as well as with "Selected financial and other information" and "Commentary on the financial development". In this section, the term "domestic" refers to all SEB lending, deposit and other business booked within its Swedish operations. The term "foreign" refers to all other operations of SEB, and the term "Group" refers to domestic and foreign operations together.

## Distribution of assets, liabilities and shareholders' equity; interest rates and interest differential

### Average balance sheet information and information on interest rates

The following tables set forth the average balances of SEB's interest-earning assets and interest-bearing liabilities, other assets and liabilities, the interest generated from such assets and liabilities and average return rate for each period presented. Average balances have been calculated on the basis of monthly data.

| | Group* | | | Domestic | | | Foreign | | |
|---|---|---|---|---|---|---|---|---|---|
| **2008, SEK million** | **Average balance** | **Interest** | **Average rate** | **Average balance** | **Interest** | **Average rate** | **Average balance** | **Interest** | **Average rate** |
| **Assets** | | | | | | | | | |
| Loans to credit institutions | 282,195 | 11,873 | 4.21% | 394,934 | 16,822 | 4.26% | 488,192 | 22,416 | 4.59% |
| Loans to the public | 1,161,572 | 64,612 | 5.56% | 667,117 | 35,532 | 5.33% | 518,443 | 30,342 | 5.85% |
| Interest-bearing securities | 417,655 | 20,127 | 4.82% | 154,588 | 6,910 | 4.47% | 270,745 | 12,707 | 4.69% |
| **Total interest-earning assets** | **1,861,422** | **96,613** | **5.19%** | **1,216,639** | **59,264** | **4.87%** | **1,277,380** | **65,464** | **5.12%** |
| Derivatives and other interest bearing assets | | 668 | | | 295 | | | 2,436 | |
| Other non-interest bearing assets | 526,012 | | | 332,626 | | | 219,975 | | |
| **Total average assets[1)]** | **2,387,433** | | | **1,549,264** | | | **1,497,355** | | |
| **Liabilities** | | | | | | | | | |
| Deposits by credit institutions | 417,075 | –19,485 | –4.67% | 483,487 | –20,126 | –4.16% | 551,220 | –25,701 | –4.66% |
| Deposits and borrowing from the public | 768,083 | –31,292 | –4.07% | 337,548 | –14,062 | –4.17% | 432,452 | –17,432 | –4.03% |
| Debt securities | 637,510 | –21,593 | –3.39% | 367,062 | –12,930 | –3.52% | 273,906 | –8,998 | –3.29% |
| Subordinated liabilities | 45,041 | –2,336 | –5.19% | 32,253 | –2,189 | –6.79% | 18,138 | –147 | –0.81% |
| **Total interest-bearing liabilities** | **1,867,709** | **–74,706** | **–4.00%** | **1,220,349** | **–49,306** | **–4.04%** | **1,275,716** | **–52,279** | **–4.10%** |
| Derivates and other interest bearing assets | | –3,866 | | | –1,063 | | | –4,866 | |
| Other non-interest bearing liabilities | 438,909 | | | 288,235 | | | 181,505 | | |
| Equity | 80,815 | | | 40,680 | | | 40,135 | | |
| **Total average liabilities and equity** | **2,387,433** | | | **1,549,264** | | | **1,497,355** | | |
| **Net interest income** | | **18,709** | | | **9,190** | | | **10,756** | |
| **Net yield on interest-earning assets** | | | **1.01%** | | | **0.76 %** | | | **0.84%** |

1) The difference between the positive and the negative values of "Derivatives and other interest bearing assets" is included within "Other non interest bearing assets" for purposes of determining "Total Average Assets".

* The total Group data in the table above includes the sum of the data in the relevant domestic and foreign categories, as well as various intra-Group transaction eliminations. As a result, the Group totals will not equal the sum of domestic and foreign data; the difference between the Group total and the sum of the domestic and foreign data is comprised entirely of such eliminations.

| 2007, SEK million | Group | | | Domestic | | | Foreign | | |
|---|---|---|---|---|---|---|---|---|---|
| | Average balance | Interest | Average rate | Average balance | Interest | Average rate | Average balance | Interest | Average rate |
| **Assets** | | | | | | | | | |
| Loans to credit institutions | 237,672 | 10,865 | 4.57% | 355,467 | 14,152 | 3.98% | 473,303 | 30,765 | 6.50% |
| Loans to the public | 1,026,776 | 53,770 | 5.24% | 582,326 | 29,491 | 5.06% | 463,913 | 25,479 | 5.49% |
| Interest-bearing securities | 469,772 | 18,894 | 4.02% | 173,719 | 5,195 | 2.99% | 303,315 | 13,226 | 4.36% |
| **Total interest-earning assets** | **1,734,220** | **83,529** | **4.82%** | **1,111,512** | **48,838** | **4.39%** | **1,240,532** | **69,471** | **5.60%** |
| Derivatives and other interest bearing assets | | 2,507 | | | 2,818 | | | 70 | |
| Other non-interest bearing assets | 444,166 | | | 258,031 | | | 203,720 | | |
| **Total average assets[1)]** | **2,178,386** | | | **1,369,543** | | | **1,444,252** | | |
| **Liabilities** | | | | | | | | | |
| Deposits by credit institutions | 410,138 | –17,287 | –4.21% | 458,522 | –18,218 | –3.97% | 560,627 | –32,813 | –5.85% |
| Deposits and borrowing from the public | 694,636 | –26,760 | –3.85% | 323,721 | –12,874 | –3.98% | 373,051 | –14,046 | –3.77% |
| Debt securities | 577,475 | –20,668 | –3.58% | 294,812 | –9,801 | –3.32% | 286,980 | –11,086 | –3.86% |
| Subordinated liabilities | 41,758 | –2,075 | –4.97% | 29,111 | –1,918 | –6.59% | 17,556 | –157 | –0.89% |
| **Total interest-bearing liabilities** | **1,724,007** | **–66,790** | **–3.87%** | **1,106,165** | **–42,811** | **–3.87%** | **1,238,214** | **–58,103** | **–4.69%** |
| Derivatives and other interest bearing assets | | –3,248 | | | –1,122 | | | –2,128 | |
| Other non-interest bearing liabilities | 379,508 | | | 230,641 | | | 163,903 | | |
| Equity | 74,872 | | | 32,736 | | | 42,136 | | |
| **Total average liabilities and equity** | **2,178,386** | | | **1,369,543** | | | **1,444,252** | | |
| **Net interest income** | | **15,997** | | | **7,723** | | | **9,311** | |
| **Net yield on interest-earning assets** | | | **0.92%** | | | **0.69%** | | | **0.75%** |

1) The difference between the positive and the negative value of "Derivatives and other interest bearing assets" is included within "Other non interest bearing assets" for purposes of determining "Total Average Assets".

* The total Group data in the table above includes the sum of the data in the relevant domestic and foreign categories, as well as various intra-Group transaction eliminations. As a result, the Group totals will not equal the sum of domestic and foreign data; the difference between the Group total and the sum of the domestic and foreign data is comprised entirely of such eliminations.

| 2006, SEK million | Group | | | Domestic | | | Foreign | | |
|---|---|---|---|---|---|---|---|---|---|
| | Average balance | Interest | Average rate | Average balance | Interest | Average rate | Average balance | Interest | Average rate |
| **Assets** | | | | | | | | | |
| Loans to credit institutions | 214,293 | 8,548 | 3.99% | 268,768 | 8,839 | 3.29% | 350,688 | 20,413 | 5.82% |
| Loans to the public | 929,099 | 42,090 | 4.53% | 512,548 | 21,466 | 4.19% | 431,776 | 21,233 | 4.92% |
| Interest-bearing securities | 473,193 | 12,603 | 2.66% | 136,514 | 2,376 | 1.74% | 343,794 | 10,433 | 3.03% |
| **Total interest-earning assets** | **1,616,585** | **63,241** | **3.91%** | **917,830** | **32,681** | **3.56%** | **1,126,258** | **52,079** | **4.62%** |
| Derivatives and other interest bearing assets | | 2,896 | | | 2,500 | | | 410 | |
| Other non-interest bearing assets | 372,973 | | | 222,075 | | | 161,988 | | |
| **Total average assets[1)]** | **1,989,558** | | | **1,139,905** | | | **1,288,246** | | |
| **Liabilities** | | | | | | | | | |
| Deposits by credit institutions | 381,860 | –13,313 | –3.49% | 353,869 | –11,653 | –3.29% | 448,404 | –22,111 | –4.93% |
| Deposits and borrowing from the public | 627,924 | –18,472 | –2.94% | 287,146 | –7,598 | –2.65% | 341,425 | –10,886 | –3.19% |
| Debt securities | 480,674 | –14,770 | –3.07% | 244,163 | –6,303 | –2.58% | 242,519 | –8,682 | –3.58% |
| Subordinated liabilities | 42,714 | –2,111 | –4.94% | 27,765 | –1,901 | –6.85% | 17,399 | –210 | –1.21% |
| **Total interest-bearing liabilities** | **1,533,172** | **–48,667** | **–3.17%** | **912,943** | **–27,455** | **–3.01%** | **1,049,747** | **–41,888** | **–3.99%** |
| Derivatives and other interest bearing assets | | –3,189 | | | –629 | | | –2,605 | |
| Other non-interest bearing liabilities | 390,853 | | | 198,013 | | | 201,916 | | |
| Equity | 65,533 | | | 28,950 | | | 36,583 | | |
| **Total average liabilities and equity** | **1,989,558** | | | **1,139,905** | | | **1,288,246** | | |
| **Net interest income** | | **14,281** | | | **7,097** | | | **7,996** | |
| **Net yield on interest-earning assets** | | | **0.88%** | | | **0.77%** | | | **0.71%** |

1) The difference between the positive and the negative value of "Derivatives and other interest bearing assets" is included within "Other non interest bearing assets" for purposes of determining "Total Average Assets".

* The total Group data in the table above includes the sum of the data in the relevant domestic and foreign categories, as well as various intra-Group transaction eliminations. As a result, the Group totals will not equal the sum of domestic and foreign data; the difference between the Group total and the sum of the domestic and foreign data is comprised entirely of such eliminations.

## Changes in interest income; volume and rate analysis

The following tables set forth the effect of changes in SEBs interest income resulting from fluctuations in the average volumes and average yield rate for each period presented:

| | Group* | | | Domestic | | | Foreign | | |
|---|---|---|---|---|---|---|---|---|---|
| | Increase (decrease) due to change in: | | | Increase (decrease) due to change in: | | | Increase (decrease) due to change in: | | |
| **2008 compared to 2007 SEK million** | **Average volume** | **Average rate** | **Net change** | **Average volume** | **Average rate** | **Net change** | **Average volume** | **Average rate** | **Net change** |
| **Assets** | | | | | | | | | |
| Loans to credit institutions | 1,954 | –945 | 1,009 | 1,626 | 1,044 | 2,670 | 835 | –9,185 | –8,350 |
| Loans to the public | 7,279 | 3,564 | 10,842 | 4,405 | 1,636 | 6,042 | 3,132 | 1,731 | 4,863 |
| Interest-bearing securities | –2,304 | 3,537 | 1,233 | –714 | 2,428 | 1,714 | –1,591 | 152 | –1,439 |
| **Total interest-earning assets** | **6,929** | **6,155** | **13,084** | **5,318** | **5,109** | **10,426** | **2,376** | **–7,302** | **–4,926** |
| Derivatives and other interest bearing assets | | | –1,838 | | | –2,523 | | | 2,366 |
| **Total interest income** | | | **11,246** | | | **7,903** | | | **–2,560** |
| **Liabilities** | | | | | | | | | |
| Deposits by credit institutions | –308 | –1,890 | –2,198 | –1,016 | –892 | –1,908 | 285 | 6,827 | 7,112 |
| Deposits and borrowing from the public | –2,911 | –1,621 | –4,532 | –563 | –625 | –1,188 | –2,328 | –1,058 | –3,386 |
| Debt securities | –2,091 | 1,166 | –925 | –2,473 | –655 | –3,128 | 446 | 1,642 | 2,088 |
| Subordinated liabilities | –167 | –95 | –261 | –210 | –61 | –271 | 43 | –33 | 10 |
| **Total interest-bearing liabilities** | **–5,477** | **–2,440** | **–7,916** | **–4,262** | **–2,233** | **–6,495** | **–1,554** | **7,378** | **5,824** |
| Derivatives and other interest bearing liabilities | | | –618 | | | 59 | | | –2,738 |
| **Total interest expense** | | | **–8,534** | | | **–6,436** | | | **3,086** |
| **Net interest income** | | | **2,712** | | | **1,467** | | | **526** |

The change due to the combined rate/volume (average rate change times average volume change) is allocated 50% to each of the average volume change and average rate change columns.

* The total Group data in the table above includes the sum of the data in the relevant domestic and foreign categories, as well as various intra-Group transaction eliminations. As a result, the Group totals will not equal the sum of domestic and foreign data; the difference between the Group total and the sum of the domestic and foreign data is comprised entirely of such eliminations.

| | Group* | | | Domestic | | | Foreign | | |
|---|---|---|---|---|---|---|---|---|---|
| | Increase (decrease) due to change in: | | | Increase (decrease) due to change in: | | | Increase (decrease) due to change in | | |
| **2007 compared to 2006 SEK million** | **Average volume** | **Average rate** | **Net change** | **Average volume** | **Average rate** | **Net change** | **Average volume** | **Average rate** | **Net change** |
| **Assets** | | | | | | | | | |
| Loans to credit institutions | 1,001 | 1,316 | 2,317 | 3,151 | 2,161 | 5,313 | 7,956 | 2,397 | 10,353 |
| Loans to the public | 4,770 | 6,910 | 11,680 | 3,228 | 4,797 | 8,025 | 1,757 | 2,488 | 4,246 |
| Interest-bearing securities | –114 | 6,405 | 6,291 | 880 | 1,940 | 2,820 | –988 | 4,701 | 3,713 |
| **Total interest-earning assets** | **5,656** | **14,631** | **20,287** | **7,260** | **8,898** | **16,157** | **8,725** | **9,586** | **18,311** |
| Derivatives and other interest bearing assets | | | –389 | | | 319 | | | –340 |
| **Total interest income** | | | **19,898** | | | **16,476** | | | **17,971** |
| **Liabilities** | | | | | | | | | |
| Deposits by credit institutions | –1,089 | –2,886 | –3,974 | –3,802 | –2,763 | –6,565 | –7,099 | –3,604 | –10,702 |
| Deposits and borrowing from the public | –2,266 | –6,021 | –8,287 | –1,211 | –4,065 | –5,276 | –1,124 | –2,037 | –3,161 |
| Debt securities | –3,220 | –2,678 | –5,898 | –1,496 | –2,003 | –3,499 | –1,651 | –754 | –2,405 |
| Subordinated liabilities | 47 | –11 | 36 | –90 | 74 | –16 | 138 | –85 | 53 |
| **Total interest-bearing liabilities** | **–6,527** | **–11,596** | **–18,123** | **–6,599** | **–8,756** | **–15,356** | **–9,736** | **–6,479** | **–16,215** |
| Derivatives and other interest bearing liabilities | | | –59 | | | –494 | | | 478 |
| **Total interest expense** | | | **–18,182** | | | **–15,850** | | | **–15,737** |
| **Net interest income** | | | **1,716** | | | **626** | | | **2,234** |

The change due to the combined rate/volume (average rate change times average volume change) is allocated 50% to each of the average volume change and average rate change columns.

* The total Group data in the table above includes the sum of the data in the relevant domestic and foreign categories, as well as various intra-Group transaction eliminations. As a result, the Group totals will not equal the sum of domestic and foreign data; the difference between the Group total and the sum of the domestic and foreign data is comprised entirely of such eliminations.

## Debt Instrument portfolio

The following tables set forth information regarding SEBs debt instrument portfolio of debt securities at the dates presented, together with information regarding when the instruments comprising the investment portfolio are due to mature:

| Book value, SEK million | As of December 31, 2008 | 2007 | 2006 |
|---|---|---|---|
| **Eligible debt instruments[1]** | | | |
| Swedish State | 15,109 | 21,035 | 32,719 |
| Swedish municipalities | 294 | 153 | 931 |
| Other Swedish issuers – non-financial companies | 4,151 | 0 | 0 |
| Foreign States | 31,194 | 25,864 | 34,097 |
| Other foreign issuers | 123,735 | 151,087 | 125,281 |
| **Total** | **174,483** | **198,139** | **193,028** |
| **Other debt instruments[2]** | | | |
| Swedish State | 8,237 | 9,096 | 2,387 |
| Swedish mortgage institutions | 33,204 | 26,907 | 43,923 |
| Other Swedish issuers – non-financial companies | 8,986 | 7,396 | 2,704 |
| Other Swedish issuers – financial companies | 5,564 | 3,301 | 2,763 |
| Foreign States | 4,721 | 8,902 | 6,339 |
| Other foreign issuers | 235,393 | 271,499 | 236,142 |
| **Total** | **296,105** | **327,101** | **294,258** |

## Debt Instrument portfolio by maturity date

| | As of December 31, 2008 | | | |
|---|---|---|---|---|
| Book value, SEK million | < 1 year | 1 < 5 years | 5 < 10 years | 10 years < |
| **Eligible debt instruments[1]** | | | | |
| **Total** | **26,026** | **93,976** | **40,794** | **13,687** |
| **Other debt instruments[2]** | | | | |
| **Total** | **48,904** | **109,589** | **32,416** | **105,196** |

1) Eligible debt instruments means: Instruments that can be pledged with central banks by law in the respective country.
2) Other debt instruments means all other debt instruments not qualifying as "eligible debt instruments".

### Type of loans

The following table sets forth a breakdown of SEBs loan portfolio at the dates presented:

| DOMESTIC, SEK million | As of December 31, 2008 | As of December 31, 2007 |
|---|---|---|
| **Banks** | **108,326** | **95,086** |
| **Corporate** | **209,378** | **157,537** |
| Finance & insurance | 19,568 | 14,325 |
| Wholesale & retail | 22,161 | 18,169 |
| Transportation (other than shipping) | 18,155 | 16,088 |
| Shipping | 7,746 | 4,072 |
| Other service industries | 50,859 | 37,983 |
| Construction | 4,233 | 4,365 |
| Manufacturing | 49,954 | 32,602 |
| Agriculture, forestry and fishing | 2,734 | 2,528 |
| Mining and quarrying | 3,534 | 1,595 |
| Electricity, gas and water supply | 10,820 | 7,478 |
| Other | 19,615 | 18,334 |
| **Property Management** | **92,458** | **74,520** |
| Commercial [1)] | 39,555 | 29,748 |
| Multi-family [2)] | 52,903 | 44,772 |
| **Public Administration** [3)] | **18,251** | **9,371** |
| **Households** | **241,374** | **223,495** |
| Mortgage loans | 217,945 | 200,954 |
| Other loans | 23,429 | 22,540 |
| **Bonds and repos** | **162,896** | **150,271** |
| **Total provisions/allowances** | **–1,216** | **–822** |
| **Total domestic** | **831,467** | **709,458** |

| FOREIGN, SEK million | | |
|---|---|---|
| **Banks** | **73,150** | **70,713** |
| **Corporate** | **232,016** | **156,788** |
| Finance & insurance | 14,952 | 3,312 |
| Wholesale & retail | 32,790 | 25,826 |
| Transportation (other than shipping) | 15,794 | 9,200 |
| Shipping | 20,083 | 10,112 |
| Other service industries | 43,340 | 31,091 |
| Construction | 8,104 | 5,732 |
| Manufacturing | 53,048 | 37,914 |
| Agriculture, forestry and fishing | 5,148 | 4,249 |
| Mining and quarrying | 6,432 | 3,243 |
| Electricity, gas and water supply | 14,360 | 8,796 |
| Other | 17,965 | 17,312 |
| **Property Management** | **135,352** | **112,745** |
| Commercial [1)] | 103,748 | 85,907 |
| Multi-family [2)] | 31,604 | 26,838 |
| **Public Administration** [3)] | **82,168** | **64,383** |
| **Households** | **169,250** | **144,528** |
| Mortgage loans | 131,940 | 109,346 |
| Other loans | 37,309 | 35,182 |
| **Bonds and repos** | **47,741** | **77,305** |
| **Total provisions/allowances** | **–8,003** | **–5,567** |
| **Total foreign** | **731,674** | **620,895** |
| **TOTAL DOMESTIC AND FOREIGN** [4)] | **1,563,140** | **1,330,353** |

1) Companies that manage and rent out commercial properties.
2) Companies that manage and rent out multi-family properties.
3) Municipalities, local authorities.
4) Total domestic and foreign consists of the sum of total loans to the public and loans to credit institutions on SEB's consolidated balance sheet in its consolidated financial statements included elsewhere in this Prospectus.

## Foreign outstandings

The following tables set forth information regarding SEBs non-Swedish loan portfolio by industry of borrower, broken down by jurisdiction of lender in jurisdictions where the loan portfolios constitute more than 1% of SEB's total assets:

| | As of December 31, 2008 | | | | As of December 31, 2007 | | | |
|---|---|---|---|---|---|---|---|---|
| **SEK million** | **Germany** | **Estonia** | **Latvia** | **Lithuania** | **Germany** | **Estonia** | **Latvia** | **Lithuania** |
| **Banks** | **44,928** | **182** | **1,058** | **525** | **46,217** | **271** | **1,470** | **827** |
| **Corporate** | **65,997** | **17,646** | **19,749** | **34,705** | **34,950** | **17,783** | **17,254** | **30,152** |
| Finance & insurance | 10,408 | 6 | 1,154 | 74 | 1,052 | 3 | 963 | 59 |
| Wholesale & retail | 7,364 | 3,578 | 4,999 | 10,819 | 4,334 | 4,339 | 3,655 | 8,972 |
| Transportation (other than shipping) | 1,172 | 1,761 | 2,416 | 5,899 | 793 | 1,702 | 1,864 | 3,526 |
| Shipping | 31 | 940 | 281 | 365 | 24 | 715 | 272 | 266 |
| Other service industries | 24,238 | 2,630 | 2,044 | 2,966 | 15,569 | 2,716 | 1,808 | 4,359 |
| Construction | 1,935 | 971 | 1,928 | 2,041 | 712 | 882 | 1,962 | 2,743 |
| Manufacturing | 14,082 | 4,118 | 2,758 | 9,468 | 6,809 | 4,013 | 2,984 | 7,936 |
| Agriculture, forestry and fishing | 123 | 1,429 | 2,534 | 811 | 173 | 1,200 | 2,224 | 480 |
| Mining and quarrying | 8 | 41 | 118 | 115 | 12 | 45 | 88 | 103 |
| Electricity, gas and water supply | 1,805 | 1,699 | 1,122 | 1,423 | 869 | 1,108 | 820 | 929 |
| Other | 4,831 | 474 | 395 | 724 | 4,603 | 1,061 | 614 | 782 |
| **Property Management** | **87,760** | **8,049** | **6,972** | **14,673** | **72,514** | **6,714** | **5,122** | **9,534** |
| Commercial [1)] | 58,640 | 8,049 | 4,556 | 14,650 | 49,708 | 6,714 | 3,280 | 9,514 |
| Multi-family [2)] | 29,120 | 0 | 2,416 | 23 | 22,805 | 0 | 1,842 | 21 |
| **Public Administration [3)]** | **74,748** | **1,970** | **302** | **2,789** | **59,213** | **1,195** | **302** | **1,168** |
| **Households** | **82,107** | **21,762** | **15,130** | **26,762** | **69,517** | **17,954** | **13,002** | **18,722** |
| Mortgage loans | 72,669 | 18,274 | 11,649 | 23,869 | 62,275 | 15,173 | 9,572 | 16,616 |
| Other loans | 9,438 | 3,488 | 3,481 | 2,893 | 7,242 | 2,781 | 3,430 | 2,106 |
| **Bonds and repos** | **23,754** | **3,733** | **2** | **5,732** | **22,131** | **2,862** | **13** | **348** |
| Total provisions/allowances | –3,409 | –765 | –665 | –1,327 | –3,482 | –209 | –192 | –481 |
| **Total** | **375,885** | **52,578** | **42,548** | **83,860** | **301,060** | **46,570** | **36,970** | **60,271** |

1) Companies that manage and rent out commercial properties.
2) Companies that manage and rent out multi-family properties.
3) Municipalities, local authorities.
A majority of the foreign outstandings set out above are payable in EUR or the local currency of the relevant country.
SEB's lending operations in Norway, Denmark, Finland, Ukraine, Russia, Luxembourg, The Netherlands, Great Britain, Switzerland, Poland, France, Ireland, USA, China, Singapore, Hong Kong, Cayman Islands and British Virgin Islands each constitute less than 1% of SEB's total assets.

### Maturities of loans

The following table sets forth maturities of SEB's loan portfolio (excluding bonds and accrued interest) as of year-end 2008:

| DOMESTIC, SEK million | On demand | < 3 months | 3 months < 1 year | 1 year < 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| **Loans to credit institutions by** | | | | | | |
| Skandinaviska Enskilda Banken | 114,539 | 34,245 | 4,699 | 6,081 | 861 | 160,425 |
| SEB Trygg Liv | 1,006 | 766 | | | | 1,772 |
| SEB Kort | 128 | | | | | 128 |
| **Total** | **115,673** | **35,011** | **4,699** | **6,081** | **861** | **162,325** |
| **Loans to the public by** | | | | | | |
| Skandinaviska Enskilda Banken | 90,631 | 96,300 | 89,236 | 309,407 | 97,545 | 683,119 |
| SEB Kort | | 15,477 | | | | 15,477 |
| Other subsidiaries and eliminations | 1 | 1 | 1 | 5 | 48 | 56 |
| **Total** | **90,632** | **111,778** | **89,237** | **309,412** | **97,593** | **698,652** |

| FOREIGN, SEK million | On demand | < 3 months | 3 months < 1 year | 1 year < 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| **Loans to credit institutions by** | | | | | | |
| SEB AG, Germany | 11,227 | 26,246 | 2,834 | 7,562 | 7,684 | 55,553 |
| AS SEB banka, Latvia | 107 | 837 | 99 | | | 1,043 |
| AS SEB Pank, Estonia | 135 | | 1 | 1 | | 137 |
| AB SEB bankas, Lithuania | 200 | 284 | 71 | 18 | 43 | 616 |
| Other subsidiaries and eliminations | 2,953 | 135 | 7 | | | 3,095 |
| **Total** | **14,622** | **27,502** | **3,012** | **7,581** | **7,727** | **60,444** |
| **Loans to the public by** | | | | | | |
| SEB AG, Germany | 49,322 | 38,828 | 15,691 | 68,229 | 147,840 | 319,910 |
| AS SEB banka, Latvia | 1,117 | 5,875 | 10,471 | 10,197 | 13,670 | 41,330 |
| AS SEB Pank, Estonia | 2,705 | 1,937 | 6,040 | 17,385 | 20,599 | 48,666 |
| AB SEB bankas, Lithuania | 1,624 | 7,148 | 16,442 | 25,411 | 26,719 | 77,344 |
| Other subsidiaries and eliminations | 12,986 | 3,009 | 4,053 | 13,530 | 7,125 | 40,703 |
| **Total** | **67,754** | **56,797** | **52,697** | **134,752** | **215,953** | **527,953** |
| Total loans to credit institutions | 130,295 | 62,513 | 7,711 | 13,662 | 8,588 | 222,769 |
| Total loans to the public | 158,386 | 168,575 | 141,935 | 444,164 | 313,546 | 1,226,606 |
| **Total loans[1)]** | **288,681** | **231,088** | **149,645** | **457,826** | **322,134** | **1,449,375** |

1) Total loans are comprised of the sum of loans to credit institutions and loans to the public as set out in SEB's consolidated balance sheet in its consolidated financial statements included elsewhere in this Prospectus, excluding bonds and accrued interest.

## Risk elements

### *Impaired loans*

The following table sets forth information regarding impaired loans. Impaired loans are those in respect of which SEB has made an assessment that a customer will not be able to meet its financial commitments to SEB when due.

| | As of December 31, | | |
|---|---|---|---|
| **SEK million** | **2008** | **2007** | **2006** |
| Domestic | 2,556 | 1,691 | 1,613 |
| Foreign | 11,355 | 6,700 | 6,914 |
| **Total** | **13,911** | **8,391** | **8,527** |

The following table sets out gross interest income that would have been recorded in the years shown if the impaired loans had been current:

| | As of December 31, | | |
|---|---|---|---|
| **SEK million** | **2008[1)]** | **2007** | **2006** |
| Domestic | 90 | 86 | 68 |
| Foreign | 394 | 366 | 342 |
| **Total** | **484** | **451** | **410** |

1) For the calculation of gross interest income for 2008, the gross amount of impaired loans for 2007 has been used due to the substantial increase in impaired loans accrued towards the end of 2008.

The following table sets out interest income on those loans that was included in the profit for the years shown:

| | As of December 31, | | |
|---|---|---|---|
| **SEK million** | **2008** | **2007** | **2006** |
| Domestic | – | – | – |
| Foreign | 101 | 107 | 56 |
| **Total** | **101** | **107** | **56** |

## Analysis of the allowance for loan losses (domestic and foreign)

The following tables set out information regarding SEB's allowance for loan losses for the years presented:

| SEK million | 2008 | 2007 | 2006 |
|---|---|---|---|
| **Opening balance** | **6,598** | **6,619** | **7,338** |
| *Specific provisions for individually appraised loans* | | | |
| Reversal of previous provisions for probable losses, reported as incurred losses in current year | | | |
| Domestic | –48 | –53 | –186 |
| Foreign | –550 | –551 | –462 |
| | –598 | –604 | –648 |
| Current year's provisions for probable losses | | | |
| Domestic | 212 | 51 | 58 |
| Foreign | 1,506 | 602 | 830 |
| | 1,718 | 653 | 888 |
| Reversal of previous provisions no longer required | | | |
| Domestic | –39 | –25 | –49 |
| Foreign | –297 | –380 | –495 |
| | –336 | –405 | –544 |
| *Collective provisions for individually appraised loans* | | | |
| Allocation to/withdrawal from reserve | | | |
| Domestic | 216 | –47 | 157 |
| Foreign | 516 | 387 | –72 |
| | 732 | 340 | 85 |
| *Collective provisions for loans appraised on a portfolio basis* | | | |
| Allocation to/withdrawal from reserve | | | |
| Domestic | 41 | 2 | 32 |
| Foreign | 550 | 246 | 44 |
| | 591 | 248 | 76 |
| *Collective provision for country risk* | | | |
| Allocation to/withdrawal from reserve | | | |
| Domestic | –5 | 5 | –26 |
| Foreign | –15 | –203 | –27 |
| | –20 | –198 | –53 |
| *Specific provision for contingent liabilities* | | | |
| Allocation to/withdrawal from reserve | | | |
| Domestic | 0 | 0 | 0 |
| Foreign | 56 | –8 | –31 |
| | 56 | –8 | –31 |
| Translation differences | 729 | –47 | –492 |
| **Closing balance** | **9,470** | **6,598** | **6,619** |
| **Ratio of net charge-offs during the period to average loans outstanding during the period** | **0.22%** | **0.08%** | **0.06%** |
| **Ratio of net charge-offs during the period to opening balance of outstanding loans** | **0.24%** | **0.09%** | **0.07%** |

## Allocation of the allowance for loan losses

The following tables set forth an analysis of SEB's allocation of its allowance for loan losses, by industry of borrower, as of the dates presented:

| | As of December 31, 2008 | | As of December 31, 2007 | |
|---|---|---|---|---|
| | Loan loss reserve SEK million | Loan loss reserve as % of total gross impaired loans | Loan loss reserve SEK million | Loan loss reserve as % of total gross impaired loans |
| **DOMESTIC** | | | | |
| Banks | 151 | 47.0% | 0 | |
| Corporate [1] | 343 | 50.4% | 343 | 64.6% |
| Property Management [2] | 88 | 80.1% | 96 | 72.5% |
| Public Administration [3] | 0 | | 0 | |
| Household | 3 | 1.0% | 3 | 1.9% |
| *Reserves for off-balance, homogenous groups, collective and country risk reserves* | 648 | | 393 | |
| **Total** | **1,233** | **86.2%** | **836** | **99.3%** |
| **FOREIGN** | | | | |
| Banks | 6 | 100.0% | 15 | 49.7% |
| Corporate [4] | 2,355 | 49.5% | 1,568 | 57.6% |
| Property Management [5] | 1,723 | 36.0% | 1,375 | 45.1% |
| Public Administration [3] | 0 | | 0 | |
| Households | 354 | 12.1% | 387 | 22.1% |
| *Reserves for off-balance, homogenous groups, collective and country risk reserves* | 3,800 | | 2,417 | |
| **Total** | **8,237** | **66.0%** | **5,762** | **76.3%** |
| **TOTAL DOMESTIC AND FOREIGN** | **9,470** | **68.1%** | **6,598** | **78.6%** |

1) Significant reserves in this category relate to wholesale and retail.
2) Significant reserves in this category relate to commercial property management.
3) Municipalities, local authorities.
4) Significant reserves in this category relate to manufacturing, wholesale and retail, and other service industries.
5) Significant reserves in this category relate to commercial property management.

## Short term borrowings

The following table sets out information regarding SEB's short-term borrowings for the years presented:

| SEK million | 2008 | | | | |
|---|---|---|---|---|---|
| | Period end balance | Quarterly average balance | Maximum quarter end balance during period | Average interest rate during the period, [1] % | Average interest rate at period end, % |
| **Deposits by credit institutions** | | | | | |
| Swedish banks | 46,800,395 | 33,553,998 | 46,800,395 | | |
| Swedish credit market companies | 8,146,865 | 4,581,376 | 8,146,865 | | |
| Swedish securities companies | 9,984,325 | 5,555,131 | 9,984,325 | | |
| Foreign banks | 358,133,357 | 367,799,968 | 390,192,397 | | |
| Other credit institutions | 6,360,143 | 9,177,761 | 14,341,718 | | |
| **Total** | **429,425,085** | **420,668,234** | **455,706,545** | **4.6%** | **4.5%** |
| Debt securities | 525,218,732 | 521,415,447 | 554,257,312 | | |
| **Total** | **525,218,732** | **521,415,447** | **554,257,312** | **4.1%** | **4.1%** |

| SEK million | 2007 | | | | |
|---|---|---|---|---|---|
| | Period end balance | Quarterly average balance | Maximum quarter end balance during period | Average interest rate during the period, [1] % | Average interest rate at period end, % |
| **Deposits by credit institutions** | | | | | |
| Swedish banks | 29,874,167 | 31,835,001 | 40,641,155 | | |
| Swedish credit market companies | 3,193,726 | 2,530,151 | 3,193,726 | | |
| Swedish securities companies | 4,718,124 | 4,869,486 | 5,938,738 | | |
| Foreign banks | 373,459,589 | 353,361,185 | 373,459,589 | | |
| Other credit institutions | 10,102,705 | 13,056,033 | 14,798,508 | | |
| **Total** | **421,348,312** | **405,651,856** | **427,367,311** | **4.3%** | **4.1%** |
| Debt securities | 510,563,936 | 472,009,586 | 510,563,936 | | |
| **Total** | **510,563,936** | **472,009,586** | **510,563,936** | **4.4%** | **4.0%** |

| SEK million | 2006 | | | | |
|---|---|---|---|---|---|
| | Period end balance | Quarterly average balance | Maximum quarter end balance during period | Average interest rate during the period, [1] % | Average interest rate at period end, % |
| **Deposits by credit institutions** | | | | | |
| Swedish banks | 39,274,931 | 36,093,151 | 50,143,894 | | |
| Swedish credit market companies | 1,669,358 | 2,195,745 | 2,535,161 | | |
| Swedish securities companies | 4,133,146 | 6,510,971 | 14,156,963 | | |
| Foreign banks | 306,730,531 | 316,822,717 | 349,040,950 | | |
| Other credit institutions | 16,517,983 | 11,013,613 | 16,517,983 | | |
| **Total** | **368,325,949** | **372,636,197** | **388,731,829** | **3.6%** | **3.6%** |
| Debt securities | 394,356,652 | 387,760,866 | 394,356,652 | | |
| **Total** | **394,356,652** | **387,760,866** | **394,356,652** | **3.8%** | **3.7%** |

1) Interest paid during the period divided by the quarterly average balance.

## Deposits

Transaction accounts include all deposits against which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, or telephone or preauthorised transfers for the purpose of making payments to third persons or others.

Saving accounts are accounts with the purpose of accumulating funds over a period of time. Savings accounts customers may make withdrawals, but do not have the flexibility of using debit cards to do so. Some savings accounts require funds to be kept on deposit for a minimum length of time, but most permit unlimited access to funds.

Other deposits consist mainly of bank drafts.

The following tables set forth information regarding SEB's average deposits and interest earned thereon for the years presented:

| SEK million | 2008 | 2007 | 2006 |
|---|---|---|---|
| **DOMESTIC** | | | |
| **Interest paid to the customers** | | | |
| Transaction accounts | 8,459 | 5,511 | 1,760 |
| Savings accounts | 16,129 | 17,806 | 12,258 |
| Other deposits | 9,599 | 7,774 | 5,233 |
| **Total** | **34,187** | **31,092** | **19,251** |
| **Volume, average** | | | |
| Transaction accounts | 265,093 | 257,994 | 245,625 |
| Savings accounts | 448,548 | 428,360 | 335,935 |
| Other deposits | 107,394 | 95,889 | 59,455 |
| **Total** | **821,035** | **782,243** | **641,015** |
| **Average interest rate, %** | | | |
| Transaction accounts | 3.19% | 2.14% | 0.72% |
| Savings accounts | 3.60% | 4.16% | 3.65% |
| **Total** | **4.16%** | **3.97%** | **3.00%** |
| **FOREIGN** | | | |
| **Interest paid to the customers** | | | |
| Transaction accounts | 1,439 | 1,147 | 893 |
| Savings accounts | 13,937 | 9,394 | 8,962 |
| Other deposits | 1,214 | 2,413 | 2,679 |
| **Total** | **16,590** | **12,955** | **12,534** |
| **Volume, average** | | | |
| Transaction accounts | 151,159 | 144,927 | 115,241 |
| Savings accounts | 215,227 | 158,352 | 227,965 |
| Other deposits | –2,262 | 19,251 | 25,563 |
| **Total** | **364,123** | **322,531** | **368,769** |
| **Average interest rate, %** | | | |
| Transaction accounts | 0.95% | 0.79% | 0.77% |
| Savings accounts | 6.48% | 5.93% | 3.93% |
| **Total** | **4.56%** | **4.02%** | **3.40%** |

| | The maturity of deposits at year-end 2008[1)] | | | | | |
|---|---|---|---|---|---|---|
| **Deposits from the public** | **On demand** | **< 3 months** | **3 months < 1 year** | **1 year < 5 years** | **> 5 years** | **Total** |
| Domestic | 335,511 | 80,004 | 10,116 | 3,686 | 11,649 | 440,966 |
| Foreign | 126,935 | 147,698 | 53,505 | 22,059 | 46,218 | 396,415 |
| **Total** | **462,446** | **227,702** | **63,621** | **25,745** | **57,867** | **837,381** |

1) Excluding accrued interest.

### Return on equity and assets

The following table sets out SEB's return on total capital, return on equity, dividend payout ratio and equity to assets ratio for the years presented:

| % | 2008 | 2007 | 2006 |
|---|---|---|---|
| Return on Total capital | 0.42 | 0.63 | 0.64 |
| Return on Equity | 13.1 | 19.3 | 20.8 |
| Dividend payout ratio | N/A | 32.5% | 32.1% |
| Equity to assets ratio | 3.3% | 3.3% | 3.1% |
| **Definitions** | | | |
| Return on Total capital | Profit for the period divided by average total assets | | |
| Return on Equity | Profit for the period divided by average equity | | |
| Dividend payout ratio | Dividends declared per share divided by profit for the period per share | | |
| Equity to assets ratio | Average equity divided by average total assets | | |
| Dividend per share, SEK | – | 6.5 | 6 |
| EPS[1], SEK | 14.66 | 19.97 | 18.72 |

1) Earnings per share is net profit attributable to equity holders divided by the weighted average number of shares outstanding.

# Risk management

Comprehensive risk management is fundamental to the long-term profitability and stability of the Group. SEB believes that properly executed risk management reduces earnings volatility and creates a solid platform for development of shareholder value.

## Risk management objectives

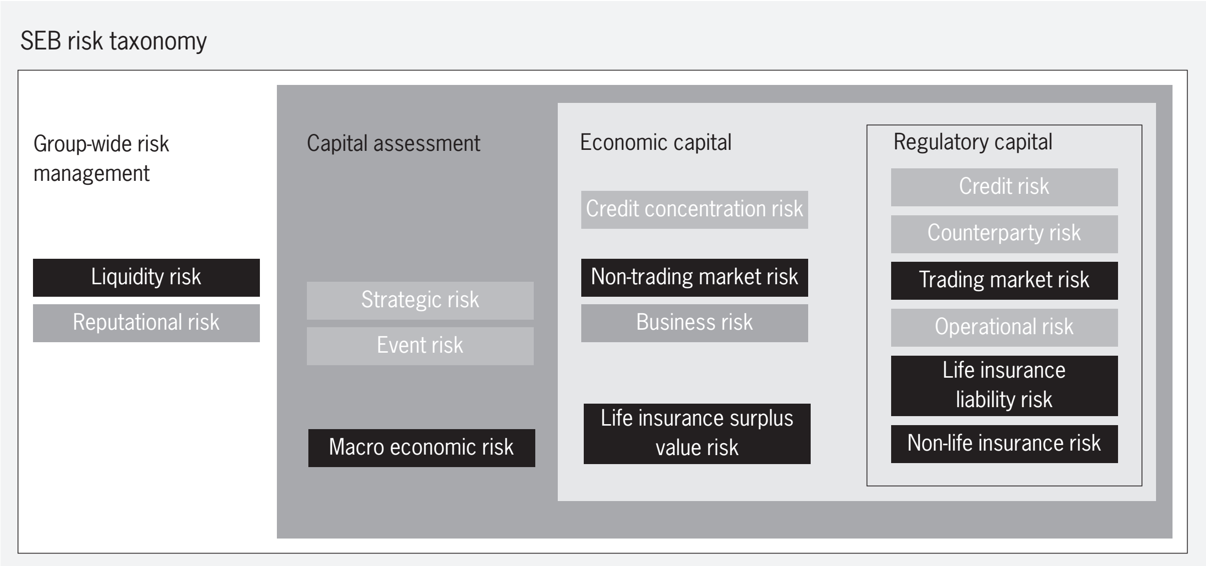
Managing risk is a core activity in a bank. In providing its customers with financial solutions and products SEB assumes various risks, of which credit risk is the most significant. Risk is closely related to business activities and business development and, therefore, to customer needs.

SEB's profitability is directly dependent upon its ability to evaluate, manage and price the risks encountered, while maintaining an adequate capitalisation 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. These issues also form an integral part of the long-term strategic planning and operational business planning processes performed throughout the Group.

Supervision by the Board of Directors, 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.

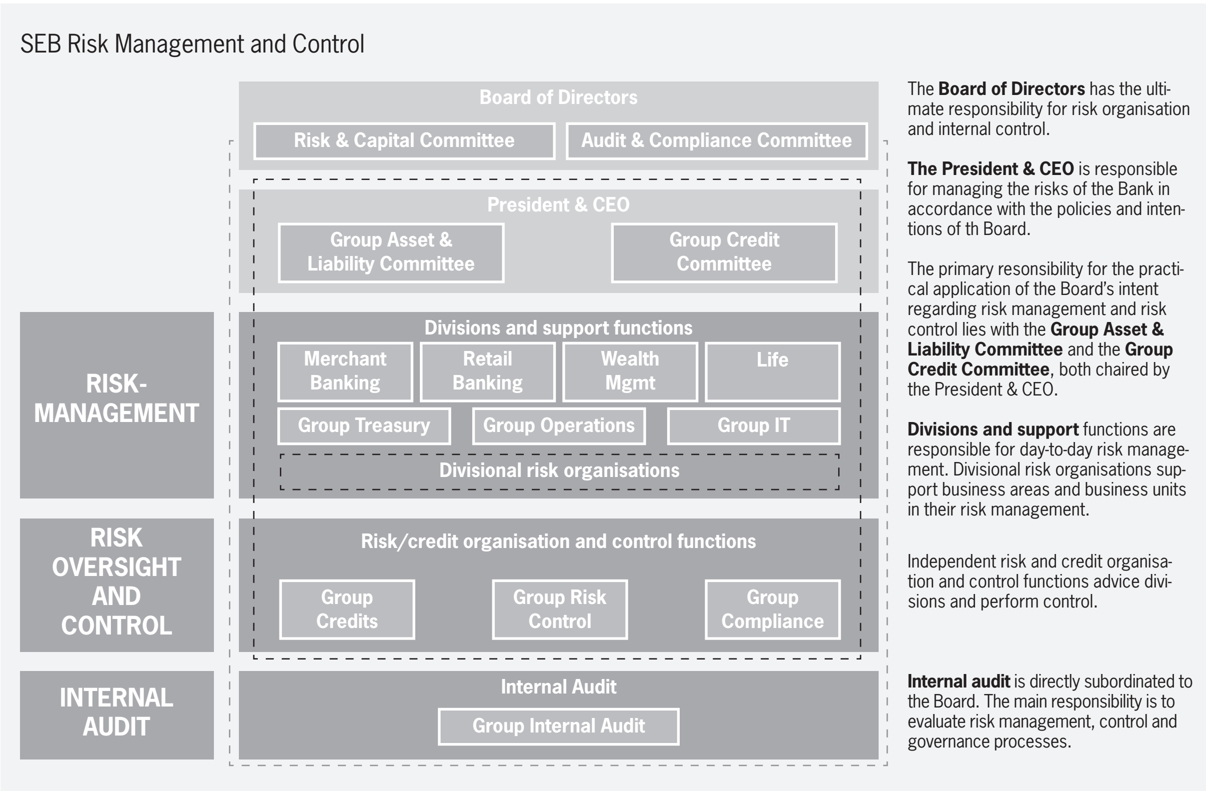
| Risk definitions | Risks at SEB |
|---|---|
| *Risk* – The possibility of a negative deviation from an expected financial outcome. | *Credit risk* – Risk of loss due to an obligor's inabilities to fulfil its obligations towards SEB. |
| *Risk management* – All activities related to risk-taking, risk mitigation, risk analysis, risk control and follow-up. | *Market risk* – Risk of loss or reduced future income due to price changes in financial markets. |
| *Risk control* – Identification, measurement, monitoring, stress testing, analysis, reporting and follow-up. | *Liquidity risk* – Risk that the Group cannot finance existing assets to meet payment obligations or can only do this at high cost. |
| | *Operational risk* – Risk of loss due to external events or internal factors. |
| | *Insurance risk* – Risk of loss or higher costs in life insurance operations. |
| | *Business risk* – Risk of lower revenues due to reduced volumes, price pressure or competition. |
| | *Political risk* – The risk of loss caused by changes in a country's political structure or policies, or events related to political instability. |

For overall risk quantification purposes, SEB's Economic Capital framework establishes a uniform measure for the risks identified above. In accordance with the Group's risk taxonomy, the Group considers various risk factors when performing capital assessment, calculating economic capital requirements and regulatory capital requirements, as demonstrated below:




### Risk organisation and responsibility

SEB's risk management and control are based on its three defence lines of risk management, risk oversight and control and internal audit, as illustrated below:



## Risk policy and mandate

The Board of Directors has the ultimate responsibility for the risk organisation and for the maintenance of satisfactory internal controls. The Board of Directors establishes the overall risk and capital policies and monitors the development of risk exposure. The Board of Director's Risk and Capital Committee works to ensure that all risks inherent in the Group's activities are identified, defined, measured, monitored and controlled in accordance with external and internal rules. The Board of Director's risk policies are supplemented by instructions issued by the Group Risk Control function. Specific risk mandates are established by the Board of Directors and further allocated by board committees and executive management committees.

The President of SEB has overall responsibility for managing all risks of SEB in accordance with the policies and intentions of the Board. The President is required to ensure that the organisation and administration of SEB are appropriate and that activities undertaken are in compliance with law. The President is also required to present any essential risk information regarding SEB, including as to the utilisation of limits, to the Board of Directors.

Primary responsibility for ensuring that the Board of Directors' intentions regarding risk management and risk control are practically applied within SEB lies with the Group Asset and Liability Committee and the Group Credit Committee, both committees chaired by the President. These committees are required to adopt risk policies that describe how such implementation is to be carried out, as well as management, control and follow-up.

The Group Credit Committee is the highest credit-granting body within SEB. However, certain matters are reserved for the Risk and Capital Committee of the Board of Directors. The Group Asset and Liability Committee deals with issues related to the overall risk level of the Group and its various divisions, and decides on risk limits and risk-measuring methods and capital management, among other matters.

Group Risk Control is the unit responsible for monitoring the Group's risks, primarily credit risk, market risk, operational risk and liquidity risk. It is a function that is deeply embedded in, yet independent from, business operations at the divisional level.

Responsibility for day-to-day risk management within the Group, as outlined in relevant Group policies and instructions that include instructions regarding responsibility for actions necessary to address risk problems, rests with the divisions, Group Treasury and support functions. Each of these have dedicated risk organisations or, in the case of certain support functions, a dedicated risk manager.

Group Treasury is responsible for analysis and management of SEB's balance sheet, including the management of structural market risk and liquidity risk as well as the funding of balance sheet assets.

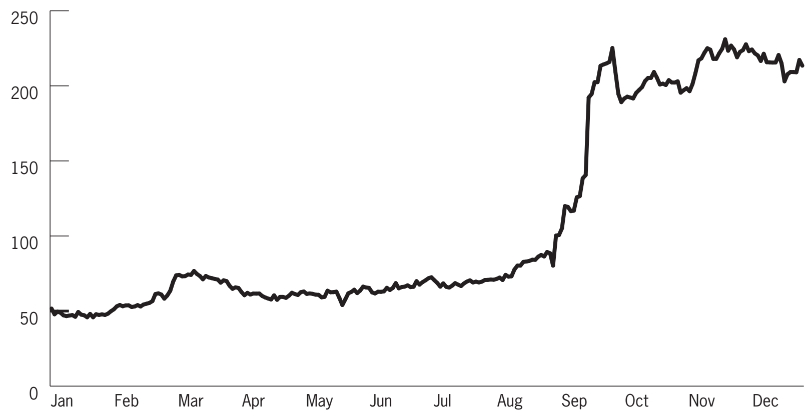
For more detail on the Group's risk organisation and its responsibilities, see "Corporate governance—Risk and control functions—Risk organisation and responsibility".

## Risk management 2008

2008 was a year of continued exceptional turbulence on the financial markets, with significant turbulence in the third and fourth quarters with the fallout from the Lehman Brothers' bankruptcy. Following the actions taken by governments and central banks around the world, the situation in the financial markets appeared to begin to stabilise towards the end of the year. However, risk levels remain elevated and the normal functioning of the capital markets has not resumed. Moreover, the financial crisis has instigated a rapidly evolving and globally synchronised economic downturn of proportions not encountered for many decades. The economic outlook for 2009 is highly uncertain.

The stress in financial markets reached extreme levels on several occasions during 2008 and many markets were affected by a drying-up of liquidity. 2008 and early 2009 have also been characterised by a loss of market confidence in financial institutions and in previously established capitalisation benchmarks. Credit spreads rose significantly towards the end of 2008, as illustrated below.

**Credit spreads for 5-year senior debt, European financials**
2008, basis points




SEB took a number of steps to proactively address the increased credit risk in its markets, with a particular focus on the Baltic region. This included the establishment of a management forum that focuses exclusively on workout and/or restructuring matters, and Special Credits Management, a new Group function with Group-wide responsibility for managing problem credits. The Group has also set up specific entities in the Baltic countries charged with workout of distressed assets as further described in "Description of business—Geographic markets and presence—Baltic countries".

By year-end 2008, the deteriorating economic climate had not resulted in a material increase in the level of impaired loans in the Group's Nordic operations. However, impaired loan levels rose significantly in the Baltic countries during 2008 because of the macroeconomic slowdown.

The sharp decline in prices of fixed-income securities, particularly asset-backed securities and bonds issued by investment banks, reduced the value of SEB's investment portfolio and led to significant mark-to-market losses during 2008. With effect from and including the third quarter of 2008, a substantial part of the Merchant Banking division's fixed-income securities investment portfolio was reclassified from assets held for trading and assets held for sale into loans and receivables to better reflect the long-term holding horizon and to avoid short-term mark-to-market volatility in income and equity. These assets were performing at year-end, and the Group expects to ultimately be able to recover previously recorded mark-to-market losses. The effects of the reclassification on the Group's profit and loss account and equity in 2008 are described in "Commentary on the financial development".

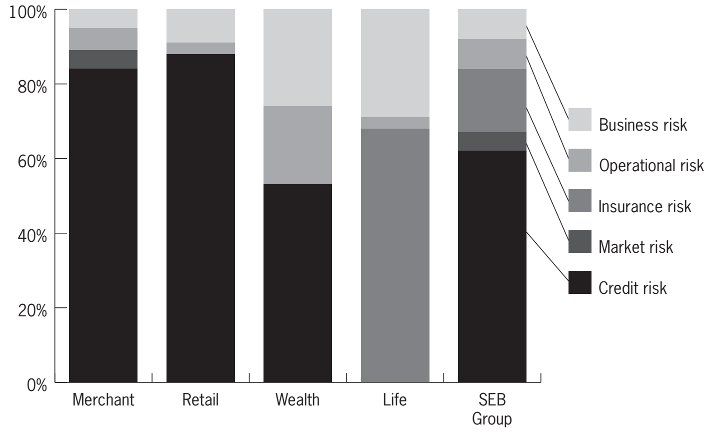
A number of measures were taken during 2008 to strengthen the Group's Market Risk Control unit. The number and seniority of staff was increased and a global head was recruited. Group-wide market risk control was increasingly standardised and centralised in order to enhance measurement and management of market risk in the more volatile environment.

The Group's ability to withstand recession scenarios and extreme adverse events is continuously evaluated in stress tests, as part of the assessment of long-term capital needs.

In 2008, SEB became the first Nordic bank approved by the SFSA for using the Advanced Measurement Approach for determining the capital requirement for operational risk under Basel II regulatory requirements. For a full discussion of Advanced Measurement, see "—Operational risk—Advanced Measurement Approach".

The graph below shows SEB's 2008 risk profile by division:

**Risk profile per division 2008**
SEB Group, %



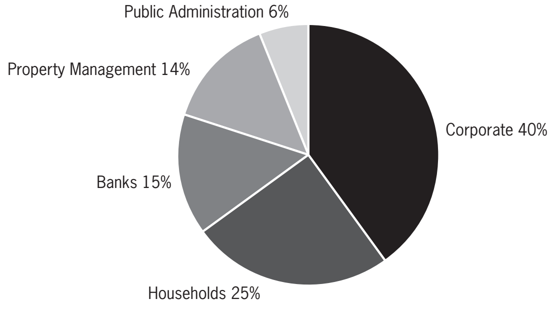

## Credit risk

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.

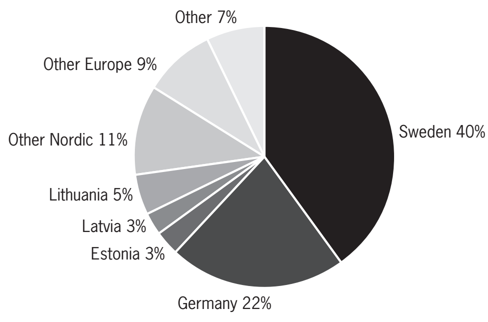
SEB's credit portfolio consists of all loans (gross before reserves, but excluding repurchase agreements ("repos") and bonds), contingent liabilities and commitments (such as credit commitments, letters of credit and guarantees) and counterparty risks arising in derivatives and foreign exchange contracts (after netting), but excluding the Group's fixed-income portfolio which is discussed under "Commentary on the financial development". The Group's credit portfolio amounted to SEK 1,934 billon at year-end 2008 (SEK 1,552 billion at year-end 2007). Credit volumes grew during 2008 in the corporate sectors in the Nordic countries and in Germany, as did Swedish household lending. In 2008, annual credit growth, measured in local currencies, decreased by 2% in Estonia but increased by 5% and 8% in Latvia and Lithuania, respectively, as a result of new lending, compared to annual growth rates in 2007 of 17% in Estonia, 18% in Latvia and 30% in Lithuania.

The following graphs show the distribution, by obligor's industry and country of domicile of SEB's total credit portfolio of SEK 1,934 billion as of December 31, 2008.

**Credit portfolio – by industry**
Share of total (SEK 1,934 billion)




**Credit portfolio – geographical distribution by obligor's country of domicile**
Share of total (SEK 1,934 billion)



The following table shows the distribution, by location of SEB's operations and by industry, of SEB's credit portfolio as of December 31, 2008, 2007 and 2006.

| SEB Credit portfolio [1] | As of December 31, | | |
|---|---|---|---|
| SEK billion | 2008 | 2007 | 2006 |
| **Banks** | **285.6** | **247.6** | **168.7** |
| **Corporates** | **781.7** | **570.6** | **484.1** |
| Nordic countries | 502.3 | 373.8 | 316.6 |
| Germany | 120.3 | 71.9 | 65.2 |
| Baltic countries | 94.5 | 82.8 | 68.7 |
| Other | 64.5 | 42.1 | 33.5 |
| **Property Management** | **262.3** | **212.1** | **191.7** |
| Nordic countries | 126.1 | 99.8 | 85.7 |
| Germany | 103.7 | 86.6 | 85.7 |
| Baltic countries | 31.7 | 25.7 | 20.3 |
| Other | 0.8 | 0.1 | 0.0 |
| **Public administration** | **118.9** | **87.6** | **96.6** |
| **Households** | **485.7** | **434.0** | **374.3** |
| Nordic countries | 309.0 | 288.4 | 251.6 |
| Germany | 104.4 | 87.2 | 82.4 |
| Baltic countries | 67.5 | 54.6 | 37.4 |
| Other | 4.8 | 3.8 | 2.8 |
| **Total credit portfolio** | **1,934.2** | **1,551.8** | **1,315.3** |

1) Defined in "Glossary". The geographical distribution is based on SEB's operations.

### Credit policy

The overriding principle of SEB's credit granting is that all lending is based on credit analysis and proportionate to the customer's repayment capacity. The customer is required to be known to the 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 and collateral. SEB's 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 Group Credit Committee and related subcommittees.

### Credit risk classification – non-retail customers

Basel II will only be fully implemented as of 2010, and its application is currently being tested for the first time during a global recession. The level of RWAs in SEB's IRB models is heavily dependent on credit ratings, with RWAs increasing as credit downgrades lead to downward movement, and decreasing as credit upgrades lead to upward movement, in internal risk ratings, known as risk class migration.

SEB has an internal risk class rating system for banks, corporate customers and public entities reflecting the risk of default on payment obligations.  There are 16 classes, with 1 representing the lowest default risk and 16 representing the highest default risk. Risk classes 1 through 7 are considered "investment grade", while classes 13 through 16 are classified as "watch list". Risk class 1 is equivalent to a superior credit quality (AAA-rating) and risk class 16 means that the counterpart has defaulted.

Risk classes are 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. SEB's 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.

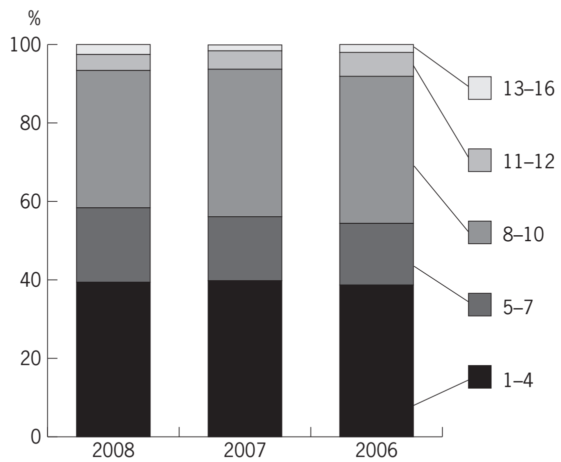
The following table shows the risk class distribution of SEB's credit portfolio as of December 31, 2008:

| **Total excluding households** | | | | | | | | | **Households[2]** | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Category** | **Risk class** | **Probability of Default (PD)** | **Moody's / S&P[1]** | **Banks** | **Corpo-rates** | **Property Manage-ment** | **Public Adminis-tration** | **Total** | **Probability of Default (PD)** | **Household mort-gages** |
| Investment grade | 1–4 | 0–0.08% | Aaa to A3 / AAA | 92.5% | 20.3% | 13.5% | 94.8% | **39.4%** | 0–0.2% | 43.8% |
| | 5–7 | 0.08–0.32% | to A- 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% |
| | | | | | | | | | 10.0–30.0% | 0.9% |
| Watch list | 13–16 | 5.16–100% | B3 tol C / B- to D | 0.4% | 2.9% | 5.1% | 0.0% | **2.5%** | 30.0–50.0% | 0.3% |
| | | | | | | | | | 50.0–100% | 0.3% |
| **Total** | | | | **100%** | **100%** | **100%** | **100%** | **100%** | **Total** | **100.0%** |

1) Approximate relation to rating agency scales.
2) In Sweden.

The following graph shows the risk class distribution of SEB's credit portfolio, excluding households, as of December 31, 2008, 2007 and 2006:

**Credit portfolio – by risk class, excl. households, %**
(2008: SEK 1,449 billion)




SEB began using internally developed credit risk models for its non-retail and retail mortgage portfolios in Sweden and Germany in the calculation of its legal capital requirements from February 1, 2007, when the Basel II framework came into force in Sweden. As of December 31, 2008, SEB received regulatory approval from the SFSA to apply the IRB approach for additional portfolios and countries, and the IRB calculations at year-end covered approximately

80% of its credit portfolio (based on size of exposure at default, EAD). See “Capital Management—New Basel II capital adequacy rules” for further details.

At December 31, 2008, the average risk class rating for SEB’s credit portfolio excluding households and banks, which amounted to SEK 1,162 billion , was 6.81 compared to an average risk class rating of 6.95 at December 31, 2007. During 2008, risk class migration negatively affected the average risk class of this portfolio by 0.15, which, however, was more than offset by the addition of new credit volumes into the portfolio which improved the average risk class of the portfolio by 0.30. Since the beginning of 2009, SEB’s downward risk class migration has primarily occurred in relation to its credit portfolio in the Baltic countries, but SEB expects credit downgrades, and hence downward risk class migration, to increase in all of its core markets in the short- to medium-term. During 2008, SEB’s RWAs increased by SEK 23 billion, or 2.8%, due to risk class migration.

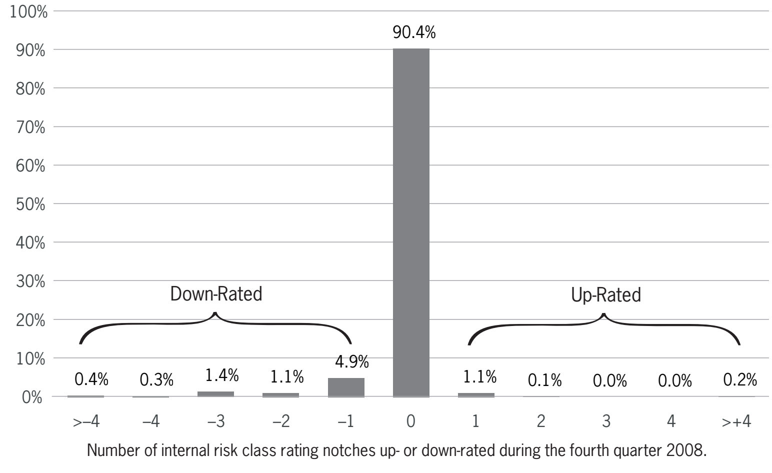
The average risk weight for SEB’s corporate exposures at year-end 2008 was not materially different from the average risk weight for its corporate exposures at year-end 2007 as a result of an inflow of credits from core clients with strong ratings offset by a certain downward bias in risk class migration.

The following table shows average RWAs (RWAs divided by exposure at default, or EAD) for IRB reported exposure classes during the course of 2008 based on the average RWAs at the end of each quarter set out below. The changes in average RWAs between the quarters set out in the table reflect changes in credit quality based on the level of exposures at the end of each of the quarters as well as the inclusion of additional volumes into SEB’s IRB reported exposure classes, which occurred primarily during the fourth quarter of 2008.

| IRB reported credit exposures | Dec 31 | Sep 30 | Jun 30 | March 31 | Dec 31 |
|---|---|---|---|---|---|
| **Average risk weight for Corporate credit exposures** | **2008** | **2008** | **2008** | **2008** | **2007** |
| Corporate credit exposures as reported by SEB | 56.2% | 53.3% | 53.9% | 51.0% | 53.4% |
| excluding addition of Baltic IRB exposures during 2008 | 53.5% | 50.9% | 52.0% | 48.3% | 53.5% |
| excluding addition of Baltic IRB exposures during 2008 and repos | 54.7% | 55.5% | 54.9% | 56.7% | 56.4% |

As of December 31, 2008, SEB’s Basel II RWAs (without application of the regulatory transition rules applicable during 2008-2010) was 27% lower than Basel I RWAs as of the same date. SEB’s current estimates indicate that this would mean a reduction in total RWA (compared with Basel I, and a business cycle average) of 35% by 2011. This cannot be equated with a similar capital release, however, due to the new Basel II framework’s increased business cycle sensitivity, supervisory evaluation and rating agency considerations.

The chart below illustrates the internal risk class migration of SEB’s corporate credit portfolio (including SEB’s Baltic corporate credit exposure) during the fourth quarter of 2008:*




* The chart above is based on SEK 778 billion of EAD included in SEB’s IRB reported RWA calculation, as such exposures existed at the end of the third and fourth quarters of 2008. This was equivalent to 94% of the Group’s total corporate credit EAD for IRB purposes.

### 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 is currently willing to accept on the customer. Limits are also established for total exposure to countries in 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 a bank officer authorised pursuant to the SEB Group Credit Instructions adopted by the Board of Directors). High-risk exposures (risk classes 13 through 16) are subject to more frequent reviews. The objective is to identify, at an early stage, credit exposures where there is an increased risk for loss to SEB, and to work together with the customer towards a constructive solution that enables SEB to reduce or avoid credit losses.

In its core markets, SEB maintains permanent local work-out teams engaged in problem exposures. As a response to the deteriorating economic climate, SEB decided in late 2007 that the local work-out organisations in its countries of operations should be supplemented by a new Group function, Special Credits Management, with global responsibility for managing problem exposures. This function has been operational since early 2008.

### 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 collateral pledges, guarantees and netting agreements. The most common types of pledges are real estate mortgages and financial collateral. 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.

### 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 into 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.

In order to reduce exposure towards single derivatives counterparties, close-out netting agreements are used with a majority of SEB's 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.

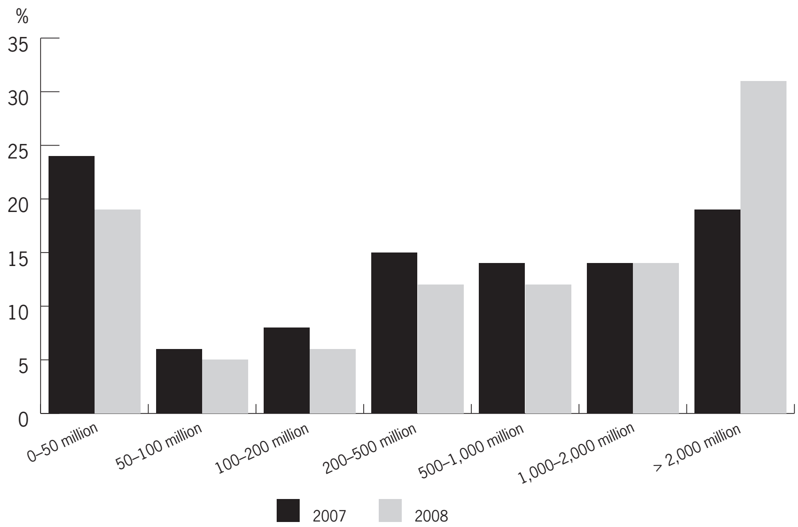
### Credit portfolio monitoring

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.

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

The chart below shows the corporate credit portfolio as of year-end 2007 and 2008 by size of exposure as percentage of the total portfolio:

**Corporate credit – by size of exposure[1)]**
(2008: SEK 1,044 billion, 2007: SEK 783 billion)




1) Corporates and Property Management, exposure by customer group.

## Impaired loans

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

### *Individually appraised loans*

A specific provision is made for the 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 margin determined by SEB to be satisfactory.

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

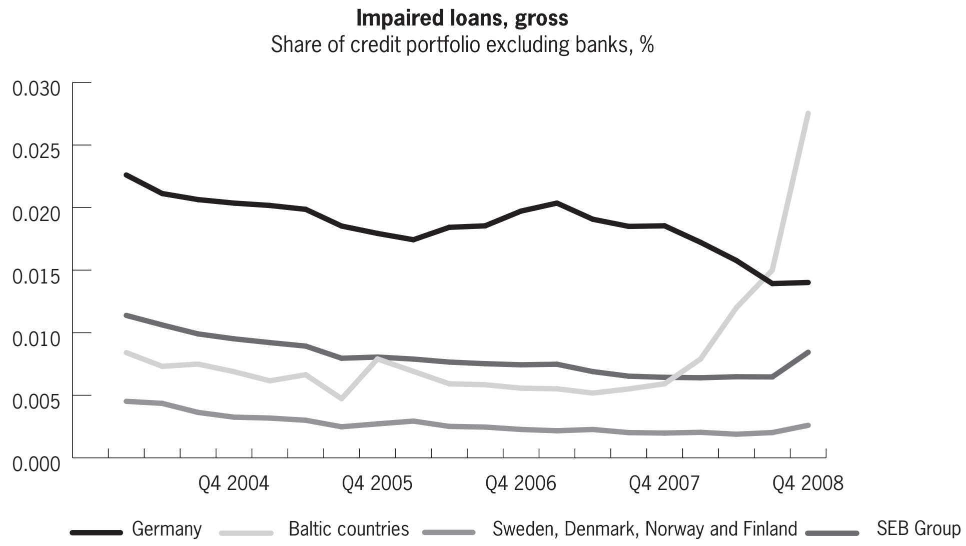
A collective provision is made on loans that have not been deemed to be impaired on an individual basis, that is, impairments which are "incurred but not yet identified" (IBNI). Loans with similar credit risk characteristics are grouped together and assessed collectively for impairment. SEB's internal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

### *Loans appraised on a portfolio basis*

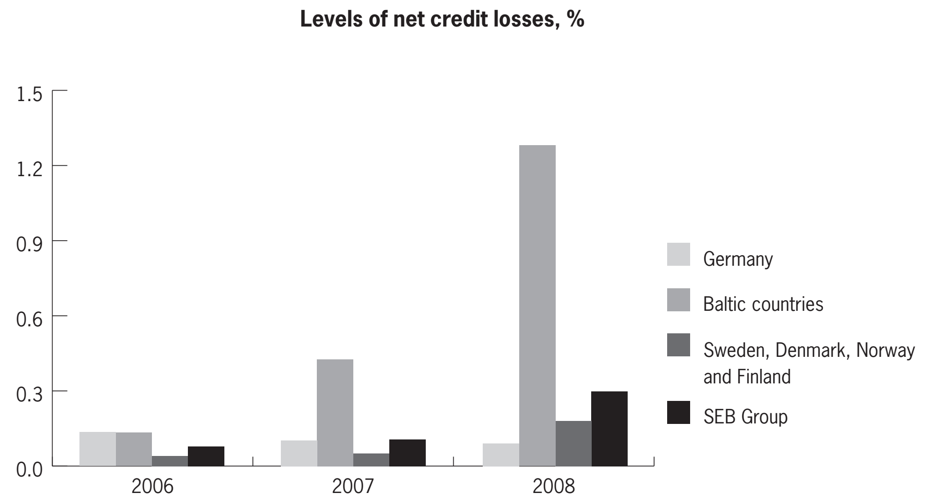
Valuations of loans to private individuals and small enterprises are in certain cases made on a portfolio basis. Different models are then applied to different loan categories where the individual loans are of limited value and share similar risk characteristics.

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 future lending loss trends for the group of loans in question.

The following graph illustrates the development of provisions for impaired loans as a percentage of SEB's credit portfolio from the fourth quarter of 2004 to the fourth quarter of 2008:




The chart below shows level of net credit losses by country.




## Credit portfolio development

By year-end 2008, SEB's credit portfolio amounted to SEK 1,934 billion (SEK 1,552 billion at year-end 2007). The growth was primarily attributable to the corporate sectors in the Nordic countries and in Germany. Currency effects increased SEB's credit portfolio in 2008 by approximately SEK 130 billion.

SEB's corporate credit portfolio grew to SEK 782 billion by year-end 2008 (SEK 571 billion by year-end 2007), primarily driven by growth in credit volumes to Nordic clients. During 2008, exposures were distributed on a wide range of industry sectors, the largest being manufacturing, and business and household services.

Exposure in the property management category was SEK 262 billion at year-end 2008 (SEK 213 billion at year-end 2007), following the growth in lending to Nordic clients. Property lending also increased in Germany, however this was principally explained by currency effects.

The weighted average risk class for the Group, excluding households and banks improved during 2008. The improvement was driven by an increased lending to core clients with relatively solid ratings, which outweighed a moderate deterioration of risk classes in the existing portfolio.

At December 31, 2008, the Group's 20 largest exposures amounted to 113% of the total capital base.

The following table shows the distribution by industry and location of SEB's credit portfolio as of December 31, 2008:

| | As of December 31, 2008 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **SEK billion** | **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** |
| **Corporate** | **391.4** | **18.6** | **58.7** | **33.6** | **22.8** | **25.3** | **46.4** | **120.3** | **64.6** | **781.7** |
| Finance & insurance | 55.9 | 2.1 | 1.5 | 1.7 | 0.2 | 1.2 | 0.5 | 16.0 | 14.1 | 93.2 |
| Wholesale & retail | 32.8 | 1.4 | 1.6 | 0.5 | 5.2 | 7.2 | 14.2 | 17.1 | 6.7 | 86.7 |
| Transportation (other than shipping) | 21.9 | 1.9 | 3.5 | 0.6 | 2.0 | 2.8 | 6.7 | 3.0 | 0.4 | 42.8 |
| Shipping | 10.7 | 2.3 | 10.6 | 0.1 | 1.1 | 0.3 | 0.4 | 0.0 | 12.7 | 38.2 |
| Other service industries | 3.9 | 0.4 | 0.0 | 0.0 | 1.5 | 2.7 | 0.9 | 0.2 | 0.0 | 9.7 |
| Construction | 6.6 | 1.1 | 10.4 | 0.2 | 0.0 | 0.1 | 0.1 | 0.7 | 0.7 | 20.0 |
| Manufacturing | 21.2 | 1.4 | 2.9 | 10.3 | 2.2 | 1.4 | 2.8 | 6.0 | 0.6 | 48.8 |
| Agriculture, forestry and fishing | 81.5 | 1.4 | 13.1 | 3.3 | 3.0 | 2.4 | 4.4 | 36.1 | 3.5 | 148.6 |
| Mining and quarrying | 8.4 | 0.1 | 0.7 | 0.5 | 2.0 | 2.9 | 3.3 | 4.1 | 0.5 | 22.4 |
| Electricity, gas and water supply | 117.6 | 5.4 | 10.7 | 16.1 | 5.2 | 3.7 | 12.4 | 31.8 | 18.0 | 220.9 |
| Other | 31.0 | 1.1 | 3.6 | 0.4 | 0.5 | 0.4 | 0.8 | 5.3 | 7.4 | 50.4 |
| **Property Management** | **105.0** | **0.3** | **11.9** | **8.9** | **8.5** | **7.1** | **16.1** | **103.7** | **0.8** | **262.3** |
| Commercial[1)] | 46.6 | 0.3 | 11.9 | 8.9 | 8.5 | 4.6 | 16.1 | 71.1 | 0.8 | 169.4 |
| Multi-family[2)] | 58.4 | 0.0 | 0.0 | 0.0 | 0.0 | 2.5 | 0.0 | 32.0 | 0.0 | 93.0 |
| **Public Administration[3)]** | **31.7** | **0.1** | **0.3** | **0.4** | **2.4** | **0.4** | **3.2** | **78.9** | **1.6** | **118.9** |
| **Households** | **269.1** | **6.9** | **31.2** | **1.7** | **22.7** | **15.9** | **28.9** | **104.4** | **4.8** | **485.7** |
| Mortgage loans | 230.3 | 0.0 | 3.7 | 0.0 | 18.3 | 11.7 | 25.5 | 79.4 | 1.8 | 370.6 |
| Other loans | 38.8 | 6.9 | 27.5 | 1.7 | 4.4 | 4.3 | 3.4 | 25.0 | 3.0 | 115.0 |
| **Credit portfolio** | **972.1** | **36.8** | **112.9** | **47.2** | **56.6** | **49.8** | **95.2** | **475.4** | **88.3** | **1,934.2** |

1) Companies that manage and rent out commercial properties.
2) Companies that manage and rent out multi-family properties.
3) Municipalities, local authorities.

The following table shows the distribution by industry and location, of SEB's impaired loans as of December 31, 2008:

| | As of December 31, 2008 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **SEK billion** | **Sweden** | **Denmark** | **Norway** | **Finland** | **Estonia** | **Latvia** | **Lithuania** | **Germany** | **Other** | **Total** |
| **Banks** | **320** | **0** | **0** | **0** | **0** | **0** | **0** | **6** | **0** | **326** |
| **Corporate** | **710** | **189** | **245** | **10** | **493** | **571** | **1,522** | **1,451** | **246** | **5,436** |
| Finance & insurance | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 33 | 0 | 38 |
| Wholesale & retail | 327 | 0 | 0 | 0 | 87 | 19 | 223 | 421 | 0 | 1,077 |
| Transportation (other than shipping) | 6 | 0 | 0 | 0 | 33 | 12 | 93 | 14 | 0 | 159 |
| Shipping | 11 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 11 |
| Other service industries | 1 | 0 | 0 | 0 | 4 | 53 | 3 | 5 | 0 | 66 |
| Construction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Manufacturing | 0 | 0 | 0 | 0 | 0 | 45 | 0 | 13 | 0 | 58 |
| Agriculture, forestry and fishing | 30 | 143 | 0 | 0 | 15 | 35 | 662 | 133 | 0 | 1,018 |
| Mining and quarrying | 3 | 0 | 0 | 0 | 38 | 84 | 49 | 157 | 0 | 331 |
| Electricity, gas and water supply | 151 | 0 | 0 | 0 | 209 | 154 | 411 | 458 | 209 | 1,591 |
| Other | 181 | 45 | 245 | 5 | 106 | 169 | 80 | 218 | 37 | 1,087 |
| **Property Management** | **110** | **0** | **0** | **0** | **305** | **151** | **855** | **3,462** | **10** | **4,894** |
| Commercial [1] | 16 | 0 | 0 | 0 | 305 | 139 | 855 | 2,848 | 10 | 4,174 |
| Multi-family [2] | 94 | 0 | 0 | 0 | 0 | 12 | 0 | 614 | 0 | 720 |
| **Public Administration [3]** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Households** | **448** | **249** | **115** | **55** | **488** | **624** | **490** | **787** | **0** | **3,255** |
| Mortgage loans | 15 | 0 | 27 | 0 | 435 | 419 | 362 | 651 | 0 | 1,909 |
| Other loans | 433 | 249 | 88 | 55 | 53 | 205 | 128 | 136 | 0 | 1,346 |
| **Credit portfolio** | **1,588** | **438** | **360** | **65** | **1,286** | **1,346** | **2,867** | **5,706** | **256** | **13,911** |

1) Companies that manage and rent out commercial properties.
2) Companies that manage and rent out multi-family properties.
3) Municipalities, local authorities.

### *SEB's exposure in the Baltic countries*

*Background*

Estonia, Latvia and Lithuania have formed part of SEB's core markets since the late 1990s. SEB is strategically committed to the region and believes the region's fundamental long-term growth prospects remain intact.

SEB entered the markets in the Baltic countries through acquisitions of minority stakes in three local banks in Estonia, Latvia and Lithuania toward the end of the 1990s. SEB's Baltic operations constitute business areas within the Group's divisional structure, but mainly reside in the Retail Banking operations. They all operate under Group policies and instructions. Aggregated net profits from the Group's Baltic operations amounted to SEK 11.6 billion during 2001–2008, while net credit losses from the Group's Baltic operations amounted to SEK 2.5 billion over the same time period.

By year-end 2008, SEB's credit exposure to the Baltic countries amounted to SEK 201.6 billion (SEK 169 billion at year-end 2007). The increase in credit exposure in these countries in 2008 was partly explained by currency effects. In 2008, annual credit growth, measured in local currencies, decreased by 2% in Estonia and increased by 5% and 8%, respectively, in Latvia and Lithuania as a result of new lending, compared to annual growth rates in 2007 of 17% in Estonia, 18% in Latvia and 30% in Lithuania.

Lithuania accounts for 47% of SEB's credit exposure in the Baltic countries, while Estonia and Latvia account for 28% and 25%, respectively. The majority of the portfolio, 63%, relates to corporate clients, including property management, while households account for 33%. As outlined in the table below, the majority of the Group's lending in the

Baltic countries is denominated in foreign currencies. The distribution does not materially deviate from the overall market situation in these countries.

*Proactive risk management*

In preparation for a possible overheating of the Baltic economies, SEB tightened its credit policy and began a controlled slowdown of credit growth in 2006. This process has continued and in 2008 increased restrictions on granting new credits and more stringent requirements on repayment capacity, particularly for EUR-denominated loans have been implemented. As a result, SEB has gradually reduced its market share. In Estonia and Latvia, market shares dropped from 31% to 24% and from 23% to 14%, respectively, between 2005 and 2008 (year-end). In Lithuania, market share dropped from 34% to 30% over the same period.

SEB has reinforced its efforts to manage the effects of the economic downturn in the Baltic economies. In early 2008, the local workout teams in Estonia, Latvia and Lithuania were supplemented by a new Group function, established to lead and coordinate the Group's management of weak counterparties and distressed debts. It was also decided that specific entities charged with working-out distressed assets should be set up in the Baltic countries.

All three Baltic banks received approval from the SFSA to apply the IRB approach to capital requirements for credit risk in their retail loan portfolios beginning in 2008.

*Individual country approach*

All the Group's activities to mitigate credit losses are performed on a country-by-country and case-by-case basis in collaboration between Group and local work-out teams. Actions undertaken are based on the Group's collective know-how and experiences from work-out situations, particularly with regard to the Group's experiences in handling the Swedish banking crisis in the early 1990s.

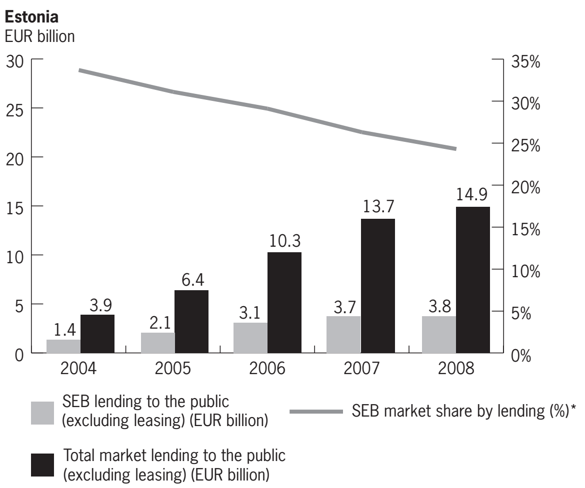
The following table shows impaired loans and reserves in SEB's credit portfolio in the Baltic countries as of December 31, 2008:

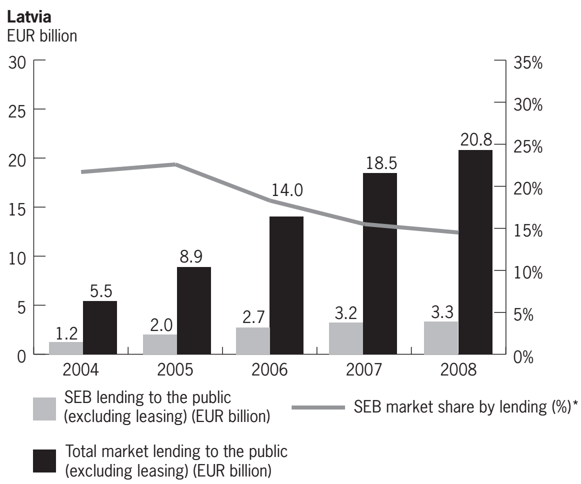
| | As of December 31, 2008 | | | |
|---|---|---|---|---|
| **SEK million** | **Estonia** | **Latvia** | **Lithuania** | **Total** |
| **Credit portfolio** | | | | |
| Banks | 194 | 1,102 | 579 | **1,875** |
| Corporates | 22,828 | 25,257 | 46,432 | **94,517** |
| Property Management | 8,522 | 7,093 | 16,132 | **31,747** |
| Public Administration | 2,365 | 364 | 3,192 | **5,922** |
| Households | 22,705 | 15,938 | 28,877 | **67,520** |
| **Total credit portfolio** | **56,614** | **49,755** | **95,213** | **201,581** |
| **Impaired loans, gross** | | | | |
| Banks | – | – | – | **–** |
| Corporates | 493 | 571 | 1,522 | **2,586** |
| Property Management | 305 | 151 | 855 | **1,312** |
| Public Administration | – | – | – | **–** |
| Households | 488 | 624 | 490 | **1,602** |
| **Total** | **1,287** | **1,346** | **2,867** | **5,499** |
| **Reserves** | | | | |
| Specific reserves | 380 | 174 | 791 | **1,345** |
| Collective reserves | 546 | 603 | 612 | **1,761** |
| Off balance reserves | – | – | – | **–** |
| **Total** | **926** | **776** | **1,404** | **3,105** |
| Reserve ratio for impaired loans | 71.9% | 57.7% | 49.0% | **56.5%** |

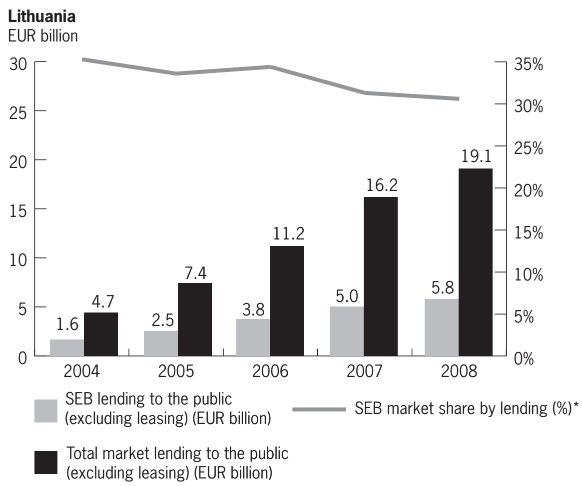
The following table shows the currency profile of SEB's lending portfolios in the Baltic countries as of December 31, 2008:

| % | As of December 31, 2008 | | |
|---|---|---|---|
| | Estonia | Latvia | Lithuania |
| **Corporates incl. Property Management** | | | |
| EUR | 69% | 83% | 64% |
| Local currency | 29% | 15% | 32% |
| USD | 2% | 2% | 4% |
| **Households** | | | |
| EUR | 79% | 85% | 63% |
| Local currency | 21% | 13% | 37% |
| USD | – | 2% | – |

The graphs below show SEB's lending to the public (excluding leasing) in the Baltic countries, compared to total market lending to the public (excluding leasing) in the Baltic countries, and its market share in the Baltic countries (see the table under "Description of business—Geographic markets and presence" and "General information—Market data" for sources of data underlying these graphs):




* SEB market share by lending in the chart above is based on the sources described in "Desciption of business—Geographic markets and presence".

### Quantification of credit risk

The SEB methodology for credit risk quantification is based on the economic capital framework. It is aligned with the Basel II framework for credit risk and addresses the following components:

#### *Probability of default (PD)*

For each risk class, SEB makes annual PD estimates using ten years' internal history of defaults. SEB's PD estimates are made "through the cycle", meaning they are estimated based on averages over a business cycle. The estimates are aligned with 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.

Internal statistical analyses approved by the SFSA confirm that SEB risk classes historically have demonstrated differentiated patterns for default; for instance, higher risk classes have had higher default ratios than lower risk classes.

#### *Size of exposure at default (EAD)*

EAD exposure is measured in (1) nominal terms (for example, 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 (2) through current market values plus an amount for possibly increased exposure in the future, net of any eligible collateral (in case of derivative contracts, repos and securities lending).

#### *Loss given default (LGD)*

LGD is measured based on an evaluation of potential loss on an outstanding claim in case of default and considering collateral provided, as well as other factors. 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.

## Market risk

Market risk is the risk of loss or reduction of future net income following changes in interest rates, foreign exchange, 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, that is trading book risks, and structural market risks and net interest income risks, that is 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 in 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 of Directors. The Group Asset and Liability Committee then allocates the market risk mandate set by the Board of Directors 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 within Group Risk Control is responsible for controlling SEB's market risks. Measurement, monitoring and management reporting is done on a daily basis on Group, divisional as well as business unit level. The unit is also tasked with ensuring independence in the valuation process of traded positions. The daily control framework relies on sophisticated statistical models, such as VaR, as well as more traditional risk measures such as nominal exposures and sensitivity measures. Key market and liquidity risks are reported at least monthly to the Asset and Liability Committee and the Risk and Capital Committee of the Board of Directors.

### 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 of Directors has decided upon four major risk measures, as further described below, to quantify and limit the Group's total market risk exposure under normal market conditions: Value-at-Risk; Delta 1%; Single FX and Aggregated FX. These are further described below. Any risk measure has strengths and weaknesses but this can be mitigated through combining them with each other.

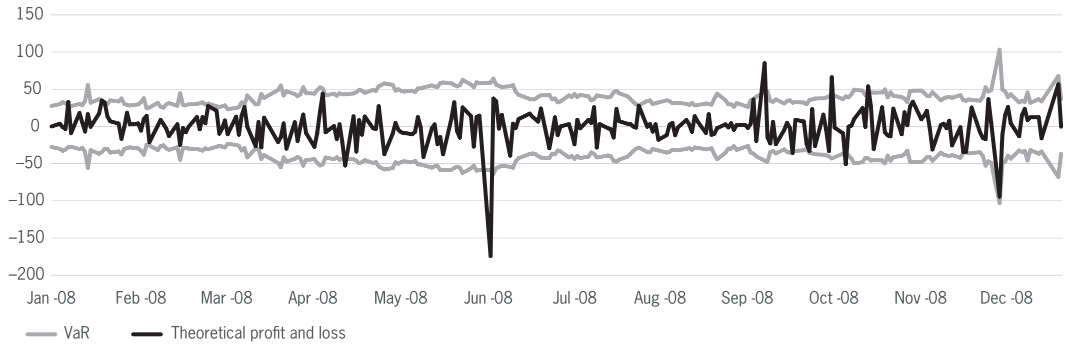
#### *Value-at-Risk (VaR)*

To measure and limit the Group's aggregated risk level across market risk types, SEB uses a VaR approach based on an internally developed model. This statistical method 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% and a 10-day period for reporting VaR in the trading book and for monitoring VaR in the banking book. In the day to day management of trading positions, SEB limits with a 1-day time horizon. Due to its larger size, the banking book carries most of SEB's VaR. Since 2001, SEB has held supervisory approval from the SFSA to use its internal VaR model for calculating capital requirements for the majority of the general market risks in SEB's trading book.

The following graph shows VaR compared to theoretical profit and loss in 2008:

**Value-at-Risk 2008**

SEK million (VaR vs. Theoretical profit and loss, 99% confidence interval and one day holding period)




Back testing of the VaR model is done on a daily basis to control and assure its accuracy. This is done to verify that losses have not exceeded the VaR level during significantly more than 1% of the trading days. During the market turmoil in 2007 and 2008, the Group found that its VaR model, on average, underestimated the 99th percentile by 23% looking at historical data. As a consequence, a 23% add-on has been introduced (and supervisory approval was provided by the SFSA in 2008).

VaR for the trading book was affected by the turbulence in the financial markets, which caused high volatility throughout the year. Even though the Group reduced trading book exposures, average trading VaR during 2008 was 65% higher than in 2007 Banking book VaR was also affected by the higher market volatility, and rose by 22% compared to 2007. VaR for the banking book is calculated using unweighted market data, and thus shows a more protracted reaction to changes in volatility.

The tables below summarise ten-day VaR for the Group's banking and trading books.

| Value-at-Risk, Banking book<br>SEK million | Min | Max | At December 31, 2008 | Average 2008 | Average 2007 |
|---|---|---|---|---|---|
| Interest risk | 189 | 592 | 592 | 323 | 251 |
| Currency risk | 1 | 109 | 109 | 24 | 25 |
| Equity risk | 1 | 137 | 53 | 54 | 47 |
| Diversification | | | –146 | –84 | –63 |
| **Total** | **174** | **608** | **608** | **318** | **260** |

| Value-at-Risk, Trading book<br>SEK million | Min | Max | At December 31, 2008 | Average 2008 | Average 2007 |
|---|---|---|---|---|---|
| Interest risk | 57 | 282 | 203 | 145 | 64 |
| Currency risk | 4 | 165 | 132 | 34 | 21 |
| Equity risk | 18 | 230 | 41 | 75 | 75 |
| Diversification | | | –111 | –103 | –68 |
| **Total** | **69** | **332** | **265** | **151** | **92** |

### *Sensitivity and position measures*

As supplemental analytical tools, the Group uses sensitivity and position measures to measure credit risk.

Sensitivity measures such as "gamma", "vega" and "rho" are used to assess the risk posed by non-linear instruments. In certain cases, 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 conducted on a regular basis as a supplement to the above described risk measurements.

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 and thus attempt to estimate the size of potential losses due to the stress events. Both historical and hypothetical scenarios are used to estimate potential losses.

### *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 by the methods described below.

### *Delta 1%*

The Interest Rate Risk measure of Delta 1% 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 pricing of products, create a margin squeeze in times of low interest rates, making it relevant to analyse both upward and downward changes. SEB monitors NII risk but does not assign a specific limit to NII for purposes of measuring market risk exposure.

Further information on interest rate sensitivity can be found in Note 43 to the 2008 Financial Statements included elsewhere in this Prospectus, which shows repricing periods for the Group'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. This risk materialised for SEB during 2008 in respect of its fixed-income securities, as described in "Commentary on the financial development". For capital adequacy reporting, SEB reports its credit spread risk as market risk, however it is classified as part of credit risk in SEB's economic capital framework.

### Foreign exchange risk

Foreign exchange risk arises both through SEB'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 separately measures and manages the structural foreign exchange risk inherent in the structure of the balance sheet and earnings. The largest structural foreign exchange risk is related to the Issuer's subsidiaries in the Baltic countries.

#### *Single FX and Aggregated FX*

As a complement to VaR, foreign exchange risk is also measured by Single FX 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.

### Commodity risk

For instruments and derivatives with commodities as the underlying asset there is an inherent risk to changes in commodity prices. During 2008, SEB's exposure to commodity risk was limited as the Group's business offering did not include directional trading.

## 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 requirements. 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. See also "Commentary on the financial development—Liquidity and capital resources".

### Liquidity risk management and reporting

The purpose of SEB's liquidity risk 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 substantially additional costs. The Group's liquidity risk-taking is governed by limits established by the Board of Directors and further allocated by the Group Asset and Liability Committee. Liquidity limits are set for both the Group and specific legal entities as well as for exposures in certain currencies.

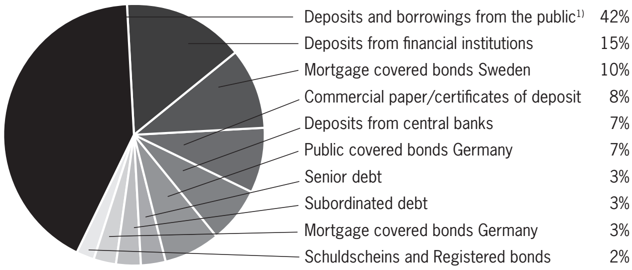
SEB maintains sufficient liquidity to meet current payment obligations while keeping contingency reserves to meet any market disruptions.

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

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 for the Group.

The following chart shows SEB's sources of funding as of December 31, 2008:

**Funding structure, SEB Group, as of December 31, 2008**
% (SEK 1,787 million)




Over collateral within covered pools SEK 48 billion, may be used for further covered bond issuance or pledged for central bank borrowing.

1) Excluding SEK 28 billion of Schuldscheins and Registered bonds and SEK 29 billion of public covered bonds which are included within Public covered bonds Germany in the chart above.

### Liquidity risk measurement

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

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 through one year.

This requires certain assumptions to be made 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% of illiquid assets; the average level during 2008 was 108%, and as of December 31, 2008 the level was 102%.

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 crisis.

### Liquidity reserve requirement

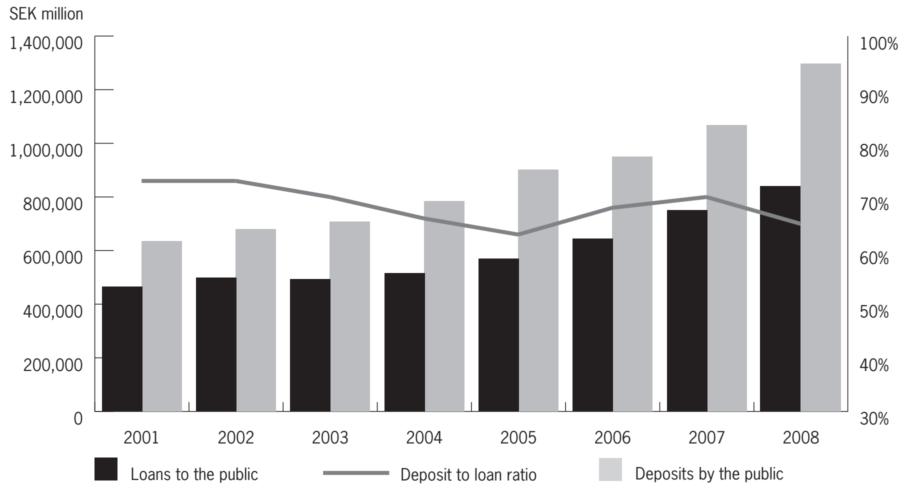
The liquidity reserve, consisting of securities that can be used as collateral for loans or in repurchase transactions and thus transformed into liquid funds with immediate effect, form an important part of the Group's liquid assets. The size of the liquidity reserve indicates the extent to which the Group has a stable volume of unencumbered, high quality liquid assets held as insurance against a range of liquidity stress scenarios. SEB's goal is to have its liquidity reserve always equivalent to at least 5% of total assets. As of year-end 2008, the liquidity reserve was equivalent to 14% of total assets.

### 2008 liquidity situation

In spite of the turbulence in funding markets during 2008, SEB maintained its ability to finance its on-going business by utilising its diversified funding. The Group had good access to the short-term capital markets throughout the year, while the market for long-term financing was severely disrupted from the end of the third quarter. The Group's funding position benefited in 2008 from the raising of SEK 160 billion in long-term funds, including SEK 100 billion in covered bonds and SEK 60 billion in unsecured senior debt, and a net inflow of SEK 90 billion in deposits and borrowings from the public during the year. At year-end 2008, the deposits-to-loan ratio was 65% compared with 70% at year-end 2007. The pool of unutilised eligible assets in SEB's liquidity reserve that could be pledged with central banks was in excess of SEK 123 billion by year-end 2008.

The following graph compares SEB's deposits to its lending from 2001 to 2008:

**Deposit to loan ratio, as of December 31**




See "Commentary on the financial development—Liquidity and capital resources" for further details.

## 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 (such as natural disasters and external crime).

### New product approval process

During 2008, SEB strengthened the framework for examining and approving the introduction of new and/or amended products, systems and processes. All control and support functions together with the relevant business division participate in the assessment processes, with the aim of providing approvals in a systematic way in order to secure a sound operational risk environment.

### Advanced Measurement Approach

During 2008, the Group received supervisory approval from the SFSA 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 modelling, and quality assessment of processes.

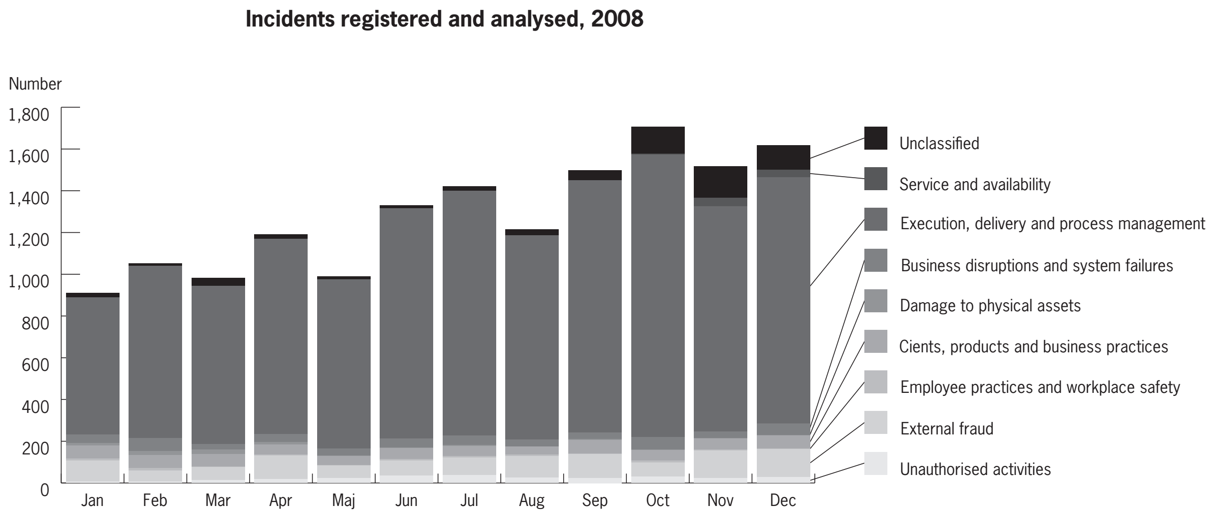
The model is also used to calculate economic capital for operational risk, albeit on a higher confidence level and with the inclusion of loss events relevant for life insurance operations.

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

The Group's AMA-derived capital requirement for operational risk is not affected by any insurance agreement to reduce or transfer the impact of operational risk losses.

SEB uses an IT-based infrastructure for management of operational risk, security and compliance. The system requires all staff in the Group to register risk-related issues and management at all levels to identify, assess, monitor and mitigate risks. This system facilitates management of operational risk exposures.

The following graph show operational risk incidents registered and analysed in 2008:




## 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 insurance products, where the market risk stays with the policyholder. Unit-linked products represented approximately 75% of total sales in 2008.

There are, however, certain elements of risk in economical terms for SEB as regards the future surplus values elimination.

The value contribution from life insurance operations is analysed in terms of surplus values, that is the present value of future net income on previously written insurance (see Note 51 to the 2008 Financial Statements).

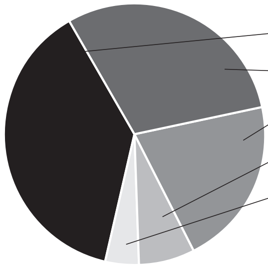
### Insurance risk mitigation

Surplus values and financial risks that are regularly reported by the division form the basis of risk measurement. Life insurance risks are monitored with the help of actuarial analyses 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 analysis.

The Group also operates, on a run-off basis, a reinsurance non-life business with a limited risk to SEB's shareholders. During 2008, a provision of SEK 353 million was made to cover potential future guarantees related to the traditional life portfolio that was transferred from Nya Liv in 2007. The provision is mainly market value related and would be recoverable if future investment returns are adequate to meet guaranteed bonus levels over time.

The following graph shows the components of SEB's life insurance surplus value risk as of December 31, 2008 as compared to components of such risk as of December 31, 2007.

**Components of life insurance surplus value risk in SEB**



| | As of December 31, 2008 | 2007 |
|---|---|---|
| Asset growth risk | 38% | 43% |
| Expense risk | 30% | 24% |
| Persistency risk | 21% | 21% |
| Mortality risk | 7% | 8% |
| Morbidity risk | 4% | 4% |

The SFSA 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, and none of SEB's Swedish and Danish companies has been identified as requiring such analysis.

## 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 operational 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 and large IT projects.

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.

# 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 is intended to be risk-based and built on an assessment of all risks incurred in the Group's business, forward-looking and aligned with the Group's short- and long-term business plans as well as with expected macroeconomic developments.

## Capital governance

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 of Directors. 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 of Directors, 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 management

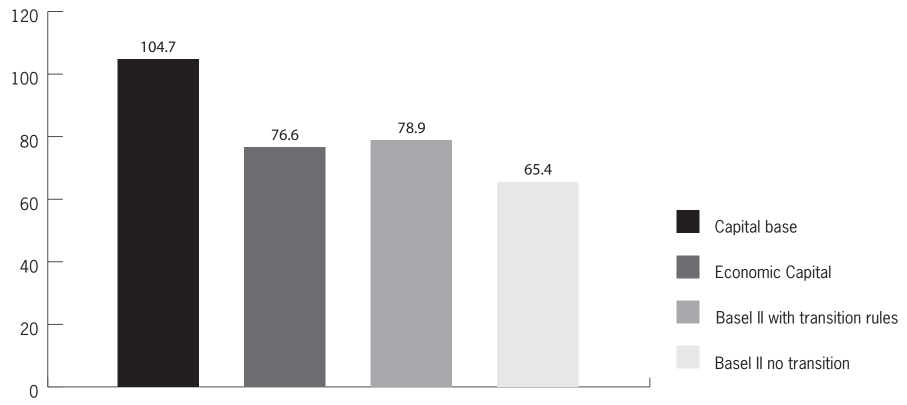
Capital is managed centrally, pursuant to an internal framework in accordance with local requirements as regards statutory and internal capital. The Group's capital policy defines how capital management should support its business goals. Shareholders' return requirements are balanced against the capital requirements of the regulators, the expectations of debt investors, rating agencies and other SEB counterparties, and the Group's economic capital that represents the total risk of the Group. The phased implementation of Basel II, with Basel I based RWAs, floors during 2007 through 2009, necessitates monitoring, targeting and reporting capital ratios according to both regulatory frameworks.

SEB may buy back outstanding shares and outstanding issues of subordinated debt, including utilisation of subordinated debt call options, in order to optimise the capital structure.

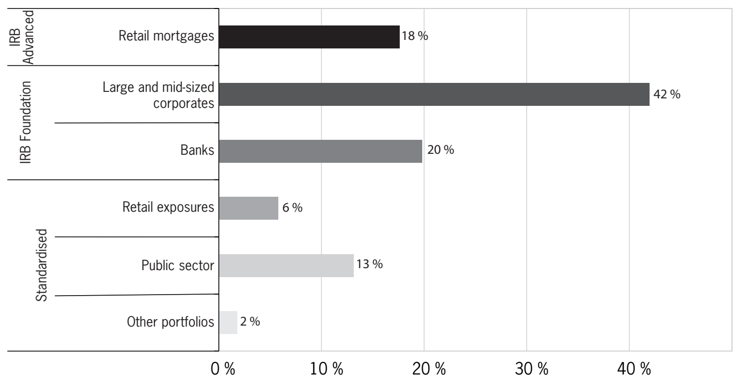
## New Basel II capital adequacy rules

The new Basel II capital adequacy rules were implemented in Sweden on February 1, 2007. During 2007, the Group used a mixed approach for reporting, whereby the Issuer, SEB AG and SEB Gyllenberg reported according to Basel II, while Basel I reporting was used for the remainder of the Group. Beginning in 2008, the entire Group's reporting was in accordance with Basel II.

**Capital base vs internal and external requirements**
SEK billion, as of December 31, 2008



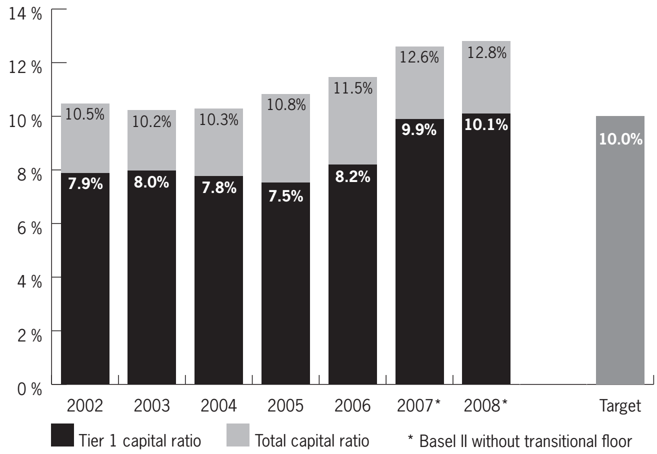

**Loan portfolios approved for IRB approach**
Share of approximates exposure (EAD), % as of December 31, 2008




As of December 31, 2008, SEB had received regulatory approval from the SFSA to apply the IRB approach for approximately 80% of its credit portfolio (based on size of exposure at default, EAD). All three of SEB's Baltic banks received approval from the SFSA to apply the IRB approach to their retail loan portfolios during 2008. Currently, the Group reports according to IRB Advanced for virtually all retail mortgage portfolios and to IRB Foundation for most corporate and inter-bank portfolios. A number of retail portfolios are in the process of IRB implementation. 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 insignificant portfolios. For these exposures, the Standardised approach will be used.

Following supervisory approval from the SFSA, the Group has since the second quarter of 2008 reported operational risk according to the Advanced Measurement Approach 2008. For market risk, the Group has been approved to use its internal VaR model for calculating capital requirements for general market risks in the parent company since 2001.

**Capital adequacy**
SEB Group, %




## Capital requirements

| | As of December 31, | |
|---|---|---|
| **SEK million** | **2008** | **2007** |
| **Credit risk IRB reported capital requirements** | | |
| Institutions | 4,472 | 4,506 |
| Corporates[1)] | 37,158 | 21,420 |
| Securitisation positions | 572 | 174 |
| Retail mortgages | 4,627 | 3,409 |
| Other exposure classes | 559 | |
| **Total for credit risk, IRB approach** | **47,388** | **29,509** |
| **Other Basel II reported capital requirements** | | |
| Credit risk, Standardised approach[2)] | 11,610 | 6,227 |
| Operational risk, Basic Indicator approach | | 3,723 |
| Operational risk, Advanced Measurement approach | 3,080 | |
| Foreign exchange rate risk | 570 | 580 |
| Trading book risks | 2,775 | 4,010 |
| **Total, reporting according to Basel II** | **65,423** | **44,049** |
| **Reporting according to Basel I** | | |
| Credit risk | | 14,859 |
| Foreign exchange rate risk | | 0 |
| Trading book risk | | 41 |
| **Total, reporting according to Basel I** | | **14,900** |
| **Summary** | | |
| Credit risk | 58,998 | 50,595 |
| Operational risk | 3,080 | 3,723 |
| Market risk | 3,345 | 4,631 |
| **Total** | **65,423** | **58,949** |
| **Adjustment for flooring rules** | | |
| Additional requirement to transitional flooring[3)] | 13,460 | 8,409 |
| **Total reported** | **78,883** | **67,358** |

1) Corporate exposures exclude small companies where the total exposure does not exceed certain regulatory-defined thresholds.
2) The Standardised approach is used for credit exposures to central governments, central banks and local governments and authorities, and to exposures where IRB implementation is on-going. The reported capital requirement principally relates to the Corporate and Retail exposure classes.
3) In Basel II, counterparty risk (repos, securities lending, derivatives) in the trading book is referred to credit risk, and not to market risk as in Basel I. During years 2007/2008/2009, institutions should have a capital base not below 95/90/80%, respectively, of the capital requirement according to Basel I regulation. The additional requirement specified in this row is made as a consequence of this transitional rule.

## Capital adequacy

| | As of December 31, | |
|---|---|---|
| SEK million | 2008 | 2007 |
| **Capital resources** | | |
| Tier I Capital | 82,463 | 72,702 |
| Capital base | 104,723 | 92,973 |
| **Without transitional floor (Basel II)** | | |
| Capital requirement | 65,423 | 58,949 |
| Expressed as RWAs | 817,788 | 736,864 |
| Tier I capital ratio | 10.1% | 9.9% |
| Total capital ratio | 12.8% | 12.6% |
| Capital adequacy quotient (capital base/capital requirement) | 160% | 158% |
| **With transitional rules (Basel II) – as officially reported** | | |
| Transitional floor applied | 90% | 95% |
| Capital requirement | 78,883 | 67,358 |
| Expressed as Risk weighted assets | 986,034 | 841,974 |
| Tier I capital ratio | 8.4% | 8.6% |
| Total capital ratio | 10.6% | 11.0% |
| Capital adequacy quotient (capital base/capital requirement) | 133% | 138% |
| **With risk weighting according to Basel I** | | |
| Capital requirement | 90,164 | 71,398 |
| Expressed as RWAs | 1,127,054 | 892,473 |
| Tier I capital ratio | 7.3% | 8.1% |
| Total capital ratio | 9.3% | 10.4% |
| Capital adequacy quotient (capital base/capital requirement) | 116% | 130% |

## Capitalisation targets

SEB's capitalisation targets in relation to capital management serve the following principal purposes:

- To ensure that the Group's capital strength is sufficient to support its business strategy even in less favourable economic circumstances and to maintain capital ratios above the minimum levels established by the relevant regulators, which are 4% Tier I capital and 8% total capital; and
- To ensure sufficient capital strength to protect the Group's senior debt holders given the Group's chosen risk appetite (AA rating target).

SEB's long-term Tier I capital ratio target is 10%, calculated on the basis of Basel II without transitional rules.

## Capital requirements – Basel II framework

The regulatory capital requirement under the Basel II framework with transitional floor was SEK 78.9 billion as of year-end 2008 (SEK 67.4 billion as of year-end 2007), equating to total risk weighed assets of SEK 986 billion as of year-end 2008 (SEK 842 billion as of year-end 2007). Exchange rate effects accounted for SEK 72 billion of the increase in total RWAs in 2008.

## Capital base

The Group's Tier I Capital amounted SEK 82.5 billion at year-end 2008 (SEK 72.7 billion at year-end 2007), with a reported Tier I capital ratio under Basel II applying transitional rules of 8.4% at year-end 2008 (8.6% at year-end 2007). The total capital base was SEK 104.7 billion at year-end 2008 (SEK 93.0 billion at year-end 2007), with a reported total capital ratio under Basel II applying transitional rules of 10.6% at year-end 2008 (11.0% at year-end 2007).

### Capital base – summary

| SEK million | December 31, 2008 | December 31, 2007 |
|---|---|---|
| Equity | 83,729 | 76,719 |
| Deduction for dividends | 0 | –4,442 |
| Goodwill in banking operations | –7,305 | –6,079 |
| IRB excess/shortfall | –1,133 | –235 |
| Deductions for non-banking operations | –2,954 | –3,056 |
| Other adjustments | –2,245 | –1,112 |
| Hybrid capital | 12,371 | 10,907 |
| **Tier I capital** | **82,463** | **72,702** |
| Tier II debt | 33,731 | 31,512 |
| IRB excess/shortfall | –1,133 | –235 |
| Deductions for non-banking operations | –10,696 | –10,673 |
| Other adjustments | 358 | –333 |
| **Capital base** | **104,723** | **92,973** |

## 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 is similar to the regulatory framework for capital adequacy, Basel II, in that many of the underlying risk drivers are substantially the same. The calculation of Economic Capital is based on a confidence level of 99.97%, representative of an AA rating.

At the end of 2008, the internal capital requirement for the Group, calculated as Economic Capital, was SEK 76.6 billion (SEK 66.6 billion at year-end 2007), 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 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.

### Economic Capital, by risk type, period end

| SEK million | 2008 | 2007 | 2006 |
|---|---:|---:|---:|
| Credit risk | 63,500 | 55,300 | 42,300 |
| Market risk | 4,800 | 2,800 | 3,000 |
| Insurance risk | 17,900 | 15,100 | 14,800 |
| Operational risk | 8,100 | 6,000 | 3,500 |
| Business risk | 8,600 | 8,800 | 7,100 |
| Diversification | –26,300 | –21,400 | –17,900 |
| **Total economic capital** | **76,600** | **66,600** | **52,800** |

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

## Stress testing

SEB views the macroeconomic environment as the major driver of risk to the Group’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 more severe 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—covering, for example, the potential of a sharp decline in the macroeconomic environment.

SEB applies a “bottom-up” approach to stress testing, utilizing all its areas of expertise and drawing upon its experience in the Swedish banking crisis in the early 1990’s.

Using recession scenarios and contrasting them to 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 for future years 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 (such as the Swedish banking crisis in the early 1990s and crises comparable to the one presently being experienced in the Baltic countries) 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% to 25% annually for three years. Industrial productivity decreases by 5%, 2.5% and 2%, annually for three years.

Performing this kind of stress testing constitutes an important part of SEB’s process for capital assessment over the long-term planning horizon. Available and required capital is 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 more adverse conditions than what is assumed in financial plans.

In addition to the one-in-10 year event and one-in-50 year event scenarios described above, in connection with the Offering, SEB ran a further worst case scenario based on an extreme stress scenario. This scenario is significantly more conservative than SEB's base case scenario and has a substantially more conservative outcome than SEB's one-in-10 year event and one-in-50 year event scenarios. This worst case scenario assumes simultaneous severe recessions in each of SEB's core markets, with significant contraction in all SEB's geographic markets for three consecutive years, significant declines in SEB's pre-provision earnings, and significant increases in RWAs from risk class migration, which would more than offset the effects of full implementation of Basel II. SEB believes that its worst case scenario has a low probability of occurring. In all SEB's stress test scenarios, SEB expects its capital ratios (assuming successful completion of the Offering and non-payment of the 2008 dividend) would be above the level determined by the Swedish National Debt Office as a prerequisite to participation in the Swedish Government Guarantee program, which is a minimum Tier I capital ratio of 6%.

The Riksbank and the SFSA regularly perform stress tests to assess overall financial stability and the capital strength of the major Swedish banks, including SEB. In the autumn of 2008, the Riksbank and the SFSA performed stress tests aimed at capturing a general downturn/stressed scenario; in a parallel analysis, the IMF primarily focused on the potential downside of Swedish banks' Baltic exposure. The outcomes showed that, in all cases and despite severe credit losses and deteriorating underlying earnings, the Group should manage to maintain a sufficient capital base based on current regulatory capital requirements in the scenarios used for the stress tests. It should be noted that the stress tests carried out by the Riksbank, SFSA and IMF were performed before the significant global economic deterioration and global financial market declines in the third and fourth quarters of 2008; there can be no assurance that the assumptions, estimates and determinations made in such stress tests would remain the same taking into account the more severe economic downturn that followed after the third quarter of 2008.

# Banking and insurance regulation and supervision

## Sweden

### General

In Sweden, banking and financing business is regulated by the Swedish Banking and Financing Business Act (*Sw: Lagen (2004:297) om bank-och finansieringsrörelse*) ("**SBFBA**"), and securities business is regulated by the Swedish Securities Markets Act (*Sw: Lagen (2007:528) om värdepappersmarknaden*) (the "**SSMA**"). The SFSA is the regulator and supervisory authority for financial and insurance institutions in Sweden, including the Issuer and certain of its subsidiaries. The Issuer is a public limited liability banking company that has been granted licences from the SFSA to conduct banking business under the SBFBA and securities business under the SSMA. Many of the Issuer's subsidiaries are subject to the SBFBA and the SSMA, as well as to other Swedish laws regulating financial institutions and insurance companies, and are also subject to the supervision of the SFSA. Gamla Liv, a life insurance company, and Fondförsäkringsaktiebolaget SEB Trygg Liv, a life insurance company (with licence to issue unit-linked insurance), have been licensed under the Swedish Insurance Business Act (*Sw: Försäkringsrörelselagen* (1982:713)). SEB Investment Management AB and SEB Fondinvest AB, both fund management companies, have been licensed under the Swedish Investment Funds Act (*Sw: Lagen (2004:46) om investeringsfonder*), and SEB Kort AB is a credit institution (*Sw: kreditmarknadsbolag*) licensed under the SBFBA.

The Issuer and its subsidiaries have been identified as a financial conglomerate under the Financial Conglomerates Directive (2002/87/EC), and the SFSA has been appointed as the coordinator responsible for the coordination and exercise of supplementary supervision in respect of the Issuer and its subsidiaries. The SFSA issues regulations and supervises the operations of financial companies with regard to, among other things, capital adequacy under the Basel II requirements, customer relationships, accounting, governance structures, risk control and procedures for the prevention of money laundering. In order to facilitate its supervision, the SFSA has the right to, among other things, conduct on-site and off-site inspections, to request information and to interview employees of a regulated company. Should the SFSA consider that the operations of a regulated company are not sound or that the company otherwise is in breach of laws or regulations that apply to it, the SFSA may impose administrative sanctions on the company, such as disciplinary reprimands, warnings and fines, and may revoke the licence to conduct regulated business.

### Ownership and management assessment

The provisions regarding ownership and management assessment in the SBFBA are of particular relevance to the Issuer's shareholders. These provisions require the SFSA's prior approval to a party's direct or indirect acquisition of shares in the Issuer where the acquisition would bring such party's ownership level up to or above certain thresholds (10%, 20%, 33% or 50% of the shares or votes of the Issuer, or if the Issuer becomes a subsidiary of such party) or that would otherwise enable a substantial influence over the management of the Issuer. Furthermore, directors, deputy directors, the managing director and the deputy managing director of the Issuer must be approved by the SFSA pursuant to Swedish rules regarding management assessment.

### The Swedish Financial Stabilisation Plan

On October 29, 2008, the Swedish Parliament adopted an act regarding a Swedish plan for financial stability (the "**Swedish Financial Stabilisation Plan**") which is intended to enhance the stability of Sweden's financial system and to address the negative impact on the Swedish economy from the global financial crisis, including systemic illiquidity and high borrowing costs. Under the Swedish Financial Stabilisation Plan, the Swedish government is authorised to take a number of measures in support of the financial system, including issuing guarantees and making capital injections into credit institutions. The Swedish Financial Stabilisation Plan was notified by Sweden to the European Commission pursuant to Article 87(3) of the EC Treaty as state aid (as defined in Article 87(1) of the EC Treaty). On October 29, 2008 the European Commission found the notified measures to be compatible with the European Common Market and, accordingly, decided not to raise any objections. The Swedish National Debt Office, which was already responsible for administering Sweden's national deposit guarantee, has also been made responsible for administering the Swedish Financial Stabilisation Plan.

In addition to certain specific authorisations and programmes established under the Swedish Financial Stabilisation Plan itself, such as those described below under "—Targeted support and compulsory purchase of shares" and "—The Stabilisation Fund and stabilisation charges", three specific ordinances have been issued by the Swedish government under this plan: (i) a 2008 Capital Injection Scheme, (ii) a Guarantee Programme and (iii) a 2009 Capital Injection Scheme, each of which is described below.

On October 29, 2008, the Swedish parliament approved an increase, effective from October 6, 2008, from SEK 250,000 to SEK 500,000 in the guaranteed amount under the Swedish national deposit guarantee.

SEB has not at present applied for participation in any of the measures under the Swedish Financial Stabilisation Plan. SEB has a positive view of the initiatives to strengthen the financial position of the banking sector taken by the Swedish government and is positively evaluating whether to participate in these stability measures. Accordingly, SEB may decide to apply for such participation in the near to medium term.

There have been political discussions on whether the participation of credit institutions in the support measures under the Swedish Financial Stabilisation Plan should be made mandatory, but no such a proposal has been made by the Swedish government.

### *Targeted support and compulsory purchase of shares*

Under the Swedish Financial Stabilisation Plan, the Swedish government has authorised the Swedish National Debt Office to intervene with targeted support should a credit institution encounter such grave financial difficulties that there is a risk of serious disruption to the Swedish financial system. A credit institution may obtain support (i) when it is considered that its business is sustainable in the long term or (ii) to facilitate the reconstruction or winding up of a credit institution that is not considered to be sustainable in the long term. The conditions for the support must be designed so that the credit institution receiving support and its owners must, in the first instance, bear its losses. The support must be provided on a commercial basis and must not distort competition. Examples of possible interventions are liquidity support, support in connection with acquisitions and capital injections.

Under the Swedish Financial Stabilisation Plan, the Swedish state has the right to compulsorily purchase the shares of a credit institution from its shareholders, including the shares of the Issuer, provided it is considered to be of material importance from a public standpoint and provided (i) the credit institution or its shareholders have not accepted a guarantee agreement proposed by the Swedish National Debt Office that has been considered not unreasonable by an appeal board, (ii) the credit institution or its shareholders have failed to fulfil an obligation under a guarantee agreement under the Swedish Financial Stabilisation Plan that is of material importance, or (iii) the credit institution's capital base is below one quarter of the required capital, calculated as set out in the Swedish Act on Capital Adequacy and Large Exposures.

### *The Stabilisation Fund and stabilisation charges*

The Swedish Financial Stabilisation Plan provides for the establishment of a SEK 15 billion stabilisation fund (the "**Stabilisation Fund**") to finance any support measures taken by the government. Payments to the Stabilisation Fund will comprise charges for guarantees issued, stabilisation charges (if and when introduced), deposit guarantee charges and recoveries from support measures provided under the Swedish Financial Stabilisation Plan.

In addition to the guarantee charges, stabilisation charges are expected to be introduced when the market situation improves. The government has estimated that the total charges will be approximately SEK 2.6 billion per year, to be allocated among credit institutions depending upon their size and the level of risk that they present to the financial system. The stabilisation charges have not yet been subject to legislation, and it remains to be decided how the charges are to be designed and applied. Furthermore the Swedish government has proposed to make the stabilisation charges mandatory for all Swedish banks and credit institutions.

### *The 2008 Capital Injection Scheme*

In October 2008, the Swedish government put in place measures under the Swedish Stabilisation Plan for making capital injections, under certain circumstances, primarily in exchange for preference shares with strong voting rights (the "**2008 Capital Injection Scheme**"). In order to receive capital injections under this scheme, the relevant credit institution would have to enter into an agreement with the National Debt Office providing for a number of undertakings, including, not to use or refer to the state support in its marketing of credits, to accept certain restrictions with respect to wage increases, bonus payments, increases in board remuneration and bank executives' severance packages during the duration of the agreement, and undertake not to undergo a significant expansion of operations which would not have taken place if the issuer had not benefited from governmental support. As of the date of this Prospectus, SEB has not applied for participation in the 2008 Capital Injection Scheme.

### *The Guarantee Programme*

Under the Swedish Financial Stabilisation Plan, the Swedish government has put in place measures for the establishment of a guarantee programme (the "**Guarantee Programme**"). The Guarantee Programme provides banks, major mortgage institutions and certain other credit institutions an opportunity to contract with the government, represented by the Swedish National Debt Office, for guarantees covering part of their borrowings. The purpose of the Guarantee Programme is to facilitate borrowings of banks and certain credit market companies and reduce their borrowing costs during the current global financial crisis. Banks and major mortgage institutions based in Sweden are eligible to participate in the Guarantee Programme. Credit institutions that are oriented toward municipalities may also apply. In order to obtain a guarantee, the applicant must meet certain requirements regarding the composition and size of its capital base. As of the date of this Prospectus, SEB has not applied for participation in the Guarantee Programme.

The guarantee may be applied for in relation to bonds, certificates of deposit and other debt securities, provided they have a term of more than 90 days but less than three years and are not subordinated. Covered bonds may have terms of up to five years. Complex and structured products are not included in the Guarantee Programme. An application under the Guarantee Programme can be made to and including April 30, 2009. There are discussions that this period may be extended up to December 31, 2009, subject to approval from the European Commission. The maximum amount to be covered under the Guarantee Programme is SEK 1,500 billion, of which at most SEK 500 billion may relate to covered bonds with terms of between three and five years.

The Guarantee Programme is funded by charges to be paid by the institutions for each loan guaranteed. In order to participate in the Guarantee Programme, an institution must first enter into a guarantee agreement with the Swedish National Debt Office, after which the institution can apply for a guarantee for one or more loans. However, the total guaranteed amount for each institution under the Guarantee Programme must never exceed the greater of (i) the total of the institution's loans as of October 30, 2008 having an original term of over 90 days that fall due for payment between September 1, 2008 and April 30, 2009, and (ii) 20% of the institution's deposits from the public as of September 1, 2008. The Issuer's maximum amount to be covered by the Guarantee Programme is SEK 196.4 billion.

The charge for debt securities covered by the Guarantee Programme having a term that does not exceed one year is 0.5 % of the amount guaranteed, and the same charge is applied to all institutions. For debt securities that have terms longer than one year, the charge is differentiated on the basis of the risk associated with each institution. The risk is measured by the market price for credit default swaps during normal market conditions for each institution plus a supplement. The supplement is 0.25 percentage points for covered bonds and 0.50 percentage points for other securities. The price for the Issuer for non-covered debt securities would be 0.28 percentage points, excluding the applicable supplement. The corresponding figure for Svenska Handelsbanken AB is 0.25, for Nordea Bank AB 0.26 and for Swedbank 0.33.

Under the guarantee agreement with the Swedish National Debt Office, the institution must make a number of undertakings, including, not to use or refer to the guarantees issued under the Guarantee Programme in the marketing of credits, and to accept certain restrictions with respect to wage increases, bonus payments, increases in board remuneration and bank executives' severance packages during the guarantee period.

### *The 2009 Capital Injection Scheme*

In February 2009, the Swedish government put in place measures for the establishment of a further capital injection scheme (the "**2009 Capital Injection Scheme**"). Under the 2009 Capital Injection Scheme, the National Debt Office may, subject to government approval, provide capital injections. The institutions covered by the 2009 Capital Injection Scheme are the same as those covered by the Guarantee Programme. The total amount of available capital injections is SEK 50 billion. For each individual recipient of capital under this scheme, the capital injections may not result in an increase of the capital adequacy ratio (determined pursuant to the Swedish Act on Capital Adequacy and Large Exposures) of more than 2%. As of the date of this Prospectus, SEB has not applied for participation in the 2009 Capital Injection Scheme.

Capital injections under this scheme may take the form of newly-issued share capital or hybrid capital and must comply with the requirements for Tier I capital. These capital injections may take the form of either "market transactions", by which the Swedish state participates in a new issue and acquires no more than 70% of the share capital or hybrid debt instruments on the same terms as other investors, or a directed issue to the Swedish state. In this latter case, if the Swedish state acquires more than 70% of the issue, the National Debt Office shall determine the price based on a model that reflects the risk of the issuer and the yield of similar financial instruments under normal market conditions, but not less than the yield calculated on the basis of a model provided by the European Central Bank.

Under this scheme, the National Debt Office will also enter into an agreement with the recipient providing for limitations during 2009 and 2010 on the aggregate remuneration to be received by the five most highly paid senior officers. Severance pay will follow the guidelines laid down for officers in state-owned enterprises. The agreement will also provide for a stay on the remuneration paid to members of the board of directors of the recipient during 2009 and 2010.

The 2009 Capital Injection Scheme came into force on February 17, 2009 and will expire on August 17, 2009. The 2009 Capital Injection Scheme was approved by the European Commission on February 10, 2009.

## Estonia

In Estonia, banking business is regulated by the Estonian Credit Institutions Act (*krediidiasutuste seadus*) (the "**ECIA**") and securities business is regulated by the Estonian Securities Market Act (*väärtpaberituru seadus*) (the "**ESMA**"). AS SEB Pank is a limited liability banking company and has been granted a credit institution licence by the Bank of Estonia under the ECIA. The credit institution licence authorises AS SEB Pank to provide certain financial services and certain investment services and ancillary services under the ECIA and the ESMA. Furthermore, many of AS SEB Pank's subsidiaries are subject to Estonian laws regulating financial institutions, such as fund management companies, investment companies and insurance companies, and are also subject to the supervision of the Estonian Financial Supervisory Authority (*Finantsinspektsioon*) (the "**EFSA**"). The EFSA is the supervisory authority for financial and insurance institutions in Estonia, including AS SEB Pank and certain of its subsidiaries. In such capacity, the EFSA is empowered with tools and may impose sanctions, similar to those tools, and sanctions that are available to the SFSA. See "—Sweden—General".

## Latvia

In Latvia, banking and financing business is regulated by the Latvian Credit Institutions Act (*Kredītiestāžu likums*) and securities business is regulated by the Latvian Financial Instruments Market Act (*Finanšu instrumentu tirgus likums*). AS SEB banka, one of the Issuer's subsidiaries, is a joint stock company and has been granted a licence by the Latvian Financial and Capital Market Commission (the "**LFCMC**") for the operation of a credit institution. Furthermore, many of AS SEB banka's subsidiaries are subject to Latvian laws regulating private pension funds, participants in the financial instruments market, and insurance companies, and are also subject to the supervision of the LFCMC. The LFCMC is an autonomous public institution that supervises Latvian banks, insurance companies and insurance brokerage companies, participants in the financial instruments market, and private pension funds, including AS SEB banka and certain of its subsidiaries. In such capacity, the LFCMC is empowered with tools and may impose sanctions, similar to those tools, and sanctions that are available to the SFSA. See "—Sweden—General".

## Lithuania

In Lithuania, banking and financing business is regulated by the Act on Banks of the Republic of Lithuania ("**ABRL**") and securities business is regulated by the Lithuanian Act on Securities ("**LASE**") and the Lithuanian Act on Markets in Financial Instruments ("**LMIFI**"). AB SEB bankas, one of the Issuer's subsidiaries, is a limited banking company and has been granted licences from the central Bank of Lithuania ("**BoL**") to conduct business under the ABRL and from the Securities Commission of the Republic of Lithuania ("**SECL**") to conduct securities business under the LASE and LMIFI. Many of AB SEB bankas' subsidiaries are subject to Lithuanian laws regulating financial institutions such as fund management companies and investment companies, and are also subject to the supervision of SECL. The BoL is the regulator and supervisory authority for credit institutions in Lithuania, including AB SEB bankas. The BoL supervises banking and financing activities of credit institutions and establishes the general principles and procedures for such institutions' financial accounting and reporting. The SECL is the securities market supervisory authority for financial institutions and regulated markets and their participants in Lithuania, including AB SEB bankas and certain of its subsidiaries. The Insurance Supervisory Commission of the Republic of Lithuania ("**ISCL**") is the supervisory authority for insurance and insurance mediation activities, including certain of AB SEB bankas' subsidiaries. In such capacities, the BoL, the SECL and/or the ISCL are empowered with tools, and may impose sanctions, similar to those tools and sanctions that are available to the SFSA. See "—Sweden—General".

## Germany

In Germany, banking and financing business is primarily regulated by the German Banking Act (*Kreditwesengesetz*) ("**GBA**") and securities business is primarily regulated by the German Securities Trading Act (*Wertpapierhandelsgesetz*) ("**GSTA**"). SEB AG, one of the Issuer's subsidiaries, is a stock corporation (*Aktiengesellschaft*) with banking operations in Germany and has been granted a licence from the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) ("**BaFin**") to conduct banking business under the GBA, including a securities business. In addition, SEB AG has been granted a licence by the BaFin to conduct mortgage bond business (*Pfandbrieflizenz*). Furthermore, many of SEB AG's subsidiaries are subject to German laws regulating financial institutions and are also subject to the supervision of the BaFin. The German Federal Bank (*Deutsche Bundesbank*) and/or the BaFin are the regulators and supervisory authorities for financial institutions and insurance companies in Germany, including SEB AG and certain of its subsidiaries. In such capacities, the German Federal Bank and/or the BaFin are empowered with tools and may impose sanctions, similar to those tools, and sanctions that are available to the SFSA. See "—Sweden—General".

## Other jurisdictions and generally

The Issuer and its subsidiaries are subject to substantial regulation and supervision in all markets and jurisdictions in which they operate. The nature and effect on SEB's business of such regulation and supervision vary from jurisdiction to jurisdiction.

Further, governments in various other jurisdictions in which SEB operates have launched or may launch various financial stability, liquidity or guarantee schemes, such as stability funds, as response to the recent, current and potential future instability in the financial markets. Participation in such schemes may be voluntary or mandatory and could result in substantial costs for SEB and substantial limitations on SEB's operations. At present the only such government guarantee scheme in which SEB or any of its subsidiaries participates is a guarantee scheme in Denmark, which is described below.

### Denmark

In Denmark, the Danish governmental Guarantee Scheme has been established in accordance with an agreement of October 5, 2008 between the Kingdom of Denmark and the Danish Private Contingency Association. As a consequence of the scheme, the Danish government unconditionally guarantees the claims of unsecured creditors between October 5, 2008 and September 30, 2010 of institutions covered by the scheme. Unsecured creditors are depositors and creditors whose claims are not covered by sections 132 (hybrid core capital) and 136 (*subordinate loan capital*) of the Danish Financial Business Act. The guarantee is unconditional, irrevocable and ensures timely payment of the covered claims.

One of the Issuer's Danish subsidiaries, Skandinaviska Enskilda Banken A/S ("**SEB A/S**"), joined the guarantee scheme and agreement between the Kingdom of Denmark and the Danish Private Contingency Association described above in October 2008. Neither SEB A/S nor any other Group company has joined or plans to join any other Danish guarantee scheme currently in place. The institutions that are part of the agreement between the Kingdom of Denmark and the Danish Private Contingency Association pay a monthly fee to the Danish Private Contingency Association, and the size of each institution's fee is based on its base capital. The estimated total maximum fee for SEB A/S is Danish Krona 39 million.

When participating in the guarantee scheme, certain restrictions and conditions apply to the participating institution, including:

- The institution may not leave the guarantee scheme during its term.
- The Danish Financial Supervisory Authority may deny the institution the right to transfer liquidity to other parts of a financial group to which the institution belongs (such as SEB).
- During the term of the scheme, the institution is prohibited from paying dividends or repurchasing its own shares.
- The institution may not launch certain incentives programmes, such as stock option Programmes, and may not extend such existing Programmes.
- The institution may not increase its lending, gearing or risk weighted assets above certain thresholds.
- Specific limitations on large exposures will apply, and interest rates as well as equities risk may not exceed certain thresholds.

# Board of directors, group management and auditors

## Board of Directors

The Board of Directors currently consists of 11 members, without any deputies, elected by shareholders at the Issuer's Annual General Meeting (the "**AGM**") held on March 6, 2009, and two members and two deputies appointed by employees. The President is the only member of the Board of Directors elected by the AGM who is also an employee of the Issuer. The shareholder-elected directors' current term of appointment extends up to and including the 2010 Annual General Meeting.

The table below sets forth the members of the Board of Directors, their year of birth, the year of their initial election as regards the shareholder-elected directors, the year of their initial appointment as regards the employee representative directors and their position.

| Name | Born | Elected/ Appointed | Position |
|---|---|---|---|
| Marcus Wallenberg | 1956 | 2002 | Director, Chairman |
| Tuve Johannesson | 1943 | 1997 | Director, Deputy Chairman |
| Jacob Wallenberg | 1956 | 1997 | Director, Deputy Chairman |
| Penny Hughes | 1959 | 2000 | Director |
| Urban Jansson | 1945 | 1996 | Director |
| Hans-Joachim Körber | 1946 | 2000 | Director |
| Tomas Nicolin | 1954 | 2009 | Director |
| Christine Novakovic | 1964 | 2008 | Director |
| Jesper Ovesen | 1957 | 2004 | Director |
| Carl Wilhelm Ros | 1941 | 1999 | Director |
| Annika Falkengren | 1962 | 2006 | Director, President and Chief Executive Officer |
| Göran Lilja | 1963 | 2006 | Director appointed by the employees |
| Cecilia Mårtensson | 1971 | 2008 | Director appointed by the employees |
| Göran Arrius | 1959 | 2002 | Deputy Director appointed by the employees[1)] |
| Ulf Jensen | 1950 | 1997 | Deputy Director appointed by the employees[1)] |

1) The deputy directors appointed by the employees act as substitutes for the directors appointed by the employees.

### Directors elected by the shareholders meeting

SEB determines the independence of the members of its Board of Directors based on NASDAQ OMX Stockholm rules. Under these rules and for purposes of this Prospectus, "independent" means having no material relationship with the Issuer, its management or any shareholder holding 10% or more of the shares or votes of the Issuer ("**Major Shareholder**"), besides being a member of the Board of Directors. Under such rules, independence is only required to be determined in relation to shareholder-elected directors.

#### *Marcus Wallenberg*

B. Sc. (Foreign Service).
Chairman since 2005.
Deputy Chairman of Risk and Capital Committee of the Board of Directors.
Deputy Chairman of Audit and Compliance Committee of the Board of Directors.
Deputy Chairman of Remuneration and Human Resources Committee of the Board of Directors.
*Other present assignments:* Chairman of Saab AB, AB Electrolux, HI3G Holding AB, HI3G Access AB, Svenska ICC Services AB, Eska AB and Stora Björn Trading AB. Honorary chairman of ICC (International Chamber of Commerce). Deputy Chairman of Telefonaktiebolaget LM Ericsson. Director of AstraZeneca PLC, Stora Enso Oyj, the Knut and Alice Wallenberg Foundation, Temasek Holdings (Private) Ltd., Stockholm–Saltsjön AB, AB Näckström, Smelink AB and Vidbynäs Förvaltningsaktiebolag. Member of the Investment Committee of Foundation Asset Management Sweden AB.
*Previous assignments during the last five years:* None.

*Significant shareholding/partnership during the last five years:* AB Eskla, Anwa HB, Smelink AB, Stora Björn Trading AB, Vidbynäs Förvaltnings AB, NG76 Fastighets AB.
*Background:* Marcus Wallenberg joined Investor AB 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 in 1980, followed by various positions at Deutsche Bank in Germany, S.G. Warburg Co. Ltd in London and Citicorp in Hong Kong. He joined SEB in 1985 and worked there until 1990.
*Own and closely related persons' shareholding in SEB:* 235,638 A Shares and 1,473 C Shares.
Non-independent director, because, although independent in relation to SEB and its management, non-independent in relation to Investor AB, one of SEB's Major Shareholders.

### *Tuve Johannesson*

B. Sc., MBA and Econ.Dr. H.C.
Deputy Chairman since 2007.
Member of Remuneration and Human Resources Committee of the Board of Directors.
*Other present assignments:* Chairman of Ecolean International A/S, IBX Group AB, Arctic Island Ltd and the Management Advisory Board of the Lund University School of Economics. Director of Incentive AB, Cardo AB and Meda AB. Advisor to JCB Excavators Ltd and Senior Industrial Advisor to EQT.
*Previous assignments during the last five years:* Chairman of Gorthon Lines AB, Ainax AB, Findus Sverige AB and Findus AB. Vice Chairman of Volvo Personvagnar AB. Director of Sponsorteamet Våga Vinn AB, Ecolean International A/S, IFS Sverige AB, Swedish Match AB, Gambro AB, Chumak Holdings Ltd and BCI Ltd/Korkunov.
*Significant shareholding/partnership during the last five years:* Ecolean Holding.
*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 in SEB:* 42,700 A Shares.
Independent director: Independent in relation to SEB and its management, independent in relation to SEB's Major Shareholders.

### *Jacob Wallenberg*

B. Sc. (Econ) and MBA.
Deputy Chairman since 2005 (Chairman 1998-2005).
*Other present assignments:* Chairman of Investor AB, Air P TV Development AB and SGEM AB. Deputy Chairman of Atlas Copco AB and SAS AB. Director of ABB Ltd, Handels AB Nitton, the Knut and Alice Wallenberg Foundation, The Coca-Cola Company USA, the Nobel Foundation and Stockholm School of Economics. Member of the Investment Committee of Foundation Asset Management Sweden AB.
*Previous assignments during the last five years:* Deputy Chairman of Stockholms Handelskammares Service AB. Director of Föreningen Svenskt Näringsliv (Confederation of Swedish Enterprise) and AB Electrolux.
*Significant shareholding/partnership during the last five years:* Handels AB Nitton.
*Background:* Jacob Wallenberg joined SEB in London in 1984. Thereafter, he held various positions in SEB in Singapore, Hong Kong and Sweden. In 1990 he joined Investor AB as Executive Vice President, and in 1993 he rejoined SEB. In 1997, he was appointed President and Group Chief Executive of the Group, and, in 1998, Chairman of the Board. Jacob Wallenberg began his banking career at JP Morgan & Co in New York in 1981.
*Own and closely related persons' shareholding in SEB:* 133,960 A Shares and 2,640 C Shares.
Non-independent director, because, although independent in relation to SEB and its management, non-independent in relation to Investor AB, one SEB's Major Shareholders (Chairman of Investor AB).

### *Penny Hughes*

B. Sc. (Chemistry).
Chairman of Remuneration and Human Resources Committee of the Board of Directors.
*Other present assignments:* Director of GAP Inc. and Home Retail Group Plc.
*Previous assignments during the last five years:* Director of Trinity Mirror PLC, Vodafone PLC, Bridgepoint Capital (Advisory Board) and Reuters PLC.
*Significant shareholding/partnership during the last five years:* None.

*Background:* Penny Hughes began her career at Procter & Gamble in 1980. In 1984 she joined The Coca-Cola Company and was appointed President of Coca-Cola UK Ltd in 1992. She left the company in 1994 and has since then held several directorships.
*Own and closely related persons' shareholding in SEB:* 1,550 A Shares.
Independent director: Independent in relation to SEB and its management, independent in relation to SEB's Major Shareholders.

### *Urban Jansson*

Higher banking education with SEB.
Chairman of Risk and Capital Committee of the Board of Directors.
*Other present assignments:* Chairman of JetPak Group AB, Rezidor Hotel Group AB, HMS Networks AB, Global Health Partner AB, NASDAQ OMX Stockholm Listing Committee and EAB AB. Director of Addtech AB, AB Wilh. Becker, Clas Ohlson AB, Ferd A/S and Höganäs AB.
*Previous assignments during the last five years:* Chairman of Siemens AB, Fabege Fastigheter Stockholm AB, Proffice AB, AB Elspiraler, Tylö AB, Leimdörfer Kapitalmarknad AB, GTM AB, Leimdörfer Fastighetsmarknad AB, Plantagen Sverige AB, Wireless Maingate Nordic AB and Rezidor Hotel Holdings AB. Director of Anoto Group AB, Biotage AB, Eniro AB and Elva i Halmstad AB.
*Significant shareholding/partnership during the last five years:* Ekefånga Förvaltnings AB.
*Background:* Urban Jansson joined SEB in 1966 and 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, he 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 in SEB:* 13,000 A Shares.
Independent director: Independent in relation to SEB and its management, independent in relation to SEB's Major Shareholders.

### *Dr Hans-Joachim Körber*

Diploma in Business Administration and PhD.
*Other present assignments:* Director of Air Berlin PLC, Bertelsmann AG, Esprit Holdings Ltd. and Sysco Corporation.
*Previous assignments during the last five years:* President and CEO of Metro AG. Supervisory Board Member of LP Holding GmbH.
*Significant shareholding/partnership during the last five years:* None.
*Background:* Hans-Joachim Körber joined Metro AG in 1985 and was appointed Member of the Management Board of Metro AG in 1996 and President and Group Chief Executive in 1999. He resigned in October 2007. Dr. Körber began his career as Senior Controller at the Oetker Group in 1975.
*Own and closely related persons' shareholding in SEB:* None.
Independent director: Independent in relation to SEB and its management, independent in relation to SEB's Major Shareholders.

### *Tomas Nicolin*

B. Sc. (Econ) and M. Sc. (Management).
*Other present assignments:* Director of Nordstjernan AB, Axel and Margaret Ax:son Johnsons Foundation, Q-MED AB (publ), Stiftelsen Institutet för Näringslivsforskning, Försäkringsbranschens Arbetsgivareorganisation (Deputy Chairman), Försäkringsbranschens Arbetsgivareorganisations Service AB, Sveriges Försäkringsförbund, Försäkringsförbundets Service AB, Självregleringen i Sverige Service AB, Föreningen för god sed på värdepappersmarknaden, Näringslivets Börskommitté, Stiftelsen för det Internationella Gymnasiet Curt Nicolin 60 år, Megawatt AB and Ulla & Curt Nicolins Stiftelse. Managing Director of Förvaltningsrådgivaren Nicolin AB.
*Previous assignments during the last five years:* CEO of Alecta AB.
*Significant shareholding/partnership during the last five years:* Megawatt AB and Förvaltningsrådgivaren Nicolin AB.
*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:* 20,000 A Shares.
Independent director: Independent in relation to SEB and its management, independent in relation to SEB's Major Shareholders.

### *Christine Novakovic*

B. Sc. (Econ).
Member of the Audit and Compliance Committee of the Board of Directors.
*Other present assignments:* Director of Earth Council, Geneva, DEAG Deutsche Entertainment AG, Berlin, and Blogform Digital Magazines, GmbH, Berlin.
*Previous assignments during the last five years:* CEO of Citibank Privatkunden AG, Germany, and Member of the Executive Board of HypoVereinsbank AG, Germany.
*Significant shareholding/partnership during the last five years:* Blogform Digital Magazines, GmbH, Springbook GmbH and Christine Novakovic Beratungs, AG.
*Background:* Christine Novakovic began her career at Dresdner Bank AG in 1990. In 1992 she joined UBS AG in Germany and was appointed Head of Treasury and Chief of Staff. She has thereafter held leading positions in Citibank AG in Germany (Board of Managing Directors), Citibank N.A. in Hong Kong (Global Head of Warrants and Head of Corporate Finance Asia), Citibank Privatkunden AG in Germany (CEO and responsible for Consumer business in Germany) and in HypoVereinsbank AG in Germany (member of the Executive Holding Board, Konzernvorstand).
*Own and closely related persons' shareholding in SEB:* None.
Independent director: Independent in relation to SEB and its management, independent in relation to SEB's Major Shareholders.

### *Jesper Ovesen*

Bachelor of Commerce (Econ) and MBA.
Member of Risk and Capital Committee of the Board of Directors.
*Other present assignments:* CFO of TDC A/S. Director of FLSmidth & Co A/S.
*Previous assignments during the last five years:* None.
*Significant shareholding/partnership during the last five years:* None.
*Background:* Jesper Ovesen began his career at PriceWaterhouse Coopers, where he worked between 1979 and 1989. Thereafter he was Vice President and Group Chief Executive of Baltica Bank A/S and, between 1994 and 1998, Vice President and Head of Finance at Novo Nordisk A/S. Thereafter he held positions in the Den Danske Bank A/S (CFO), LEGO Holding A/S (CFO) and the Kirkbi A/S (CEO). In January 2008 he was appointed CFO of TDC A/S.
*Own and closely related persons' shareholding in SEB:* 1,405 A Shares.
Independent director: Independent in relation to SEB and its management, independent in relation to SEB's Major Shareholders.

### *Carl Wilhelm Ros*

M.Sc. (Politics and Economics).
Chairman of Audit and Compliance Committee of the Board of Directors.
*Other present assignments:* Director of Anders Wilhelmsen & Co A/S, Bonnier AB, Camfil AB, INGKA (Ikea) Holding B.V., Bisnode Business Information Group AB, Martin Olsson Handelsaktiebolag, Catella Financial Advisory AB, Alfaros AB and SORARB AB.
*Previous assignments during the last five years:* NCC AB, LKAB International AB, the Fourth Swedish National Pension Fund.
*Significant shareholding/partnership during the last five years:* Alfaros AB and SORARB AB.
*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. In 1985 he joined Telefonaktiebolaget LM Ericsson as Senior Executive Vice President. He left the company in 1999 and has since then held several directorships.
*Own and closely related persons' shareholding in SEB:* 5,229 A Shares and 38 C Shares.
Independent director: Independent in relation to SEB and its management, independent in relation to SEB's Major Shareholders.

### *Annika Falkengren*

B. Sc. (Econ).
Member of Risk and Capital Committee of the Board of Directors.
President and Chief Executive Officer ("**President**") since November 10, 2005.
*Other present assignments:* Director of Securitas AB, Ruter Dam, IMD Foundation and the Mentor Foundation.
*Previous assignments during the last five years:* None.
*Significant shareholding/partnership during the last five years:* None.

*Background:* Annika Falkengren started as an SEB trainee in 1987 and worked in Trading & Capital Markets from 1988 to 2000. She was appointed Global Head of Fixed Income in 1995, Global Head of Trading in 1997 and 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 Group Chief Executive.
*Own and closely related persons' shareholding in SEB:* 117,920 A Shares, 132,355 employee stock options and an initial allotment of 107,817 performance shares.
Non-independent director, because non-independent in relation to SEB and its management (President and Group Chief Executive of SEB), although independent in relation to SEB's Major Shareholders.

### Directors appointed by the employees

#### *Göran Lilja*

Higher bank education with SEB.
*Other present assignments:* Vice Chairman of Financial Sector Union of Sweden SEB Group. Chairman of Regional Club Väst of the same union. Director of the European Works Council SEB Group in 2006.
*Previous assignments during the last five years:* None.
*Significant shareholding/partnership during the last five years:* None.
*Background*: Göran Lilja joined SEB in 1984, where he has held various positions. He was elected Vice Chairman of Financial Sector Union of Sweden Group and Chairman Regional Club Väst of the same union in 2006.
*Own and closely related persons' shareholding in SEB:* 644 A Shares.

#### *Cecilia Mårtensson*

Education in business administration and labour law.
*Other present assignments:* Vice Chairman of Financial Sector Union of Sweden SEB Group. Chairman of local Club Group Operations of the same union. Director of Financial Sector Union of Sweden.
*Previous assignments during the last five years:* None.
*Significant shareholding/partnership during the last five years:* None.
*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 in SEB:* 1,000 A Shares and 120 C Shares.

### Deputy Directors appointed by the employees

#### *Göran Arrius*

Naval Officer.
*Other present assignments:* Chairman of Association of University Graduates at SEB and JUSEK.
*Previous assignments during the last five years:* None.
*Significant shareholding/partnership during the last five years:* None.
*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 in SEB:* 87 A Shares.

#### *Ulf Jensen*

University studies in economics and law.
*Other present assignments:* Vice Chairman Financial Sector Union of Sweden SEB Group. Director of Financial Sector Union of Sweden.
*Previous assignments during the last five years:* None.
*Significant shareholding/partnership during the last five years:* None.
*Background:* Ulf Jensen joined SEB in 1977 where he held various positions. He was elected Chairman of Financial Sector Union of Sweden Stockholm City in 1989 and was Chairman of Financial Sector Union of Sweden SEB Group from 1999 to 2007.
*Own and closely related persons' shareholding in SEB:* None.

### Other information about the Board of Directors

The office address of the members of the Board of Directors is c/o Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan 8, 106 40 Stockholm, Sweden. None of the members of the Board of Directors has any family relationship with any other member of the Board of Directors or members of group executive management, with the exception that Marcus Wallenberg and Jacob Wallenberg are cousins. Other than set out below, none of the members of the Board of Directors has, during the last five years, been involved in any bankruptcies, receiverships or liquidations in any capacity as a member of the board of directors of a company or a member of the management of a company. Penny Hughes was a non-executive director in Great Little Trading Company, which went into administration in 2004. Urban Jansson was a director of Roaminfo AB, which was declared bankrupt in 2004. Tomas Nicolin was chairman of the board of AstaCarotene AB, which was declared bankrupt in 2002.

None of the members of the Board of Directors has been convicted of fraudulent conduct during the last five years or subject to any public incrimination or sanctions by statutory or regulatory authorities (including designated statutory bodies), and none of the directors has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or otherwise from conducting the affairs of a company during the last five years.

There are no conflicts of interest between any duty owed to the Issuer by any member of the Board of Directors and such director's personal interests and/or other duties. Some or all of the members of the Board of Directors are customers of SEB on terms that generally apply to SEB's customers. See "Legal considerations and supplementary information—Transactions with closely related parties" for further details.

The members of the Board of Directors are not entitled to any benefits upon retirement from the Board of Directors. Annika Falkengren is entitled to pension benefits and severance pay upon termination of her employment as President of SEB. As of December 31, 2008, SEB had commitments of approximately SEK 8 million in respect of pensions and similar benefits relating to certain members of the Board of Directors (excluding Annika Falkengren) arising in respect of their previous employment by SEB. See Note 9c to the 2008 Financial Statements and "Corporate governance—Remuneration to the Board of Directors, the President and other members of the Group Executive Committee —The President and the Group Executive Committee". The directors and deputy directors representing employees are beneficiaries under the employee plans generally available to SEB's employees.

For information regarding fees paid to the members of the Board of Directors, see "Corporate governance—Remuneration to the Board of Directors, the President and other members of the Group Executive Committee—The Board of Directors from the 2008 AGM", "Corporate governance—Remuneration of the Board of Directors, the President and other members of the Group Executive Committee—The Board of Directors from the 2009 AGM" and in Note 9c to the 2008 Financial Statements".

## Group management

The table below sets forth the name, year of birth, current position and year of first employment at SEB of members of the SEB's Group Executive Committee (the "**Group Executive Committee**").

| Name | Born | First Employed | Position |
|---|---|---|---|
| Annika Falkengren | 1962 | 1987 | President and Chief Executive Officer |
| Jan Erik Back | 1961 | 2008 | Chief Financial Officer<br>Executive Vice President |
| Fredrik Boheman | 1956 | 1985 | Head of Wealth Management<br>Executive Vice President |
| Magnus Carlsson | 1956 | 1993 | Head of Merchant Banking, Executive Vice President |
| Ingrid Engström | 1958 | 2007 | Head of Human Resources & Organisational Development, Executive Vice President |
| Hans Larsson | 1961 | 1984 | Head of SEB Group Strategy & Business Development |
| Bo Magnusson | 1962 | 1982 | Head of SEB Business Support & Group Staff<br>Deputy President and Chief Executive Officer<br>Executive Vice President |
| Anders Mossberg | 1952 | 1985 | Head of Life, Executive Vice President |
| Mats Torstendahl | 1961 | 2009 | Head of Retail Banking, Executive Vice President |

## Members of the Group Executive Committee

### *Annika Falkengren*

President. See above under "—Board of Directors".

### *Jan Erik Back*

B. Sc. (Econ).
Executive Vice President, Chief Financial Officer since August 15, 2008.
*Other present assignments:* None.
*Previous assignments during the last five years:* Board member of Vattenfall Treasury AB, Vattenfalls Pensionsstiftelse, Vattenfall Europe AG, Försäkringsaktiebolaget Vattenfall Insurance, Dial Försäkringsaktiebolaget (publ), Global Responsibility International Europe Aktiebolag, Tormac AB, Skandia Capital Aktiebolag, Skandia Europe Aktiebolag, Global Investment Aktiebolag, Skandia Link S.A. de Seguros y Reaseguros, Skandia Vita S.P.A., Skandia U.S. Holding, LLC, Skandia America Corporation, Skandia Technology Center, Inc. Skandia UK Limited, Old Mutual (Sweden) Holdings AB, Skandia Innovation AB, IC Visions AB (merged with Skandia Holding and Skandia Link Multifund).
*Significant shareholding/partnership during the last five years:* None.
*Background:* Jan Erik Back started his career at Svenska Handelsbanken AB, where he held various positions within finance between 1986 and 1998. He then moved to the insurance company Skandia, where, after four years, he was appointed CFO. From 2007 to August 2008, Jan Erik Back was First Senior Executive Vice President and CFO of Vattenfall.
*Own and closely related persons' shareholding in SEB:* 5,915 A Shares, no employee stock options and an initial allotment of 8,400 performance shares.

### *Fredrik Boheman*

Master of Arts in Economics and Political Science.
Executive Vice President, Head of Wealth Management since January 1, 2007.
*Other present assignments:* Director of Teleopti AB.
*Previous assignments during the last five years:* None.
*Significant shareholding/partnership during the last five years:* None.
*Background:* Started as SEB trainee and then worked at SEB in Sao Paulo and as Branch Manager in Hong Kong from 1994 to 1998. Thereafter, he was appointed Head of Corporate Clients and Head of Trade and Project Finance. From 2002 to 2006, he worked at SEB AG, first as Head of Merchant Banking, thereafter as chief executive officer of SEB AG. He has been Head of Wealth Management since January 1, 2007.
*Own and closely related persons' shareholding in SEB:* 13,754 A Shares, 2 C Shares, no employee stock options and an initial allotment of 53,034 performance shares.

### *Magnus Carlsson*

M. Sc. (Econ).
Executive Vice President, Head of Merchant Banking since 2005.
*Other present assignments:* None.
*Previous assignments during the last five years:* Director of Chinsay AB.
*Significant shareholding/partnership during the last five years:* None.
*Background:* Bank of Nova Scotia in 1980–93, holding several leading positions in London. First employed by SEB in 1993. 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 SEB Merchant Banking division and Executive Vice President of SEB in 2005.
*Own and closely related persons' shareholding in SEB:* 8,844 A Shares, 6,250 employee stock options and an initial allotment of 77,310 performance shares.

### *Ingrid Engström*

Master in Applied Psychology.
Executive Vice President, Head of Human Resources & Organisational Development since March 26, 2007.
*Other present assignments:* Board member of Teracom AB and Springtime AB.
*Previous assignments during the last five years:* Board member of 1 AP-fund, SwitchCore AB and Törneman & Engström AB.
*Significant shareholding/partnership during the last five years:* None.
*Background:* President ComHem 1998-2000, President and Chief Executive Officer of KnowIT 2000-2003, and Executive Vice president Eniro with responsibility for Operations, Purchase and Human Resources 2003-2007.
*Own and closely related persons' shareholding in SEB:* 603 A Shares, no employee stock options and an initial allotment of 32,392 performance shares.

### *Hans Larsson*

B. Sc. (Econ).
Head of SEB Group Strategy & Business Development since 2005.
*Other present assignments:* None.
*Previous assignments during the last five years:* None.
*Significant shareholding/partnership during the last five years:* None.
*Background:* Started at SEB within Trading & Capital Markets, Head of Fixed Income 1986. TCM in New York 1988-1992. 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 2005-2006, and Head of SEB Group Staff 2006-2008.
*Own and closely related persons' shareholding in SEB:* 5,613 A Shares, 17 C Shares, 20,000 employee stock options and an initial allotment of 39,909 performance shares.

### *Bo Magnusson*

Higher bank education with SEB.
Deputy President and CEO, Executive Vice President, Head of SEB Business Support & Group Staff since January 1, 2009.
*Other present assignments:* None.
*Previous assignments during the last five years:* Board member of Swedish Bankers' Association, NCSD Holding, OMX Exchanges and Stockholm Stock Exchange 2003-2005.
*Significant shareholding/partnership during the last five years:* None.
*Background:* Started his career at SEB Trading & Capital Markets, holding 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, Merchant Banking in 2000. Global Head of Cash Management & Securities Services in 2003 and Deputy Head of SEB Merchant Banking in 2005. In 2005, appointed Head of Nordic Retail & Private Banking and during 2007-08 Head of Retail Banking.
*Own and closely related persons' shareholding in SEB:* 6,844 A Shares, 25,000 employee stock options and an initial allotment of 63,447 performance shares.

### *Anders Mossberg*

LL.M.
Executive Vice President, Head of Life since 1997.
*Other present assignments:* Vice Chairman of Sveriges Försäkringsförbund and Försäkrinsförbundets Serviceaktiebolag FSAB.
*Previous assignments during the last five years:* None.
*Significant shareholding/partnership during the last five years:* None.
*Background:* First employed at SEB in 1985. Head of SEB's life insurance operations in 1990. Head of SEB Trygg Liv since 1997. In 1998 he was appointed Executive Vice President of SEB and Head of the Asset Management & Life division. Anders Mossberg started his career at Skandia Försäkring AB in 1981.
*Own and closely related persons' shareholding in SEB:* 7,804 A Shares, 92,544 employee stock options and an initial allotment of 76,907 performance shares.

***Mats Torstendahl***

M.Sc. (Engineering Physics).
Executive Vice President, Head of Retail Banking since January 1, 2009.
*Other present assignments:* Board member of the Swedish Bankers' Association.
*Previous assignments during the last five years:* Chairman of Skandia Mäklarna AB. Board member of Danica Pension Försäkringsaktiebolag and Danske Capital AB. Member of Danske Bank Group Executive Committee.
*Significant shareholding/partnership during the last five years:* None.
*Background:* Started his career at ABB in 1985. In 1987, he moved to Östgöta Enskilda Bank, where he was branch manager in Stockholm 1996–2000. Appointed Executive Vice President of Danske Bank in Sweden in 2001. Senior Executive Vice President and Head of Danske Bank Sweden and member of Danske Bank Group Executive Committee 2004–2008.
*Own and closely related persons' shareholding in SEB:* An initial allotment of 20,000 performance shares.

### Other information about the members of Group Executive Committee

The office address of the members of the Group Executive Committee is c/o Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan 8, 106 40 Stockholm, Sweden. None of the members of the Group Executive Committee has any family relationship with any other member of the Group Executive Committee or member of the Board of Directors. None of the members of the Group Executive Committee has, during the past five years, been involved in any bankruptcies, receiverships or liquidations in any capacity as a member of the Board of Directors of a company or a member of the management of a company.

Other than set out below, none of the members of the Group Executive Committee has been convicted of fraudulent conduct during the last five years or been subject to any public incrimination or sanctions by statutory or regulatory authorities (including designated statutory bodies), and none of the members of the Group Executive Committee has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or otherwise from conducting the affairs of a company during the last five years. During 2007, the SFSA imposed an administrative fee on Magnus Carlsson (who self-reported the matter) for trading in the Issuer's securities in close proximity to – although after – the public announcement of one of the Issuer's financial reports. During 2006, the SFSA imposed an administrative fee on Fredrik Boheman for late reporting to the SFSA of a trade in the Issuer's securities.

There are no conflicts of interest between any duty owed to the Issuer by any member of the Group Executive Committee and such member's personal interests and/or other duties. Some or all of the members of the Group Executive Committee are customers of SEB with services and products provided on terms that generally apply to SEB's employees. See "Legal considerations and supplementary information—Transactions with closely related parties" for further details.

As at December 31, 2008, SEB had commitments of approximaely SEK 170 million in respect of pensions and similar benefits to the members of the Group Executive Committee. For information regarding remuneration to the members of the Group Executive Committee, see "Corporate Governance—Remuneration to the Board of Directors, the President and other members of the Group Executive Committee—The President and the Group Executive Committee" and in Note 9c to the 2008 Financial Statements.

## Auditors

At the 2008 Annual General Meeting, the registered auditing company PwC was re-elected as external auditor of SEB for the period until the end of the 2012 Annual General Meeting. PwC has been SEB's external auditor since 2000. The auditor in charge has been Peter Clemedtson, born 1956, Authorised Public Accountant, since the 2006 Annual General Meeting. PwC and Peter Clemedtson are members of FAR SRS (the Swedish Institute of Authorised Public Accountants). Peter Clemedtson's other present auditor assignments include AB Electrolux and Telefonaktiebolaget LM Ericsson.

According to Chapter 13, Section 9 of the SBFBA, the SFSA may appoint one or more auditors to participate in the audit of a credit institution together with the other auditors. For financial years 2004, 2005 and 2006, Ulf Davéus, born 1949, Authorised Public Accountant, BDO Feinstein Revision, was appointed by the SFSA to participate in the audit of the Issuer's consolidated financial statements. Ulf Davéus is member of FAR SRS. Since 2006, the SFSA has not appointed any auditors for the Issuer.

For information regarding fees paid to the external auditors, see "Corporate governance—Information about the auditor" and in Note 10 to the 2008 Financial Statements.

# Corporate governance

## Introduction

### Swedish Code of Corporate Governance

SEB follows the Swedish Code of Corporate Governance (the "**Code**"). No deviations were made from the provisions of the Code during 2008.

### Clear distribution of responsibilities

The ability to maintain confidence among customers, shareholders and other stakeholders is important for SEB. SEB believes that an essential factor in this context is a clear and effective structure for distribution of responsibility and governance to avoid conflicts of interest. SEB attaches 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. SEB's structure of responsibility distribution and governance comprises:

- General Meetings;
- Board of Directors;
- President;
- Divisions, business areas and business units;
- Staff and Support functions; and
- 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. SEB believes that 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, Code of Business Conduct and the Corporate Responsibility Policy are of key importance.

## Matters related to directors and officers

### General Meetings

Shareholders' influence is exercised at the General Meeting, which is the highest decision-making body of the Issuer. All shareholders registered in the Shareholders' Register who notify their attendance properly have the right to participate at the General Meeting and to vote the full number of their respective shares. A shareholder who cannot participate in the General Meeting can be represented by proxy. General Meetings consist of Annual General Meetings and Extraordinary General Meetings.

Amongst other things, the Annual General Meetings decide on changes to the Articles of Association and on the allocation of the Issuer's profit, appoints members of the Board of Directors, decides on the discharge from liability for members of the Board of Directors and the President, decides on remuneration for the Board of Directors and approves the principles for remuneration for the President and Group Executive Committee. Extraordinary General Meetings may be held from time to time to decide on specific matters.

The 2009 AGM was held on March 6, 2009 and conducted in Swedish and simultaneously interpreted into English. The minutes from the meeting are published on SEB's website after the AGM.

SEB's main shareholders and shareholder structure as of December 31, 2008 appear in the tables set forth under "Share capital and ownership structure".

### Nomination Committee

Pursuant to the Code, according to a decision of the shareholders at the 2008 AGM, the members of the Nomination Committee for the 2009 AGM were appointed on September 24, 2008. The four of SEB's Major Shareholders controlling the largest number of votes that wished to appoint a representative (Investor AB, Trygg Foundation, Alecta and AFA Försäkring Entities) appointed one representative each, who, together with the Chairman of the Board of the

Directors, formed the 2009 Nomination Committee. These four representatives are: Petra Hedengran, appointed by Investor AB, Chairman of the Nomination Committee; Hans Mertzig, appointed by Trygg Foundation; Staffan Grefbäck, appointed by Alecta, and Maj-Charlotte Wallin, appointed by AFA Försäkring Entities.

The task of the Nomination Committee is to prepare proposals for: Chairman of the AGM; the number of members of the Board of Directors; members of the Board of Directors and Chairman of the Board of Directors; remuneration of the Board of Directors and the auditors; the distribution of remuneration among the members of the Board of Directors, as well as for committee work; and the decision on a Nomination Committee for the 2010 AGM. Proposals on each of these matters were presented at the 2009 AGM for shareholder consideration.

SEB believes that the size and composition of its Board of Directors should be such as to serve the Issuer in the best possible way. This means that the Directors' broad experience from, and knowledge about, the financial and other sectors, their international experience and strong network of contacts should meet the demands called for by the Issuer's position and future orientation. The result of the internal evaluation of the Board of Directors and its members forms part of the material used by the Nomination Committee. If necessary, the Nomination Committee uses external advisors.

Between the 2008 AGM and the 2009 AGM, the Nomination Committee held four meetings and was in contact between the meetings. The proposals from the Nomination Committee and information regarding the proposed members of the Board of Directors are generally made available on SEB's website when they become available. A report on the activities of the 2009 Nomination Committee was presented at the 2009 AGM. No special compensation was paid to the members of the 2009 Nomination Committee for their service on the 2009 Nomination Committee.

The 2009 Nomination Committee will remain in office until a new Nomination Committee is appointed. According to a decision of the shareholders at the 2009 AGM, the members of the new Nomination Committee for the 2010 AGM will be appointed during the autumn of 2009. Again, each of the four largest of SEB's Major Shareholders (that wishes to appoint a representative) as of the last banking day in August 2009 will appoint one representative who, together with the Chairman of the Board of the Directors, will form the 2010 Nomination Committee.

### Board of Directors

The members of the Board of Directors are appointed by the shareholders at the AGM for a term of office of one year, until the next AGM. In accordance with the Swedish Code of Corporate Governance, the Chairman of the Board of Directors is also appointed by the AGM for a term of office until the end of the next AGM.

During 2008, the Board of Directors consisted of ten elected directors, without any deputies, who were appointed at the 2008 AGM, and of two directors and two deputy directors appointed by SEB's employees. In order for the Board of Directors to form a quorum, more than half of its members must be present. The President is the only member of the Board of Directors elected by shareholders at the AGM who is also an employee of the Issuer. All other members of the Board of Directors elected by shareholders at the AGM are considered to be independent in relation to the Issuer and its management. With the exception of Marcus Wallenberg and Jacob Wallenberg, who are not considered to be independent directors due to their relationship with Investor AB, which is a Major Shareholder of SEB, all other members of the Board of Directors are considered to be independent in relation to Major Shareholders of SEB. Independent members of the Board of Directors are defined as those who have no material relationship with the Issuer, its management or Major Shareholders, besides being members of the Board of Directors. Information regarding the composition of the Board of Directors and its members as from the 2009 AGM is set out in "Board of Directors, group management and auditors—Board of Directors".

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

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

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

Except as detailed below, the President takes part in all Board of Directors meetings, except in matters where the President has an interest that may conflict with the interest of the Issuer, such as those during which the work of the President is evaluated. Other members of the executive management of the Issuer participate whenever required for purposes of informing the Board of Directors or upon request by the Board of Directors or the President. During 2008, the Board of Directors held discussions without the President or any other member of the executive management of the Issuer being present. The General Legal Counsel of the Issuer and the Group is the Secretary to the Board of Directors.

The work of the Board of Directors follows a yearly plan. During 2008, 15 meetings of the Board of Directors were held. External audit representatives were present at two of these meetings. The decisions of the Board of Directors are made after open and constructive discussion. Particular matters dealt with during the year included the following:

- Strategic direction of Group activities (nature and scope).
- Overall long-term goals for the activities.
- Policies and instructions, including an annual review and revision.
- Business plans, financial plans and forecasts.
- The instability of the financial markets.
- Group risk position, including development of credit portfolio and liquidity situation.
- Capital and financing issues, including risk limits.
- Thorough penetration of business and market segments, including in the Baltic countries.
- Major investments and business acquisitions/divestments.
- Short and 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.
- Evaluation of the Issuer'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 President and the Group Executive Committee.

The overall responsibility of the Board of Directors cannot be delegated. However, the Board of Directors has established committees, pursuant to the Board's instructions, 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 of Directors 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 members of the Board of Directors as possible shall participate in the committee work, with each committee being chaired by a different director. Although the Chairman of the Board of Directors is a member of all three committees, he is not currently chairing any of them. Neither the President nor any other officer of the Issuer 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 committees of the Board of Directors is regulated through instructions adopted by the Board of Directors. Apart from their committee work, no special tasks are allocated to directors.

### Risk and Capital Committee

The Risk and Capital Committee of the Board of Directors supports the Board of Directors in establishing and reviewing the Group's organisation so that it is managed in such a way that 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 the Group Risk Policy and risk strategy, the Group Credit Policy, the Group Capital Policy, the Group Liquidity and Pledge Policy, as well as the Group Trading and Investment Policy, for decision by the Board of Directors, and monitors that these policies are implemented. It also tracks risks in the Group as they develop. The Committee makes proposals to the Board of Directors regarding the decisions to be taken by the Board of Directors concerning limits for market and liquidity risks.

As far as credit matters are concerned, the Committee adopts credit policies and instructions that supplement the Group Credit Policy and the Group Credit Instruction 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 evaluation process within 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 deals with changes in the Group's capital goals and with capital management matters, and makes proposals to the Board of Directors on such matters, including dividend levels 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. During 2008, 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 presentations of credit matters and the Head of Group Risk Control for presentations of risk control matters. The Committee held 19 meetings during 2008.

### Audit and Compliance Committee

The Audit and Compliance Committee of the Board of Directors supports the work of the Board of Directors in terms of quality control of the Group's financial reports and internal control over financial reporting. When required, the Committee also prepares, for decision by the Board of Directors, proposals 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 Group and discusses the co-ordination of the external and internal audit. During 2008, the Committee met with representatives of the external auditors on several occasions, without the President or any other member of the executive management of the Issuer 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 is responsible for providing that any remarks and observations from the auditors are attended to. The Committee furthermore decides on guidelines for the services other than auditing services that may be procured by the Issuer and the Group from the external auditors. It assesses the external auditors' work and independence and prepares proposals for new auditors prior to the AGM's election of auditor. The Committee establishes an annual audit plan for the internal audit function co-ordinated with the external audit plan.

The Committee also approves the President's proposal for the appointment and dismissal of the Head of Group Compliance and the Group's 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 2008, the Audit and Compliance Committee had the following members: Carl Wilhelm Ros, Chairman, Marcus Wallenberg, Deputy Chairman, and (after the 2008 AGM) Christine Novakovic (Steven Kaempfer until the 2008 AGM). 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 2008. The external auditors attended all of these meetings.

### Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee of the Board of Directors prepares, for decision by the AGM, a proposal for remuneration principles applicable to the President and the members of the Group Executive Committee, as well as a proposal for decision by the Board of Directors as to remuneration of the President and the Head of Group Internal Audit. The Committee decides on issues concerning remuneration of the members of the Group Executive Committee according to the principles established by the AGM. The Committee furthermore prepares matters regarding incentive programmes and pension plans, monitors the pension commitments of the Group and monitors, together with the Risk and Capital Committee of the Board of Directors, all measures taken to secure the pension commitments of the Group, including the development of the Group's pension foundations. It also 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 is 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 2008, the Committee had the following members: Penny Hughes, 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 Issuer. The Remuneration and Human Resources Committee held nine meetings during 2008.

### Evaluation of the Board of Directors, 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 of Directors. Through this process the activities and working methods of the Board of Directors, the Chairman of the Board of Directors and each respective committee are evaluated. Among the things examined are the following: how to improve the work of the Board of Directors further, whether or not each individual member of the Board of Directors takes an active part in the discussions of the Board of Directors and the committees; whether they contribute independent opinions and whether the meeting atmosphere facilitates open discussions. The outcome of the evaluation is presented to, and discussed by, the Board of Directors and the Nomination Committee.

The Chairman of the Board of Directors evaluates each individual member's work formally once a year. During the course of 2008, Marcus Wallenberg did not participate in the evaluation of the Chairman's work, which evaluation was conducted by Tuve Johannesson.

The Board of Directors 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

The Board of Directors has adopted an instruction for the President'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 of Directors. The President reports to the Board of Directors and submits a separate CEO report on, among other things, the development of the business in relation to resolutions taken by the Board of Directors at each of its meetings.

The President appoints the Chief Financial Officer of the Group, the heads of divisions, the Head of Business Support & Group Staff, the Head of Human Resources & Organisational Development and the Head of Group Strategy and Business Planning. The President further appoints the Head of Group Compliance, the Head of Group Risk Control, the Head of Group IT, the 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 of Directors and the Head of Group Compliance in consultation with the Audit and Compliance Committee of the Board of Directors.

The President is Annika Falkengren. The Deputy President/Chief Executive Officer is Bo Magnusson. More information about the President is set out in "Board of Directors, group management and auditors—Group management".

The President has three different committees at her disposal for the purpose of managing the Group's operations: the Group Executive Committee, the Group Credit Committee, see "—Risk and control functions—Risk organisation and responsibility", and the Group Asset and Liability Committee, see "—Risk and control functions—Risk organisation and responsibility".

In order to protect the interests of the whole Group, the President consults with the Group Executive Committee, its IT Committee and its New Product Approval Committee on matters of major importance. The Group Executive Committee deals with, among other things, matters of common concern to several divisions, strategic issues, business plans, financial forecasts and reports. The Group Executive Committee held 25 meetings during 2008. During 2008, Annika Falkengren, Jan Erik Back (from August 15), Per-Arne Blomquist (up to August 14), Fredrik Boheman, Magnus Carlsson, Ingrid Engström, Hans Larsson, Bo Magnusson and Anders Mossberg were members of the Group Executive Committee. As of January 1, 2009, Mats Torstendahl became a member of the Group Executive Committee.

The Management Advisory Group is a special forum for information exchange at the Group level and consists of senior officers representing the whole Group. The members of the Management Advisory Group are appointed by the President in consultation with the Group Executive Committee.

## Divisions, business areas and units and support functions

### Divisions, business areas and business units

The Board of Directors has set out high level policies regarding the Group's operations and has established the manner in which the Group's divisions, including the international activities through branches and subsidiaries, shall be managed and organised.

SEB's activities are organised in four divisions: [1)]

- Merchant Banking, with Magnus Carlsson as Head;
- Retail Banking, with Mats Torstendahl as Head;
- Wealth Management, with Fredrik Boheman as Head; and
- Life, with Anders Mossberg as Head.

SEB's business divisions are described in "Description of business".

All heads of division are members of the Group Executive Committee. Each division's operations are divided into business areas that, in turn, are divided into business units. The head of division has the overall responsibility for the activities of the division and appoints, after consultation 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.

Country managers have 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 managers report to a member of the Group Executive Committee specially 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 in SEB have a global functional accountability and own and manage the 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.

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1) There is a separate business area for the New Markets operations (which handles SEB's operations in Ukraine and Russia).

## Risk and control functions

### Risk organisation and responsibility

The Board of Directors has the ultimate responsibility for the risk organisation and for the maintenance of satisfactory internal controls. The Board of Directors establishes the overall risk and capital policies and monitors the development of risk exposure. The Board of Director's Risk and Capital Committee works to ensure that all risks inherent in the Group's activities are identified, defined, measured, monitored and controlled in accordance with external and internal rules. The Board of Director's risk policies are supplemented by instructions issued by the Group Risk Control function. Specific risk mandates are established by the Board of Directors and further allocated by board committees and executive management committees.

The President of SEB has overall responsibility for managing all risks of SEB in accordance with the policies and intentions of the Board. The President is required to ensure that the organisation and administration of SEB are appropriate and that activities undertaken are in compliance with law. The President is particularly responsible for presenting any essential risk information regarding SEB, including as to the utilisation of limits, to the Board of Directors.

Primary responsibility for ensuring that the Board of Director's intentions regarding risk management and risk control are applied within SEB lies with the Group Asset and Liability Committee and the Group Credit Committee.

The Group Asset and Liability Committee, chaired by the President, deals with issues relating to the overall risk level of the Group and its divisions, and decides on risk limits, and methods for risk-measuring and capital management, among other things. Within the framework of the Group Capital Policy, the Group Asset and Liability Committee has established policy documents for the responsibility and management of the risks of the Group and for the relationship between risk and capital. The Group Asset and Liability Committee held ten meetings during 2008.

The Group Credit Committee is the highest credit-granting body within the Issuer, with the exception of a few matters that are reserved for the Risk and Capital Committee of the Board of Directors as described under "—Matters related to directors and officers—Board of Directors—Risk and Capital Committee". The Group Credit Committee is also 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 of Directors, if necessary. The President is the chairman of the Committee and the Group Credit Officer is its deputy chairman. The Group Credit Committee held 61 meetings during 2008.

The credit organisation is independent from SEB's business activities. The Group Credits department is responsible for the administration and management of the credit approval process and for important individual credit decisions and also 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 of Directors and reports to the President. The Group Credit Officer presents credit matters to the Risk and Capital Committee. The Board of Directors 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, as outlined in relevant policies and instructions that include instructions regarding the responsibility to take actions necessary to address risk problems, rests with the divisions (and similarly with 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.

### 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, reporting directly to the Board of Directors. The main responsibility of Group Internal Audit is to provide reliable and objective assurance to the Board of Directors and the President on 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 of Directors and keeps the President and the Group Executive Committee regularly informed. The Audit and Compliance Committee adopts an annual plan for the work of Group Internal Audit.

A new Group compliance organisation, Group Compliance, was launched in January 2008. The Group Compliance function is fully independent from the business operations, although it serves as a support function for the Group's business operations. It is also separated from the legal functions of the Group. Group Compliance is instructed to act proactively for compliance quality in the Group by information, advice, control and follow-up within the compliance areas. Areas of responsibility are customer protection, market conduct, prevention of money laundering and financing of terrorism, and regulatory systems and control. Duties of the Group 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 relationship with regulators. The task of the Head of Group Compliance is to assist the Board of Directors and the President on compliance matters and to co-ordinate the handling of such matters within the Group. The Head of Group Compliance reports regularly to the President and the Group Executive Committee and informs the Audit and Compliance Committee of the Board of Directors 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's risk control and monitors the risks of the Group, primarily credit risk, market risk, insurance risk, operational risk and liquidity risk (see "—Board of Directors' report on internal control over financial reporting for 2008"). The Head of Group Risk Control is appointed by the President and reports to the Group Credit Officer. The Group Asset and Liability Committee is regularly informed. The Head of Group Risk Control is the presenter of reports on risk control matters in the Risk and Capital Committee.

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 Issuer 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.

PwC has been the Issuer's auditor since 2000 and was re-elected in 2008 for the period up to and including the 2012 AGM. The chief responsible auditor has been Peter Clemedtson, Authorised Public Accountant, since the 2006 AGM. Peter Clemedtson has auditing assignments also in the following major companies: AB Electrolux and Telefonaktiebolaget LM Ericsson.

Under the Group's Policy on Investigation of External Auditors' Independence, all supplementary engagements of the Group's auditors and separate advisory engagements, must be approved according to the PwC independence policy, which is based on the requirements put forth by the International Federation of Accountants for the independence of external auditors. The PwC Independence Policy is not designed to meet the rules of independence for U.S. companies regulated by the U.S. SEC, which are not applicable to SEB. Any engagement of PwC must also be approved by PwC's Stockholm office before the engagement starts. Any non-audit services up to a cost of EUR 50,000 must be pre-approved by the Issuer's Chief Financial Officer. Non-audit services above such cost must be pre-approved by the Chairman of the Audit and Compliance Committee and the Issuer's Chief Financial Officer. Twice per year a report is presented to the Audit and Compliance Committee regarding planned on-going and finalised supplementary engagements.

The fees charged by auditors for audit assignments for the financial years ending December 31, 2007 and 2008, and for other assignments invoiced during such the financial years, appear in the table set out below.

| SEK million | 2008 | 2007 |
|---|---|---|
| Audit assignments[1)] | 62 | 48 |
| Other assignments[2)] | 52 | 19 |
| **Total** | **114** | **67** |

1) Of the fees paid by SEB for audit assignments, SEK 2 million was paid to audit firms other than PwC in each of 2008 and 2007.

2) Other assignments include: advice on tax issues and on mergers and acquisition transactions. Of the fees paid for other assignments, SEK 3 million and SEK 1 million were paid to audit firms other than PwC in 2008 and 2007, respectively.

## Board of Directors' report on internal control over financial reporting for 2008

### Introduction

The Board of Directors' report on Internal Control Over Financial Reporting for the year 2008 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 Issuer's auditors.

Internal control over financial reporting is defined as the process, affected by the Board of Directors, management and other personnel, designed to provide reasonable assurance regarding 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 Organisations (COSO). The COSO framework is structured around five internal control components: Control Environment, Risk Assessment, Control Activities, Information & Communications and Monitoring, further described below. The framework also consist of three internal control areas: Operations, Financial Reporting and Compliance. This report only covers the Financial Reporting area.

### Control environment

The control environment establishes the foundations for internal controls 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, and 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 have adopted Group-wide SEB internal rules (policies and instructions), to be implemented by each organisational unit. In addition, the President supported by the Board of Directors, has 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 to the internal control over 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; and
- SEB Group Accounting Principles.

To ensure a strong control environment and an awareness of operational risks related to financial reporting among top management within SEB, in 2008, Group Finance implemented a program involving visits to countries of SEB's operations to discuss internal control matters.

### 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, related transaction values and levels of system support. The assessment is documented and forms the basis for measures taken to improve the Group's internal control and for direct follow-up of internal control of financial reporting matters.

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 that in accordance with the COSO framework is divided into three different control categories:

- Entity wide controls;
- Transaction level controls; and
- 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 over financial reporting are: Questionnaires & Assertions, Policy Compliance Checklist, New Product Approval Committee and Business Performance Reviews.

*Transaction level controls:* Transaction level controls are identified at process level and include a range of activities such as authorisations, reconciliations, reviews, etc. One specific focus area in SEB during 2008 has been to strengthen the account reconciliation structure and implement monitoring activities with the goal of ensuring timely escalations of identified issues.

*General IT controls:* General IT controls include controls over the information technology (IT) environment, computer operations, access to programs and data, program development and program changes. SEB is continuously working with these controls to ensure adequate system access rights and sufficient segregation of duties in the Group's processes. SEB has during 2008 launched a project, focusing on 60 prioritised applications, with the objective to improve the process around system access and ensure sufficient segregation of duties.

### Information and communication

General internal control awareness in SEB has been addressed during 2008 through a Group-wide e-learning 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 Chief Financial Officer reports the status of the work related to management internal control over financial reporting to the Audit and Compliance Committee quarterly.

### Monitoring

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

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. In addition, Group Risk Control, the Group Compliance function and the Group Internal Audit function are continuously engaged in follow-up routines. The Group Internal Audit function reviews the internal control of 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.

## Remuneration of the Board of Directors, the President and other members of the Group Executive Committee

### The Board of Directors from the 2008 AGM

SEB's 2008 AGM fixed a total remuneration amount of SEK 8,950,000 for the members of the Board of Directors as follows:

- SEK 2,750,000 to the Chairman of the Board of Directors
- SEK 4,200,000 to the other Directors elected by the AGM who were not employed by the Issuer to be distributed as follows: SEK 600,000 to each Deputy Chairman and SEK 500,000 to each other Director, and
- SEK 2,000,000 for committee work to be distributed as follows:
  - Risk and Capital Committee: Chairman SEK 510,000, other members each SEK 325,000,
  - Audit and Compliance Committee: Chairman SEK 387,500, other members each SEK 195,000, and
  - Remuneration and Human Resources Committee: Chairman SEK 387,500, other members each SEK 195,000.

No fee for Committee work was distributed either to the Chairman of the Board or the employees of the Issuer. The remuneration was paid out on a running basis during the mandate period. Information regarding, inter alia, each director's assignments to the committees of the Board of directors and the distribution of the directors' remuneration for 2008 appears in the table set out below.

### Board of Directors as from the 2008 AGM through the 2009 AGM

| Name | Elected | Position | Risk and Capital Committee | Audit and Compliance Committee | Remuneration and HR Committe | Total remuneration SEK | Presence Board Meetings | Presence Committee Meetings |
|---|---|---|---|---|---|---|---|---|
| Marcus Wallenberg | 2002 | Chairman | † | † | † | 2,750,000 | 100% | 100% |
| Tuve Johannesson | 1997 | Deputy Chairman | – | – | ‡ | 795,000 | 93% | 100% |
| Jacob Wallenberg | 1997 | Deputy Chairman | – | – | – | 600,000 | 93% | |
| Penny Hughes | 2000 | Director | – | – | • | 887,500 | 100% | 100% |
| Urban Jansson | 1996 | Director | • | – | – | 1,010,000 | 100% | 100% |
| Hans-Joachim Körber | 2000 | Director | – | – | – | 500,000 | 87% | |
| Christine Novakovic | 2008 | Director | – | ‡ | – | 695,000 | 85% | 100% |
| Jesper Ovesen | 2004 | Director | ‡ | – | – | 825,000 | 100% | 94% |
| Carl Wilhelm Ros | 1999 | Director | – | • | – | 887,500 | 93% | 100% |
| Annika Falkengren | 2006 | Director, President and CEO | ‡ | – | – | – | 100% | 100% |
| Göran Lilja | 2006 | Director appointed by the employees | – | – | – | – | 100% | – |
| Cecilia Mårtensson | 2008 | Director appointed by the employees | – | – | – | – | 62% | – |
| Göran Arrius | 2002 | Deputy Director appointed by the employees | – | – | – | – | 93% | – |
| Ulf Jensen | 1997 | Deputy Director appointed by the employees | – | – | – | – | 87% | – |
| • Chairman † Deputy Chairman ‡ Committee Member | | | | | | 8,950,000 | | |

Following a recommendation by SEB's Nomination Committee, the Board of Directors has adopted a Share Ownership Policy for the Board. The policy recommends that each Board member use 25% net after tax of his or her annual remuneration (excluding remuneration for committee work) each year to acquire shares in SEB and retain these shares for so long as they are members of the Board of Directors. Share acquisition pursuant to the policy is a recommendation only and is therefore not mandatory. See "Share capital and ownership structure—Share Ownership Policy for the members of the Board of Directors and the Group Executive Committee" for further details.

### The Board of Directors from the 2009 AGM

SEB's 2009 AGM fixed a total remuneration amount of SEK 7,587,500 for the members of the Board of Directors as follows:

- SEK 2,062,500 to the Chairman of the Board of Directors,
- SEK 3,525,000 to the other Directors elected by the AGM who are not employed by the Issuer to be distributed as follows: SEK 450,000 to each Deputy Chairman and SEK 375,000 to each other Director,
- and SEK 2,000,000 for committee work to be distributed as follows:
  - Risk and Capital Committee: Chairman SEK 510,000, other members each SEK 325,000,
  - Audit and Compliance Committee: Chairman SEK 387,500, other members each SEK 195,000, and
  - Remuneration and Human Resources Committee: Chairman SEK 387,500, other members each SEK 195,000.

No fee for Committee work is distributed either to the Chairman of the Board of Directors or the employees of the Issuer. The remuneration will be paid out on a running basis during the mandate period.

### The President and the Group Executive Committee

SEB's Board of Directors has prepared proposals as to principles for the salary and other remuneration to the President and the Group Executive Committee, which were approved by the 2009 AGM. According to these principles, the Board of Directors has decided on the actual remuneration to the President following a proposal from the Remuneration and Human Resources Committee. The remuneration of the President has been benchmarked against the Swedish and international market. The Committee has also approved the remuneration of the other members of the Group Executive Committee according to the principles established by the 2009 AGM. To the 2009 AGM, the external auditors gave a report that the Board of Directors and the President during 2008 have complied with the principles for compensation to members of senior management as adopted by the 2008 AGM.

The general principle for the remuneration structure has during 2008 been the same as for the Group as a whole, i.e. based upon four main components: base salary, short-term incentive compensation, long-term incentive compensation and pension. To this other benefits such as a company car may be offered. The 2009 AGM approved new principles for the remuneration structure for the President and other members of the Group Executive Committee, based on three main components; base salary, long-term incentive compensation and pension. In addition, other benefits, such as a company car, may be offered.

The short-term incentive compensation, which was part of the remuneration structure during 2008, was based on the achievement of certain predetermined goals, individual and general, qualitative and quantitative, agreed in writing with the individual. The short-term incentive compensation was set for one year at a time. Operating result, costs and customer satisfaction are examples of objectives used. Short-term incentive compensation was maximised to a certain percentage of the base salary.

SEB's long-term incentive programmes are share-based and, except for SEB's share savings programmes, performance-based. The purpose of a mix of long-term incentive compensation programmes is to create a commitment to SEB, strengthen the overall perspective on SEB, offer the participants an opportunity to take part in SEB's long-term success and value creation and to create an incentive for the employees to become shareholders of SEB as well as to create possibilities to attract and retain senior officers and other key employees.

SEB's first long-term incentive programme was introduced in 1999, after which additional programmes have been launched for the years 2000–2009. From 1999 to 2004, the long-term incentive programmes were launched in the form of employee stock option programmes. For the years 2005–2007, performance shares were used. Information about these programmes has been provided in the annual reports for these years and at the AGMs since 2002. The 2008 and 2009 AGMs each resolved on three different programmes: a share savings programme, a performance share programme and a share matching programme for each year.

In SEB, both defined benefit-based and defined contribution-based pension plans exist. All new pension agreements shall be defined contribution-based and in line with the pension scheme for the Group Executive Committee and the pension policy of the Group. The size of the pensionable salary is capped. At termination of employment by the Group, a severance pay of between 12 and 24 months' salary applies. For new agreements a severance pay of 12 months' salary is applied. The Group has the right to make deductions from such severance pay of any cash payments that the executive may receive from another employer or through his/her own business.

The base salaries, the incentive compensation and other benefits of the President and the members of the Group Executive Committee during 2008 as well as the scope of SEB's long-term incentive programmes are specified in Note 9c to the 2008 Financial Statements.

# Share capital and ownership structure

## Share capital and ownership details

### Share capital

The Issuer's share capital is expressed in SEK and is distributed among the shares issued by the Issuer with a quota (par) value that is also expressed in SEK. The Issuer has two classes of shares outstanding: the A Shares and the C Shares. Prior to the Offering, SEB's share capital amounted to SEK 6,871,566,310, distributed among 663,004,123 A Shares and 24,152,508 C Shares. The quota (par) value of the A Shares and the C Shares is SEK 10. Each A Share carries one vote and each C Share carries 0.1 vote. Each shareholder entitled to vote at a meeting may vote the full number of shares owned without limitation. Following the shareholders' resolution at the AGM of the Issuer held on March 6, 2009 and pursuant to the Issuer's Articles of Association adopted at such AGM, the share capital shall amount to not less than SEK 10,000,000,000 and not more than SEK 40,000,000,000. Each A Share and each C Share carries equal rights to dividends and any surplus in connection with liquidation. If fully subscribed, the Offering will increase the Issuer's share capital from SEK 6,871,566,310 to SEK 21,941,718,020.

The New A Shares will be issued in accordance with the Swedish Companies Act and the rights of the shareholders, including minority shareholders, associated with the shares can only be altered in accordance with procedures outlined in the Swedish Companies Act. The company is registered with Euroclear Sweden and its shares are registered electronically in a share register maintained by Euroclear Sweden (Box 7822, SE-103 97 Stockholm, Sweden).

**Share capital as of December 31, 2008**

| | | | Percentage of | |
|---|---|---|---|---|
| **Share series** | **Number of shares** | **Number of votes** | **capital** | **votes** |
| A | 663,004,123 | 663,004,123 | 96.5% | 99.6% |
| C | 24,152,508 | 2,415,251 | 3.5% | 0.4% |
| **Total** | **687,156,631** | **665,419,374** | **100.0%** | **100.0%** |

### Ownership structure

On December 31, 2008, the Issuer had 281,401 shareholders. As of December 31, 2008, the 10 largest and 100 largest shareholders held 50.3% and 66.9% respectively, of the Issuer's total share capital, and 50.6% and 66.9% of the total votes in the Issuer, respectively. 233,338 shareholders, or almost 83%, held 500 shares or less as of December 31, 2008.

SEB's percentage holdings of capital and votes as of December 31, 2008 were as follows:

| | Percentage of capital | Percentage of votes |
|---|---|---|
| Swedish shareholders | 81.4% | 80.9% |
| of which | | |
| Institutions and foundations | 53.0% | 52.7% |
| Mutual funds | 12.4% | 12.7% |
| Private persons | 15.9% | 15.5% |
| **Non-Swedish shareholders** | **18.6%** | **19.1%** |
| **Total** | **100.0%** | **100.0%** |

Source: Euroclear Sweden/SIS Ägarservice

The following table shows the distribution of shares in the Issuer based on the size of holdings as of December 31, 2008.

| Size of holding | Number of shares | Per cent | Number of shareholders |
|---|---|---|---|
| 1 – 500 | 35,954,112 | 5.2% | 233,338 |
| 501 – 1,000 | 18,800,773 | 2.7% | 25,369 |
| 1,001 – 2,000 | 18,404,405 | 2.7% | 12,828 |
| 2,001 – 5,000 | 21,203,936 | 3.1% | 6,802 |
| 5,001 – 10,000 | 11,720,197 | 1.7% | 1,640 |
| 10,001 – 20,000 | 8,456,798 | 1.2% | 601 |
| 20,001 – 50,000 | 11,110,797 | 1.6% | 359 |
| 50,001 – 100,000 | 11,188,818 | 1.6% | 153 |
| Greater than 100,000 | 550,316,795 | 80.1% | 311 |
| **Total** | **687,156,631** | **100.0%** | **281,401** |

Source: Euroclear Sweden/SIS Ägarservice

### Ownership structure by country

The following table shows the 14 countries with the largest shareholdings in the Issuer as of December 31, 2008. As of December 31, 2008, non-Swedish shareholders in the Issuer held in aggregate, 127,867,255 of the Existing Shares, of which 1,132,651 were C Shares, representing 18.6% of the shares and 19.1% of the votes in the Issuer.

| Country | Percentage of capital | Percentage of votes |
|---|---|---|
| Sweden | 81.4% | 80.9% |
| United States | 8.7% | 8.3% |
| United Kingdom | 4.7% | 4.8% |
| Luxembourg | 1.7% | 1.7% |
| France | 0.6% | 0.6% |
| Ireland | 0.5% | 0.5% |
| Denmark | 0.5% | 0.5% |
| Japan | 0.3% | 0.3% |
| United Arab Emirates | 0.3% | 0.3% |
| Singapore | 0.3% | 0.3% |
| Finland | 0.3% | 0.3% |
| Switzerland | 0.3% | 0.3% |
| Norway | 0.2% | 0.2% |
| Germany | 0.2% | 0.2% |
| Other | 1.4% | 1.4% |
| **Total** | **100.0%** | **100.0%** |

Source: Euroclear Sweden/SIS Ägarservice

## Largest shareholders in the Issuer

The 16 largest shareholders[1)] in the Issuer as of December 31, 2008 are shown in the table below.

| December 31, 2008 | Number of shares | Of which C shares | Percentage of all shares | Percentage of all votes |
|---|---|---|---|---|
| Investor AB[2)] | 142,527,895 | 2,725,000 | 20.7% | 21.1% |
| Trygg Foundation[2),3)] | 65,677,962 | | 9.6% | 9.9% |
| Alecta[2), 4)] | 36,148,611 | 733,611 | 5.3% | 5.4% |
| Swedbank/Robur Funds | 26,151,625 | | 3.8% | 3.9% |
| AFA Försäkring Entities[5)] | 18,758,325 | 875,560 | 2.7% | 2.7% |
| SEB Funds[6)] | 13,137,692 | | 1.9% | 2.0% |
| Fourth Swedish National Pension Fund[2),7)] | 12,728,700 | | 1.9% | 1.9% |
| AMF Pension | 11,000,000 | | 1.6% | 1.7% |
| Knut and Alice Wallenberg Foundation[2),8)] | 10,330,389 | 5,871,173 | 1.5% | 0.8% |
| SHB/SPP Funds | 9,476,321 | | 1.4% | 1.4% |
| Skandia Life Insurance | 8,892,926 | 3,452,219 | 1.3% | 0.9% |
| Nordea Funds | 8,184,736 | | 1.2% | 1.2% |
| Capital Group Funds | 7,560,000 | | 1.1% | 1.1% |
| Second Swedish National Pension Fund[2),9)] | 7,263,531 | | 1.1% | 1.1% |
| First Swedish National Pension Fund | 6,427,046 | | 0.9% | 1.0% |
| SEB-Foundation[2),10)] | 6,115,993 | 105,000 | 0.9% | 0.9% |

1) Excluding the Issuer as shareholder through repurchased shares held for purposes of long-term incentive programmes.
2) Committed Shareholder. See "Underwriting and supplementary information—The Offering—Shareholder commitments".
3) *Sw: Trygg-Stiftelsen.*
4) *Sw: Alecta pensionsförsäkring ömsesidig.*
5) Comprises Sw: AFA Sjukförsäkringsaktiebolag, Sw: AFA Trygghetsförsäkringsaktiebolag, Kollektivavtalsstiftelsen Trygghetsfonden SAF-LO TSL, Sw: AFA Arbetsmarknadens Försäkrings AB and Sw: AFA Yrkeslandslaget. Of these, Sw: AFA Sjukförsäkringsaktiebolag, Sw: AFA Trygghetsförsäkringsaktiebolag and Sw: Kollektivavtalsstiftelsen Trygghetsfonden SAF-LO TSL are Committed Shareholders.
6) The company managing these funds for SEB's customers is owned by SEB. However, SEB has no influence over the fund management.
7) *Sw: Fjärde AP-fonden.*
8) *Sw: Knut och Alice Wallenbergs Stiftelse.*
9) *Sw: Andra AP-fonden.*
10) *Sw: SEB-Stiftelsen Skandinaviska Enskilda Bankens Pensionsstiftelse.*

Source: Euroclear Sweden/SIS Ägarservice

## Development of share capital

The Issuer's share capital has changed as follows since 1972:

| Year | Transaction | Subscription price, SEK | Change in number of shares | Accumulated no. of shares | Recorded share capital after transaction (SEK million) |
|---|---|---|---|---|---|
| 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[3)] | 35 | 116,311,618 | 704,557,680 | 7,046 |
| 2005 | Cancellation of shares | | –17,401,049 | 687,156,631 | 6,872 |
| 2009 | The Offering[4)] | 10 | 1,507,015,171 | 2,194,171,802 | 21,942 |

1) The recorded share capital at December 31, 1986 was still SEK 1,204 million, 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 quota value of the shares changed from SEK 100 to SEK 10.
3) According to the instructions of the SFSA, subscribed shares that have been paid are not registered as share capital in the balance sheet until the rights issue has been registered (which took place in January 2000).
4) Assuming full subscription of the Offering.

## Shareholders' agreements

In connection with the discussions which led to the merger between SEB and Trygg-Hansa AB in 1997, Investor AB stated to Trygg Foundation that Investor AB under certain conditions, including the condition that Trygg Foundation's ownership in SEB must not fall below 5% of the capital and voting rights in SEB, would be prepared (i) to support and vote for the appointment of two persons, nominated by Trygg Foundation, as members of the Board of Directors of SEB and (ii) to support the appointment of one of them as one of the two Deputy Chairmen of the Board of Directors.

Other than as stated above, to the knowledge of the Issuer's Board of Directors, no expression of intent, understanding or agreements between shareholders are currently in place amongst the Issuer's shareholders in respect of their shareholding in the Issuer or in respect of voting on matters to be decided by the shareholders. For agreements related to the Offering, see "Underwriting and supplementary information".

## Share price development

The A Shares are listed on NASDAQ OMX Stockholm and are traded under the symbol "SEB A". The following table provides an overview of changes in the price of the A Shares (based on the closing price on NASDAQ OMX Stockholm) since January 1, 2004:

| Period | High Price (SEK) | Low Price (SEK) |
|---|---|---|
| Year ended December 31, 2004 | 130.00 | 101.00 |
| Year ended December 31, 2005 | 164.50 | 123.00 |
| Year ended December 31, 2006 | 218.50 | 154.00 |
| Year ended December 31, 2007 | 248.50 | 161.50 |
| Year ended December 31, 2008 | 168.50 | 51.00 |
| 1st quarter 2007 | 238.00 | 210.50 |
| 2nd quarter 2007 | 248.50 | 214.00 |
| 3rd quarter 2007 | 241.50 | 188.00 |
| 4th quarter 2007 | 218.00 | 161.50 |
| 1st quarter 2008 | 165.50 | 135.75 |
| 2nd quarter 2008 | 168.50 | 109.00 |
| 3rd quarter 2008 | 133.25 | 98.50 |
| 4th quarter 2008 | 120.75 | 51.00 |
| September 2008 | 120.00 | 98.50 |
| October 2008 | 120.75 | 57.25 |
| November 2008 | 89.00 | 60.50 |
| December 2008 | 68.25 | 51.00 |
| January 2009 | 65.00 | 34.40 |
| February 2009 | 35.30 | 51.50 |
| March 2009 (through March 5) | 35.60 | 31.00 |

The closing price on NASDAQ OMX Stockholm of the A Shares on September 8, 2008 was SEK 118.50. The closing prices on NASDAQ OMX Stockholm of the A Shares on February 3, 2009 and February 4, 2009, the last trading days before the announcement of the Rights Offering, were SEK 35.30 and SEK 36.20, respectively. The closing price on NASDAQ OMX Stockholm of the A Shares on March 3, 2009, the last trading day prior to determination of the subscription Price in the Rights Offering, was SEK 31. The closing price on NASDAQ OMX Stockholm of the A Shares on March 6, 2009, the last trading day prior to the date of this Prospectus, was SEK 33.80. The A Shares are traded exclusive of the right to participate in the Rights Offering from March 9, 2009.

## Share Ownership Policy for the members of the Board of Directors and the Group Executive Committee

Pursuant to a recommendation from the Nomination Committee, the Board of Directors of the Issuer has adopted a Share Ownership Policy for the members of the Board of Directors of the Issuer. The policy recommends that each member of the Board of Directors use 25% of his or her annual net after taxes remuneration (excluding remuneration for committee work) each year to acquire shares in SEB, regardless of whether he or she is already a shareholder of SEB. Acquisitions shall be made as soon as possible following each year's Annual General Meeting. The policy further recommends that shares acquired shall be retained as long as the member of the Board of Directors remains on the Board of Directors. The policy is a recommendation only and share acquisitions are therefore not mandatory.

Pursuant to a recommendation from the Board of Directors, the Remuneration and Human Resources Committee of the Board of the Directors has adopted a Share Ownership Policy for the members of the Group Executive Committee. The policy recommends that, within a period of five years, each member of this committee achieve a share ownership in SEB corresponding to a value of at least one yearly base salary net after taxes. For the purpose of such share ownership, vested employee stock options and performance shares that are retained after the performance period has expired may be included. It is recommended that the shares acquired be retained as long as the committee member remains on the Group Executive Committee. The policy is a recommendation only and share acquisitions are therefore not mandatory.

## Equity-related long-term incentive programmes

SEB's first equity-related long-term incentive programme was introduced in 1999, after which additional equity-related long-term incentive programmes have been launched for the years 2000–2009. For the years 1999 through 2004, the programmes were based on employee stock options. For the years 2005 through 2007, the programmes were based on performance shares. For each of the years 2008 and 2009, three different programmes were adopted: a share savings programme, a performance share programme and a share matching programme.

Set out below are overview descriptions of SEB's currently outstanding equity-related incentive programmes. The equity-related incentive programmes for the years 1999, 2000, 2001, 2002 and 2004 have expired or been prematurely terminated according to their terms. More information regarding SEB's equity-related incentive programmes is set out in Note 9 to the 2008 Financial Statements.

### SEB employee stock option programme 2003/2010

The programme consists of not more than 6,200,000 employee stock options allocated to approximately 800 executives (senior executives and key individuals) of SEB. The employee stock options carry rights to acquire in total not more than 6,200,000 A Shares in SEB. The exercise price for each A Share is SEK 81.30. The number of outstanding employee stock options as of December 31, 2008 was 1,771,196.

### SEB performance share programme 2005/2012

The programme consists of not more than 2,000,000 performance shares allocated to approximately 500 senior managers and other key employees of SEB. A performance share under the programme is a conditional right to acquire one A Share at a future date. The outcome of the programme, that is, the number of allocated performance shares that can be utilised, is dependent on how certain pre-determined performance criteria are fulfilled. The performance criteria are measured during the initial three-year period. This vesting period during which performance criteria are measured has now expired. At the end of this vesting period, 62% of the total number of performance shares were vested. The exercise price for each A Share is SEK 10. The number of outstanding performance shares as of December 31, 2008 was 593,981.

### SEB performance share programme 2006/2013

The programme consists of not more than 1,525,000 performance shares allocated to approximately 500 senior managers and other key employees of SEB. A performance share under the programme is a conditional right to acquire one A Share at a future date. The outcome of the programme, that is, the number of allocated performance shares that can be utilised, is dependent on how certain pre-determined performance criteria are fulfilled. The performance criteria are measured during the initial three-year period. This vesting period during which performance criteria are measured has now expired. At the end of this vesting period, 38% of the total number of performance shares were vested. The exercise price for each A Share is SEK 10. The number of outstanding performance shares as of December 31, 2008 was 1,272,414.

### SEB performance share programme 2007/2014

The programme consists of not more than 1,275,000 performance shares allocated to approximately 500 senior managers and other key employees in SEB. A performance share under the programme is a conditional right to acquire one A Share at a future date. The outcome of the programme, that is, the number of allocated performance shares that can be utilised, is dependent on how certain pre-determined performance criteria are fulfilled. The performance criteria are measured during the initial three-year period. The exercise price for each A Share is SEK 10. The number of outstanding performance shares as of December 31, 2008 was 1,150,305.

### SEB's long-term incentive programmes 2008

For the year 2008, three different programmes were adopted: a share savings programme, a performance share programme and a share matching programme. Due to current market conditions, the share matching programme has not been and will not be implemented. The share savings programme and performance share programme are described below. The 2008 programmes comprise an obligation for SEB to deliver in aggregate not more than 5,614,000 A Shares, divided between the programmes as determined by the Board of Directors.

### SEB share savings programme 2008

The programme comprises approximately 7,000 employees of SEB in Sweden, Norway, Denmark, Finland, Estonia, Latvia, Lithuania, Germany, United Kingdom and Luxembourg. Under the programme, employees may, during a 12-month period from the implementation of the programme, designate an amount from their salary corresponding to 5 % of their gross base salary and for such amount acquire A Shares in SEB at the current share price. Purchases will be made during four periods, each following the publication of SEB's quarterly reports. If the acquired A Shares are retained by the employee for three years from the purchase date and the participant remains employed by SEB during this time, SEB will give the employee one additional A Share for each acquired and retained A Share.

### SEB performance share programme 2008/2015

The programme consists of not more than 1,500,000 performance shares allocated to approximately 480 senior managers and other key employees of SEB. A performance share under the programme is a conditional right to acquire one A Share at a future date. The outcome of the programme, that is, the number of allocated performance shares that can be utilised under the programme, is dependent on how certain pre-determined performance criteria are fulfilled. The performance criteria are measured during the initial three-year period. The exercise price for each A Share is SEK 10. The number of outstanding performance shares as of December 31, 2008 was 1,453, 533.

### SEB's long-term incentive programmes 2009

For the year 2009, three different programmes, have been adopted by the 2009 Annual General Meeting held on March 6, 2009: a share savings programme, a performance share programme and a share matching programme, each of which is described below. The 2009 programmes comprise an obligation for SEB to deliver in aggregate not more than 7,100,000 A Shares, divided between the programmes as determined by the Board of Directors.

### SEB share savings programme 2009

The programme may be offered to all employees of SEB. Under the programme, employees may, during a 12-month period from the implementation of the programme, designate an amount from their salary corresponding to 5% of their gross base salary and for such amount acquire A Shares in SEB at the current share price. Purchases will be made during four periods, each following the publications of SEB's quarterly reports. If the acquired A Shares are retained by the employee for three years from the purchase date and the participant remains employed by SEB during this time, SEB will give the employee one additional A Share for each acquired and retained A Share.

### SEB performance share programme 2009

The programme consists of approximately 1,500,000 performance shares allocated to approximately 325 senior managers and other key employees of SEB. A performance share under the programme is a conditional right to acquire one A Share at a future date. The outcome of the programme, that is, the number of allocated performance shares that can be utilised, is dependent on how certain pre-determined performance criteria are fulfilled. The performance criteria are measured during the initial three-year period. The exercise price for each A Share is SEK 10.

### SEB share matching programme 2009

The programme comprises approximately 70 key employees in SEB including the members of the Group Executive Committee. 25 % of the short-term incentive compensation for the participant related to the financial year 2009 will be mandatorily deferred for three years. The deferred amounts will be allocated to a deferral incentive pool. For the President and other members of the Group Executive Committee, who do not have short-term incentive compensation, the programme instead requires an allocation to the deferral incentive pool out of a portion of the Group Executive Committee member's total compensation. A determined number of deferral rights will be registered for each participant in the pool. One deferral right corresponds to the fair market value of one A Share at the time of allocation to the pool.

After three years, following the publication of SEB's annual accounts, the participant receives one A Share for each deferral right and, in addition, a conditional number of additional matching A Shares. The number of additional matching A Shares received is dependent on how a defined performance criterion is fulfilled during the three-year period, and is subject to a cap which ultimately limits the number of such matching A Shares. A further requirement is that the participant remains within SEB during the three-year period.

## Buy back programmes and acquisition of the Issuer's own shares

As of December 31, 2008, SEB holds, in aggregate, 2,193,343 A Shares for the purposes of long-term incentive programmes. As of the date of this Prospectus, SEB holds in aggregate 2,149,735 A shares for the purposes of long-term incentive programmes.

At the 2009 AGM the Issuer's shareholders resolved that the Issuer, during the period up to the 2010 AGM, will be permitted to acquire its own shares in its securities business in accordance with the SSMA in a number that at any given time may not exceed 3 % of the Issuer's outstanding shares. The price of shares acquired in this manner shall correspond to the current market price at the time of acquisition.

It was decided at the 2009 AGM to authorise the Board of Directors, during the period up to the 2010 AGM, to, on one or more occasions, decide on the Issuer's acquisition and/or sale of A Shares for the purpose of incentive programmes. A maximum of 35,443,603 A Shares may be acquired and a maximum of 42,468,462 A Shares may be sold, which corresponds to approximately 1.6 and 1.9 %, respectively, of the outstanding A Shares and C Shares, assuming full subscription of the Offering. Acquisition and sale of A shares may only take place at a price within the price interval at any time recorded on NASDAQ OMX Stockholm, and this shall refer to the interval between the highest buying price and the lowest selling price.

It was further resolved at the 2009 AGM that a maximum number of the Issuer's acquired A Shares, corresponding to the number of performance shares and shares, under the 2009 long-term incentive programmes and the 2008 share savings programme, including compensation for dividends, may be sold or transferred by the Issuer to the programme participants who are entitled to acquire or receive shares.

It was also decided at the 2009 AGM to authorise the Board of Directors, during the period up to the 2010 AGM, to, on one or more occasions, decide on the Issuer's acquisition and/or sale of SEB's A Shares and/or C Shares for the purpose of, among other things, creating opportunities for managing the capital structure of the Issuer. A maximum of 63,862,348 A Shares and/or C Shares, in aggregate, may be acquired and sold, totalling a purchase price not exceeding SEK 2,000,000,000, which corresponds to approximately 3 % of the outstanding A Shares and C Shares, assuming full subscription of the Offering. Acquisitions may be paid from the fund allocated, according to a resolution at the 2005 AGM, on the reduction of share capital by cancellation of previously acquired own shares. Acquisition and sale on NASDAQ OMX Stockholm may exclusively be made at a price within the price interval at any time recorded on NASDAQ OMX Stockholm, which refers to the interval between the highest buying price and the lowest selling price. In cases where the sale is made in ways other than on NASDAQ OMX Stockholm, the remuneration for shares sold must correspond to an estimated market value and may be payable in forms other than cash.

Other than as described above, there are no outstanding share-related authorisations for the Board of Directors in SEB.

# Articles of association

Set forth below are the Articles of Association of the Company, as adopted by the Annual General Meeting on March 6, 2009, becoming effective as from their registration with the SCRO in connection with the Offering.

For purposes of this section, references to “Bank” are to Skandinaviska Enskilda Banken AB (publ).

### Articles of association of the Issuer

**Section 1**
The object of the Company is to carry on banking business.

The name of the Bank is Skandinaviska Enskilda Banken AB. The Company is a public company (publ).

**Section 2**
The registered office of the Bank as well as its headquarters shall be situated in Stockholm.

**Section 3**
The Bank may carry on banking and financial activities, as well as thereto related activities. In addition to providing means of payment services via general payment systems and receipt of funds which, following notice of termination, are available to the creditor within not more than 30 days, the Bank may carry on, inter alia, the following activities:

1. borrow funds, for example by accepting deposits from the general public or issuing bonds (amongst others, covered bonds) or other comparable debt instruments,
2. grant and broker loans, for example in the form of consumer credits and loans secured by charges over real property or claims,
3. participate in financing, for example by acquiring claims and leasing property,
4. negotiate payments,
5. provide means of payment,
6. issue guarantees and assume similar obligations,
7. participate in issuance of securities,
8. provide financial advice,
9. hold securities in safekeeping,
10. conduct letters of credit operations,
11. provide bank safety deposit services,
12. engage in currency trading,
13. engage in securities operations, and
14. provide credit information.

**Section 4**
The share capital of the Bank shall not be less than 10,000,000,000 Swedish Kronor and shall not exceed 40,000,000,000 Swedish Kronor.

The number of shares shall not be less than 1,000,000,000 and not exceed 4,000,000,000.

The shares in the Bank may be issued in two series: shares of Series A and shares of Series C. The total number of Series A shares shall not exceed 4,000,000,000, and the total number of Series C shares shall not exceed 800,000,000. In connection with voting at a General Meeting of Shareholders, shares of Series A shall entitle to one vote each, and shares of Series C to one-tenth of a vote each. In all other respects Series A shares and Series C shares shall have the same rights in the Bank; however, that with respect to preferential Subscription Rights in connection with share issues the provisions of Section 5 shall apply.

The shares in the Bank shall be registered in a central securities depository register.

**Section 5**
Should the Bank decide to issue new shares of Series A and Series C through a cash issue or an issue with the right of set-off, the holders of Series A and Series C shares shall have the preferential right to subscribe for new shares of the same Series in proportion to their existing shareholdings (primary preferential right). Shares not subscribed for with primary preferential right shall be offered for subscription to all shareholders (subsidiary preferential right). If the number of shares thus offered is insufficient to cover the number of shares subscribed for with subsidiary preferential right, such shares shall be distributed between the subscribers in proportion to their existing shareholdings and, to the extent this cannot be done, by drawing of lots.

Should the Bank decide to issue new shares through a cash issue or an issue with the right of set-off of Series A or of Series C shares only, all shareholders, regardless of whether their shares are of Series A or Series C, shall have the preferential right to subscribe for new shares in proportion to the number of shares they already own.

Should the Bank decide to issue warrants or convertibles through a cash issue or an issue with the right of set-off, the shareholders shall have preferential right to subscribe for warrants as if the issue concerned shares that may be subscribed for from the warrants respectively, have preferential right to subscribe for convertibles as if the issue concerned shares to which the convertibles may be converted.

Irrespective of the above, the ability to decide on a cash issue or an issue with the right of set-off with a deviation from the shareholders' preferential right shall not be restricted.

If the share capital is increased through a bonus issue, new shares shall be issued of each Series in proportion to the existing number of shares of each Series, and old shares of one of the Series shall give the right to new shares of the same Series. Irrespective hereof, the ability to issue shares of a new Series through a bonus issue, after having made the necessary amendment to the Articles of Association, shall not be restricted.

**Section 6**
In addition to those Directors who, by law, are to be appointed by a body other than the General Meeting of Shareholders, the Board of Directors shall consist of not less than six and not more than twelve Directors without Deputy Directors.

**Section 7**
In addition to those auditors that may be appointed by a body other than the General Meeting of Shareholders a minimum of one and maximum of two Auditors and at the most an equal number of Deputy Auditors shall be elected. Also a registered auditing firm may be appointed as Auditor.

**Section 8**
Each notice convening an Annual General Meeting of Shareholders shall be published in *Post- och Inrikes Tidningar* and in *Dagens Nyheter and Svenska Dagbladet*.

Each notice convening a General Meeting of Shareholders or an Extraordinary General Meeting of Shareholders at which an amendment of the Articles of Association will be considered shall be published at the earliest six weeks and at the latest four weeks prior to the Meeting to which the notice relates. Each notice convening any other Extraordinary General Meeting shall be published at the earliest six weeks and at the latest two weeks prior to the Meeting to which the notice relates.

In order to be entitled to participate in a General Meeting of Shareholders, Shareholders must be recorded in the printout or other form of the full Shareholders' register made five weekdays prior to the General Meeting, and must give notice to the Bank of their intention to participate in such General Meeting, stating the number of assistants that will participate, not later than 1 p.m. on the day indicated in the notice convening the Meeting. This day must not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve nor New Year's Eve, and must not fall earlier than on the fifth weekday prior to the Meeting.

Shareholders may bring no more than two assistants to a General Meeting of Shareholders, however only if the shareholder gives notice to the Bank of the number of assistants that will participate, not later than 1:00 p.m. on the day for notification indicated in the notice convening the Meeting.

**Section 9**
A General Meeting of Shareholders shall be opened by the Chairman of the Board or by such person as the Board of Directors has appointed for such purpose.

The Chairman of the General Meeting of Shareholders shall be elected by the Meeting.

At a General Meeting of Shareholders each person who is entitled to vote may vote for the full number of shares owned or represented by him without limitation of the number of votes.

**Section 10**
The following matters shall be considered at the Annual General Meeting of Shareholders:

1. Election of the Chairman of the Meeting,
2. Preparation and approval of the voting list,
3. Approval of the agenda,
4. Election of a minimum of one person to check the minutes of the Meeting together with the Chairman,
5. Determination of whether the Meeting has been duly convened,
6. Presentation of the Annual Report and the Auditors' Report, as well as the Consolidated Accounts and the Auditors' Report on the consolidated operations,
7. Adoption of the Profit and Loss Account and Balance Sheet, as well as the Consolidated Profit and Loss Account and Consolidated Balance Sheet,
8. Disposition to be made of the profit or loss of the Bank, as the case may be, as shown in the Balance Sheet adopted by the Meeting,
9. Discharge from liability of the Members of the Board of Directors and the President,
10. Fixing of the number of Directors to be elected by the Meeting and, if applicable, Auditors and Deputy Auditors,
11. Approval of the remuneration of the Board of Directors and the fees of the Auditors and Deputy Auditors,
12. Election of Directors and, if applicable, Auditors and Deputy Auditors,
13. Any other business which according to law or the Articles of Association should be handled by the General Meeting of Shareholders.

**Section 11**
The financial year of the Bank shall coincide with the calendar year.

# Legal considerations and supplementary information

## Material agreements

Other than contracts entered into in the ordinary course of business, neither the Issuer nor any other company within the Group is party to any contract that is material to the Group or that contains any provision under which any company within the Group has any obligation or entitlement which is material to the Group. The Issuer has entered into certain agreements in connection with the Offering. See "Underwriting and supplementary information".

## Litigation and disputes

The Issuer and the other companies within the Group are parties to a number of litigation and arbitration matters, and civil law disputes, both as plaintiffs and defendants, incidental to the normal conduct of their businesses. No current, pending or threatened dispute or litigation is expected to have, or recently has had, either individually or in the aggregate, a material adverse effect on the Group's results of operations or financial condition. The Issuer and the other companies within the Group are also from time to time subject to various regulatory investigations and reviews of their different business areas by, and involved in discussions with, regulators in the various jurisdictions in which they conduct their operations. There are no current pending or threatened investigations by any such regulators that the Issuer expects to have, or recently have had, either individually or in the aggregate, a material adverse effect on the Group's results of operations or financial condition.

In the second quarter of 2008, the SFSA criticised previous compliance and risk-control routines within SEB Trygg AB (a subsidiary within the Swedish Life division) and Gamla Liv (a subsidiary within the Swedish Life division not consolidated in Group results). All shortcomings pointed out have, in SEB's opinion and also according to the SFSA, been corrected. Nevertheless, the SFSA imposed a penalty fee of SEK 15 million for each company.

## Transactions with closely related parties

Transactions with related parties are as disclosed in Notes 9 and 47 to each of the 2008 Financial Statements, the Unrestated 2007 Financial Statements and the Unrestated 2006 Financial Statements.

In addition, in the ordinary course of SEB's business and on terms and conditions that SEB believes are in accordance with market conditions prevailing at the time of approval, SEB has entered into credit and other transactions with Investor AB, its affiliates and associates. Any of these transactions, individually or in aggregate, may be material to SEB or the respective counterparty. All such credit or other transactions, like all similar credit or other transactions entered into with closely related parties, are entered into by SEB under procedures designed to preserve the independence of the decision-making process. These procedures include, where appropriate, the refusal of one or more members of the Board of Directors from consideration of a particular matter where he or one of his affiliates or closely related parties may have an interest.

SEB also from time to time extends credit to members of the Board of Directors and the Group Executive Committee. These exposures are entered into in the ordinary course of SEB's business on market terms and conditions, except that members of the Group Executive Committee are entitled to an interest discount on the same terms and conditions as those generally available to SEB employees.

## Documents available for inspection

The following documents are on display during normal office hours at SEB's offices at Kungsträdgårdsgatan 8, SE-106 40, Stockholm, Sweden, during the Subscription Period:

1. the Articles of Association of the Issuer;
2. the audited financial reports of the Issuer for the financial years 2008, 2007 and 2006;
3. the Swedish Prospectus and the English translation thereof.

Copies of the documents are also available on the Issuer's website, www.sebgroup.com. The information contained on the Issuer's website is not incorporated in this Prospectus and does not form part of this Prospectus.

## Relationships between principal shareholders and the Issuer

The Issuer's largest shareholder, Investor AB, owns 20.7% of the Existing Shares representing 21.1% of the votes for the Existing Shares. Investor AB is a large listed industrial holding company in Northern Europe. In addition to its holding in the Issuer, Investor AB owns significant minority stakes in ABB Ltd, AstraZeneca Plc, Atlas Copco AB, Aktiebolaget Electrolux, Telefonaktiebolaget LM Ericsson, Husqvarna AB and SAAB AB.

Following Investor AB's performance of its commitment to purchase New A Shares corresponding to the Subscription Rights allocated to it in the Offering and its excess-to-pro-rata subscription commitment and the completion of the Offering, Investor AB may own up to 22.6% of the outstanding shares of the Issuer after the Offering, representing up to 22.7% of the votes of such outstanding shares. See "Share capital and ownership structure—Shareholders' agreements" for a description of an agreement entered into by Investor AB as to the appointment of directors of SEB.

SEB believes that it derives benefits from Investor AB's shareholding relationship with the Issuer, which SEB believes offers good opportunities to do business with other companies. SEB also provides financial products and services to Investor AB in arm's length transactions in the ordinary course of business.

# Underwriting and supplementary information

## The Offering

### Rights Offering

SEB is offering Subscription Rights to its holders of Existing Shares of record on the Record Date. The Record Date is March 11, 2009. The offering of New A Shares to be issued upon the exercise of Subscription Rights will include (i) a public offering to retail and institutional investors in Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Luxembourg, Norway, and the United Kingdom and (ii) an international offering to institutional investors, including to QIBs in the U.S. and in offshore transactions in compliance with Regulation S under the Securities Act and otherwise in accordance with applicable securities laws. In addition, in the event that the Rights Offering is not fully subscribed, shareholders and other persons may have the opportunity to subscribe for unsubscribed New A Shares. See "Terms, conditions and instructions".

### Secondary Allocations

During the Subscription Period, the Issuer will permit the subscription of New A Shares by shareholders and other persons. After the Subscription Period has expired, the Issuer's Board of Directors will make allocations of New A Shares not subscribed for pursuant to the exercise of Subscription Rights pursuant to the Secondary Allocations as follows:

(a) firstly, by persons who have subscribed for New A Shares pursuant to Subscription Rights, regardless of whether such persons were shareholders on the Record Date or not, and, in the case of over-subscription, allocation shall be made pro rata in relation to the number of Subscription Rights such persons have exercised for subscription of New A Shares;

(b) secondly, by persons who have subscribed for New A Shares without preferential rights (that is, not pursuant to exercise of Subscription Rights), and, in the case of over-subscription, allocation shall be made pro rata in relation to their so subscribed number of shares; and

(c) to the extent New A Shares are not fully subscribed, by the Underwriters, on the terms and conditions set forth in the Underwriting Agreement, and by the Committed Shareholders, on the terms and conditions set forth in their respective commitment letters, with allocation pro rata in relation to the combined underwriting commitments by each Underwriter (as specified in "—Underwritten Shares") and the Secondary Commitments of each Committed Shareholder (as specified in "—Shareholder commitments"); provided, however, that any subscription by a Committed Shareholder of New A Shares pursuant to clauses (a) and/or (b) above shall be deemed to reduce its Secondary Commitment on a one-for-one basis.

### Global Offering

The Underwriters may sell the New A Shares allocated to them pursuant to the Secondary Allocations in a Global Offering in offshore transactions in compliance with Regulation S or to QIBs in the U.S. in reliance on Rule 144A and otherwise in accordance with applicable securities laws. Such Global Offering may be made (i) pursuant to an institutional bookbuilding process, which would likely commence on or about April 1, 2009 or (ii) in sales from time to time at then-prevailing market prices.

## Shareholder commitments

The Committed Shareholders, representing in aggregate 43.7% of the Issuer's outstanding shares have, in connection with the announcement of the Rights Offering, entered into agreements with the Issuer pursuant to which the Committed Shareholders have committed to subscribe for their respective pro rata share of the Rights Offering, which will produce a gross aggregate Subscription Price of SEK 6,590,918,700 (the "**Primary Commitments**").

| | As of February 5, 2009 | | | | |
|---|---|---|---|---|---|
| Committed Shareholders | Number of A Shares | Number of C Shares | Total Shares | % of shares* | Primary Commitment, SEK |
| Investor AB[1)] | 139,802,895 | 2,725,000 | 142,527,895 | 20.8% | 3,135,613,690 |
| Trygg-Stiftelsen[2)] | 65,677,962 | - | 65,677,962 | 9.6% | 1,444,915,160 |
| Alecta pensionsförsäkring ömsesidig[3)] | 35,753,000 | 645,611 | 36,398,611 | 5.3% | 800,769,440 |
| AFA Sjukförsäkringsaktiebolag[4)] | 13,604,989 | 530,400 | 14,135,389 | 2.1% | 310,978,550 |
| Fjärde AP-fonden[5)] | 11,922,500 | - | 11,922,500 | 1.7% | 262,295,000 |
| Knut och Alice Wallenbergs Stiftelse[6)] | 4,459,216 | 5,871,173 | 10,330,389 | 1.5% | 227,268,550 |
| Andra AP-fonden[7)] | 7,856,821 | - | 7,856,821 | 1.1% | 172,850,060 |
| SEB-Stiftelsen Skandinaviska Enskilda Bankens Pensionsstiftelse[8)] | 6,010,993 | 105,000 | 6,115,993 | 0.9% | 134,551,840 |
| AFA Trygghetsförsäkringsaktiebolag[9)] | 3,039,384 | 148,800 | 3,188,184 | 0.5% | 70,140,040 |
| AFA Livförsäkringsaktiebolag (AGB)[10)] | 601,028 | 121,400 | 722,428 | 0.1% | 15,893,410 |
| Kollektivavtalsstiftelsen Trygghetsfonden SAF LO TSL[11)] | 378,366 | 29,580 | 407,946 | 0.1% | 8,974,810 |
| AFA Livförsäkringsaktiebolag (TGL)[12)] | 258,998 | 44,100 | 303,098 | <0.1% | 6,668,150 |
| **Total** | **289,366,152** | **10,221,064** | **299,587,216** | **43.7%** | **6,590,918,700** |

*) Expressed as a percentage of the total number of the Existing Shares outstanding less any Existing Shares currently held by the Issuer.
1) Investor AB address: Arsenalsgatan 8c, 103 32 Stockholm, Sweden.
2) Trygg-Stiftelsen address: 405 04 Göteborg, Sweden.
3) Alecta pensionsförsäkring ömsesidig address: Regeringsgatan 107, 103 73, Stockholm, Sweden.
4) AFA sjukförsäkringsaktiebolag address: Klara Södra Kyrkogata 18, 106 27, Stockholm, Sweden.
5) Fjärde AP-fonden address: Sveavägen 25, 111 34 Stockholm, Sweden.
6) Knut och Alice Wallenbergs Stiftelse address: Box 160 66, 103 22 Stockholm, Sweden.
7) Andra AP-fonden address: Östra Hamngatan 26-28, 404 24 Göteborg, Sweden.
8) SEB-Stiftelsen Skandinaviska Enskilda Bankens Pensionsstiftelse address: Östra Hamngatan 24, 405 04 Göteborg, Sweden.
9) AFA Trygghetsförsäkringsaktiebolag address: Klara Södra Kyrkogata 18, 106 27 Stockholm, Sweden.
10) AFA Livförsäkringsbolag (AGB) address: Klara Södra Kyrkogata 18, 106 27 Stockholm, Sweden.
11) Kollektivavtalsstiftelsen Trygghetsfonden SAF-LO TSL address: Box 19081, 104 32 Stockholm, Sweden.
12) AFA Livförsäkringsaktiebolag (TGL) address: Klara Södra Kyrkogata 18, 106 27 Stockholm, Sweden.

Certain of the Committed Shareholders have further committed to subscribe, on a pro rata basis with the Underwriters, for up to such additional number of New A Shares at the Subscription Price as shall result in the additional committed amounts listed in the table below (the "**Secondary Commitments**" and together with the Primary Commitments, the "**Purchase Commitments**"). The Secondary Commitments represent 7.1% of the Offering, resulting in 50.8% of the Offering being committed and underwritten by the Committed Shareholders in aggregate.

| Committed Shareholders | Secondary commitment amount SEK |
|---|---|
| Investor AB | 404,000,000 |
| Alecta pensionsförsäkring ömsesidig | 260,000,000 |
| SEB-Stiftelsen Skandinaviska Enskilda Bankens Pensionsstiftelse | 250,000,000 |
| Fjärde AP-fonden | 150,000,000 |
| **Total Secondary Commitments** | **1,064,000,000** |

Pursuant to Investor AB's Purchase Commitment, Investor AB will be permitted to terminate its Purchase Commitment, in which case the Underwriters may terminate the Underwriting Agreement (as defined below), if certain conditions are not satisfied or if any of the termination events set forth in the Underwriting Agreement, as determined by Investor AB, should occur. If the Underwriting Agreement is terminated, or if the closing conditions therein are not satisfied or waived by the Underwriters, all of the Purchase Commitments also terminate.

### Underwritten Shares

SEB has entered into an underwriting agreement, dated as of February 5, 2009, which was supplemented by a pricing agreement, dated as of March 4, 2009 (together the **"Underwriting Agreement"**) with the Underwriters. Pursuant to the Underwriting Agreement, in the event that any Subscription Rights are not exercised by the holders of the Subscription Rights or any unsubscribed New A Shares are not otherwise subscribed prior to the end of the Subscription Period or taken up pursuant to Secondary Allocations described in clauses (a) and (b) under "—Secondary Allocations", the Underwriters have severally agreed, subject to certain conditions, to subscribe to an additional number of such remaining unsubscribed New A Shares (the **"Underwritten Shares"**) at the Subscription Price as will result in a maximum Subscription Price of SEK 7,445,546,755 (the **"Underwriting Commitment"**). With respect to purchases under the Underwriting Agreement, the Underwriters will subscribe for such unsubscribed New A Shares in the percentages indicated in the following table:

| Underwriters | Percentage of Underwritten Shares | Proportionate Underwriting Commitment SEK |
|---|---|---|
| Goldman Sachs International | 33 1/3% | 2,481,848,918.33 |
| Morgan Stanley & Co. International plc | 33 1/3% | 2,481,848,918.33 |
| UBS Limited | 33 1/3% | 2,481,848,918.33 |
| **Total** | | **7,445,546,755.00** |

As a result of the Primary Commitments, the Secondary Commitments and the commitment by the Underwriters to subscribe for the Underwritten Shares, subject to the satisfaction of the conditions set forth in the Underwriting Agreement, the Issuer has commitments representing all New A Shares in the Offering. Such commitments are not, however, secured. As a result, there is a risk that one or more of the commitments in the Offering may not be fulfilled. See "Risk factors—Risk factors related to the Offering—Subscription undertakings regarding the Offering are not secured".

The Underwriting Agreement provides that the obligations of the Underwriters to consummate the Rights Offering are subject to the satisfaction of certain conditions, such as the receipt of customary confirmations and legal opinions meeting the Joint Bookrunners' requirements, the making of necessary filings and the receipt of necessary approvals in connection with the Offering. It is a condition of the Underwriting Agreement that the Committed Shareholders have fulfilled their obligations to subscribe for New A Shares for an aggregate Subscription Price representing at least 95% of their aggregate Primary Commitments.

The Issuer also agreed in the Underwriting Agreement, to the fullest extent permitted by Swedish law, to indemnify the Underwriters against certain liability obligations, including liabilities under applicable securities laws, including the Securities Act.

The Underwriting Agreement may also be terminated by the Joint Bookrunners, acting jointly, by giving notice to the Issuer at any time prior to the Closing Date (as defined in the Underwriting Agreement) if certain events occur, including customary termination events such as, among others, a material adverse change in the results of operations, financial condition or business of the Group, a material adverse change in financial markets, suspension of trading of the Issuer's securities and material disruptions in trading and settlement more generally, as well as termination events relating, subject to certain exceptions, to certain forms of participation by the Group in Sweden's financial stability plan, or any termination by Investor AB of its Purchase Commitment.

The Issuer may terminate the Underwriting Agreement at any time.

In consideration of the advisory services provided and obligations undertaken by the Underwriters, the Issuer has agreed to pay fees and commissions in consideration for such services and obligations on the Closing Date (as defined in the Underwriting Agreement) equal to 2.4% of the gross proceeds of the Offering, or approximately SEK 364 million. Of the SEK 364 million, approximately SEK 223 million is being paid to the Underwriters in connection with their Underwriting Commitment. A portion of such fees will be pro-rated in the event the Underwriting Agreement is terminated prior to the Closing Date.

The Issuer has agreed to pay a total fee of approximately SEK 32 million to Investor AB, Alecta, SEB-Stiftelsen and Fjärde AP-Fonden in respect of their Secondary Commitments.

SEB has agreed to pay the fees of the Underwriters' legal counsel and up to SEK 1.5 million each of the Underwriters' expenses in connection with the Offering.

The Underwriters have entered into sub-underwriting agreements with a number of financial and other institutions. In connection with commitments made by certain of these financial institutions as sub-underwriters, they have also been named as co-managers and are named on the cover page of this Prospectus. Although named as co-managers, these financial institutions are not parties to the Underwriting Agreement with the Issuer and have no contractual underwriting relationship with the Issuer. In connection with the commitments from sub-underwriters, the Underwriters will pay the sub-underwriters a certain fee out of the total fee the Underwriters will receive from the Issuer.

One or more of the Underwriters may be unable to make offers or sales of New A Shares other than through an agent, which may be an affiliate of such Underwriter, that is a broker-dealer registered as such under the Exchange Act.

## Other relations between the Underwriters and the Issuer

Each of Goldman Sachs International, Morgan Stanley and UBS Investment Bank is acting as a structural advisor to SEB in connection with the Offering and has provided advice to SEB on the structuring, planning and execution of the Offering for which they have received fees.

Certain of the Underwriters and their respective affiliates have performed, and may in the future perform, various financial advisory, investment banking, commercial banking or other services for the Issuer or its affiliates, for which they have received and are likely to continue to receive customary fees and expenses. The Issuer or its affiliates have performed, and may also in the future perform, various financial advisory, investment banking, commercial banking or other services for certain of the Underwriters or their respective affiliates, for which they have received and are likely to continue to receive customary fees and expenses.

In connection with the Offering, each of the Underwriters and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are current shareholders of the Issuer) in connection with the Offering, and may exercise its right to take up such Subscription Rights and acquire New A Shares, and in that capacity, may retain, purchase or sell Subscription Rights or New A Shares and any other securities of the Issuer or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Offering. The Underwriters do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

## Lock-up

SEB has agreed that, without the prior written consent of the Underwriters, it will not, during the period beginning from February 5, 2009 and ending 180 days thereafter (August 4, 2009):

(i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any A Shares or C Shares or any securities convertible into or exercisable or exchangeable for A Shares or C Shares, or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of A Shares or C Shares,

whether any such transaction in clauses (i) or (ii) is to be settled by delivery of A Shares, C Shares or such other securities, in cash or otherwise, other than options granted or shares issued pursuant to current or future employee benefit plans, stock option plans or other employee compensation plans.

The restrictions contained in clause (i) and (ii) of the preceding paragraph shall not apply to:

- the New A Shares (or BTAs) to be sold in the Offering or pursuant to the Underwriting Agreement,
- the issuance by the Issuer of A Shares upon the exercise of an option, right or warrant or the conversion of a security outstanding on the date of the Underwriting Agreement,
- transactions by any person other than the Issuer relating to A Shares (or BTAs) or other securities acquired in open market transactions after the completion of the offering of the New A Shares,
- sales of treasury shares (or derivative transactions directly related thereto) carried out in a manner consistent with the Issuer's normal treasury activity,
- market making, hedging, brokerage and asset management activities in the ordinary course of trading and
- conversions of outstanding C Shares into A Shares.
- hedging by the Issuer of its exposures under existing employee option and long-term incentive programs, and
- the non-dilutive issuance of shares or other equity-linked securities to the Kingdom of Sweden (including the Swedish National Debt Office) pursuant to the capital contribution program announced by the Swedish government on February 3, 2009, including any amendments thereto; provided that only with respect to any such issuance of shares and other equity-linked securities, as the case may be, during the 90-day period following February 5, 2009, such issuance shall not be materially prejudicial to the interests of holders of A Shares.

## Trading in the Subscription Rights and SEB shares by SEB

During the distribution of New A Shares in the Offering, the Issuer and certain of its affiliates intend to engage in various dealing and brokerage activities involving the Issuer's shares when and to the extent permitted by applicable law. Among other things, the Issuer and certain of its affiliates, as the case may be, intend (1) to make a market in the Issuer's shares by purchasing and selling the Issuer's shares for their own account or to facilitate customer transactions; (2) to make a market, from time to time, in derivatives (such as options, warrants, convertible securities and other instruments) relating to the Issuer's shares for their own account and the accounts of their customers; (3) to engage in trades in the Issuer's shares for their own account and the accounts of their customers for the purpose of hedging their positions established in connection with the derivatives market making described above; (4) to engage in unsolicited brokerage transactions in the Issuer's shares with their customers; (5) to trade in the Issuer's shares and derivatives on the Issuer's shares as part of their investment management activities for the accounts of their customers; and (6) to trade in the Issuer's shares pursuant to employee incentive plans. These activities may occur on NASDAQ OMX Stockholm, in the over-the-counter market in Sweden or elsewhere outside the United States. In addition, when and to the extent permitted by applicable law, the Issuer's affiliated U.S. broker-dealer, SEB Enskilda Inc., may engage in unsolicited brokerage transactions in the Issuer's shares, and the Issuer's investment management business groups may trade in SEB shares and derivatives on the Issuer's shares, in the United States.

The Issuer and its affiliates are not obliged to make a market in or otherwise purchase the Issuer's shares or derivatives on the Issuer's shares and any such market making or other purchases may be discontinued at any time. These activities could have the effect of preventing or retarding a decline in the market price of the Issuer's shares.

In addition, when and to the extent permitted under applicable law, the Issuer and its affiliates, as the case may be, may engage in various dealing and brokerage activities involving the Subscription Rights, including making a market or transactions as principal or agent in the Subscription Rights. However, the Issuer and its affiliates are not obliged to make a market in or otherwise purchase Subscription Rights and any such market making or other purchases may be discontinued at any time. These activities could have the effect of preventing or retarding a decline in the market price of the Subscription Rights.

## Stabilisation and other trading activities

In connection with the Offering of the New A Shares, Morgan Stanley (or an agent or affiliate of Morgan Stanley) is acting as Stabilisation Manager and may undertake measures aimed at supporting the stock exchange or market price of the Issuer's shares in order to offset any sales pressure that may exist ("**Stabilisation Measures**").

Stabilisation Measures include transactions that stabilise, maintain or otherwise effect the market price of the Issuer's shares. Such transactions may include engaging in stabilising transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Underwriters of securities not owned by them. Stabilising transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the securities while an offering is in progress.

The Stabilisation Manager is under no obligation to take Stabilisation Measures. Therefore, there is no guarantee that Stabilisation Measures will be implemented. If Stabilisation Measures are taken, they may be terminated at any time without prior notice.

Such Stabilisation Measures may be undertaken from the date the Subscription Price is published and will end no later than the 30th calendar day following the expiration of the Subscription Period for the Subscription Rights held in the Euroclear Sweden system, expected to be April 26, 2009 (the "**Stabilisation Period**"). The Stabilisation Manager may not stabilise the Issuer's shares at any time prior to the first trading day of the New A Shares on NASDAQ OMX Stockholm, at a price exceeding the Subscription Price.

Stabilisation Measures may cause the stock exchange or market price of the Issuer's shares and/or the Subscription Rights to be higher than it would have been without such measures. In addition, such measures may temporarily result in a stock exchange or market price at a level that is not sustainable over the long term.

Within one week after the end of the Stabilisation Period, an announcement will be published as to whether or not a Stabilisation Measure was carried out, the date on which the Stabilisation Measure was commenced, the date on which the last Stabilisation Measure was taken, and the price range within which the Stabilisation Measure was carried out (for each date on which a Stabilisation Measure was carried out).

Certain of the Underwriters have advised the Issuer that they are currently making a market for the Issuer's shares and that they intend to make a market in the Subscription Rights outside of the United States. The Underwriters may also engage in transactions for the accounts of others in the Issuer's shares and Subscription Rights and certain derivatives linked to the Issuer's shares.

In addition, in connection with the Offering, the Underwriters may engage in trading activity with respect to Subscription Rights and the Issuer's shares during the Subscription Period for the sole purpose of hedging their commitments under the Underwriting Agreement. Such activity may include purchases and sales of Subscription Rights and the Issuer's shares and related or other securities and instruments. These transactions may include short sales of the Issuer's shares and purchases of Subscription Rights which cover the positions created by short sales.

If these market-making and other activities are commenced, they may be discontinued at any time at the sole discretion of the relevant Underwriter and without notice. These activities may occur on NASDAQ OMX Stockholm or in any other market place, including in the over-the-counter market, in Sweden or elsewhere outside the United States in accordance with applicable law and regulation.

## Other

There is currently no market for the Subscription Rights, and no assurance can be given as to the development or liquidity of any market for the Subscription Rights.

The Subscription Rights will be eligible for trading on NASDAQ OMX Stockholm. SEB has applied to list the New A Shares on NASDAQ OMX Stockholm.

# Certain tax issues in selected jurisdictions

## Certain tax issues in Sweden

*Below is a summary of certain Swedish tax issues related to the Offering for shareholders in SEB and holders of Subscription Rights that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended to provide general information only. The summary applies only to investors that directly hold shares in SEB as a portfolio investment and that (directly or indirectly) represent less than 10% of the capital and votes.*

*The summary does not cover:*

- *situations where securities are held as current assets in business operations;*
- *situations where securities are held by a partnership;*
- *the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends that may be applicable when the investor holds shares in SEB or Subscription Rights that are deemed to be held for business purposes (for tax purposes);*
- *foreign investors conducting business from a permanent establishment in Sweden; or*
- *foreign companies that have been Swedish companies.*

*Further, special tax rules apply to certain categories of companies. The tax consequences for each individual security holder depend to some extent on the holder's particular circumstances. Each shareholder and holder of Subscription Rights is advised to consult an independent tax advisor as to the tax consequences relating to his/her particular circumstances that could arise from the Offering, including the applicability and effect of foreign income tax legislation (including regulations) and provisions in tax treaties for the avoidance of double taxation.*

### General information

#### *Private individuals*

For private individuals resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains is taxed in the capital income category. The tax rate in the capital income category is 30%.

The capital gain or the capital loss is computed as the difference between the consideration (less selling expenses) and the acquisition value[1]. The acquisition value for all shares of the same class and type shall be added together and computed collectively in accordance with the so-called average method (*Sw: genomsnittsmetoden*). In this context, it should be noted that shares of different classes in the same company are not regarded as being of the same class and type. Furthermore, BTAs are not regarded as being of the same class and type as the existing A Shares until the resolution on the issue of New A Shares has been registered with the SCRO. As an alternative, the so-called standard method (*Sw: schablonmetoden*) may be used for the disposal of listed shares. This method allows the acquisition value to be determined as 20% of the consideration less selling expenses.

Capital losses on listed shares and other listed securities taxed as shares (such as Subscription Rights and BTAs) may be fully offset against taxable capital gains the same year on shares as well as on listed securities taxed as shares (however not investment funds containing Swedish receivables only, *Sw: räntefonder*). Capital losses not absorbed by these set-off rules are deductible at 70% in the capital income category.

Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and business activities, as well as property tax. This tax reduction is granted at 30% of the net loss that does not exceed SEK 100,000 and at 21% of any remaining net loss. An excess net loss cannot be carried forward to future tax years.

For private individuals resident in Sweden for tax purposes, a preliminary tax of 30% is withheld on dividends. The preliminary tax is normally withheld by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee.

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1) Below are some transactions that may affect the acquisition value for shares in SEB (questions may also be put to the Swedish Tax Agency, telephone +46 (0)771 567 567):
a) Shareholders in Trygg-Hansa AB that exchanged shares in Trygg-Hansa AB for shares in SEB in year 1997.
b) Shareholders in SEB that received shares in Diligentia AB as a tax-free dividend in year 1996 (please see RSV S 1996:22 on the Swedish Tax Agency's website www.skatteverket.se).
c) Shareholders that participated in the merger of Skandinaviska Banken and Stockholms Enskilda Bank in year 1972.
d) Shareholders that received purchase rights (Stockholms Enskilda Bank) in year 1972.

### *Limited liability companies*

For limited liability companies (*Sw: aktiebolag*) all income, including capital gains and dividends, is taxed as income from business activities at a rate of 26.3%.[1] Capital gains and capital losses are calculated in the same way as described for private individuals above.

Capital losses on shares and other securities taxed as shares may only be offset against taxable capital gains on shares and other securities taxed as shares. If a capital loss cannot be deducted by the company that has suffered the loss, it may be deducted the same year from another legal entity's taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation (through group contributions) and that both companies request this at the same year of assessment. A net capital loss on shares and other securities taxed as shares that cannot be utilised during the year of the loss, may be carried forward (by the limited liability company that has suffered the loss) and offset in future years against taxable capital gains on shares and other securities taxed as shares, without any limitation in time. Special tax rules may apply to certain categories of companies or certain legal persons, e.g. mutual funds and investment companies.

### Exercise of received Subscription Rights

If shareholders in SEB exercise their Subscription Rights to acquire new shares, no tax is levied.

### Sale of received Subscription Rights

Shareholders that do not wish to exercise their Subscription Rights can sell their Subscription Rights. At the disposal of Subscription Rights the taxable capital gain shall be calculated. The same applies upon a central sale of the shareholder's excess Subscription Rights. Subscription Rights deriving from the holding of shares in SEB are deemed to be acquired for SEK 0. The standard method may not be used to determine the acquisition value in this situation. The entire consideration less selling expenses is thus liable to taxation. The acquisition value of the original shares is not affected.

### Acquired Subscription Rights

The amount payable by anyone buying or similarly acquiring Subscription Rights constitutes the acquisition value of the same. No tax is levied if these Subscription Rights are exercised to subscribe for shares. The acquisition value of the Subscription Rights shall be included when calculating the acquisition value of the shares. If the Subscription Rights on the other hand are sold, capital gains taxation is triggered. The acquisition value for Subscription Rights is calculated in accordance with the average method. The standard method may be used for listed Subscription Rights acquired in the way now described. If the Subscription Right is not exercised or sold and therefore expires, the Subscription Right is deemed to be disposed of for SEK 0.

### Shareholders and holders of Subscription Rights not resident in Sweden for tax purposes

Receipt of Subscription Rights and exercise of Subscription Rights are not taxable events for Swedish tax purposes for shareholders and holders of Subscription Rights not resident in Sweden for tax purposes.

For shareholders not resident in Sweden for tax purposes that receive dividends on shares in a Swedish limited liability company, Swedish withholding tax is normally withheld. The same withholding tax applies to certain other payments made by a Swedish limited liability company, for example payments as a result of redemption of shares and repurchase of shares through an offer directed to all shareholders or all holders of shares of a certain class. The tax rate is 30%. The tax rate is, however, generally reduced through tax treaties for the avoidance of double taxation. Below are some withholding tax rates. A prerequisite of the application of these withholding tax rates is that the shareholder is entitled to invoke the provisions reducing the withholding tax on dividends in the tax treaty for the avoidance of double taxation.

- *Danish shareholders:* Under the tax treaty between the Nordic countries for the avoidance of double taxation, the withholding tax on dividends paid on portfolio investments to eligible Danish shareholders shall not exceed 15%.
- *Estonian shareholders:* Under the tax treaty between Sweden and Estonia for the avoidance of double taxation, the withholding tax on dividends paid on portfolio investments to eligible Estonian shareholders shall not exceed 15%.

1) The tax rate has been reduced from 28% to 26.3% as of January 1, 2009. There are some transitional provisions.

- *Finnish shareholders:* Under the tax treaty between the Nordic countries for the avoidance of double taxation, the withholding tax on dividends paid on portfolio investments to eligible Finnish shareholders shall not exceed 15%.
- *German shareholders:* Under the tax treaty between Sweden and Germany for the avoidance of double taxation, the withholding tax on dividends paid on portfolio investments to eligible German shareholders shall not exceed 15%.
- *Latvian shareholders:* Under the tax treaty between Sweden and Latvia for the avoidance of double taxation, the withholding tax on dividends paid on portfolio investments to eligible Latvian shareholders shall not exceed 15%.
- *Lithuanian shareholders:* Under the tax treaty between Sweden and Lithuania for the avoidance of double taxation, the withholding tax on dividends paid on portfolio investments to eligible Lithuanian shareholders shall not exceed 15%.
- *Luxembourg shareholders:* Under the tax treaty between Sweden and Luxembourg for the avoidance of double taxation, the withholding tax on dividends paid on portfolio investments to eligible Luxembourg shareholders shall not exceed 15%.
- *Norwegian shareholders:* Under the tax treaty between the Nordic countries for the avoidance of double taxation, the withholding tax on dividends paid on portfolio investments to eligible Norwegian shareholders shall not exceed 15%.
- *United Kingdom shareholders:* Under the tax treaty between Sweden and the United Kingdom and Northern Ireland for the avoidance of double taxation, the withholding tax on dividends paid on portfolio investments to eligible United Kingdom shareholders shall not exceed 5%.
- *U.S. shareholders:* Under the tax treaty between Sweden and the United States for the avoidance of double taxation, the withholding tax on dividends paid on portfolio investments to eligible U.S. shareholders shall not exceed 15%.

In Sweden, withholding tax deductions are normally carried out by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee.

Shareholders and holders of Subscription Rights not resident in Sweden for tax purposes – which are not conducting business from a permanent establishment in Sweden – are normally not liable for capital gains taxation in Sweden upon disposals of shares and Subscription Rights. Shareholders and holders of Subscription Rights, respectively, may however be subject to taxation in their state of residence.

According to a special rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of shares in SEB and Subscription Rights, if they have been residents of Sweden or have had a habitual abode in Sweden at any time during the calendar year of disposal or the ten calendar years preceding the year of disposal. In a number of cases though, the applicability of this rule is limited by the applicable tax treaty for the avoidance of double taxation.

## Certain tax issues in other selected jurisdictions

*Below is a summary of certain tax issues in other selected jurisdictions related to the Offering. The summary is intended to provide general information only concerning withholding tax (unless otherwise explicitly stated) relating to dividends on shares and is not a complete description of all potential tax consequences. Further, the summary is based on current legislation. The legislation is subject to changes, possibly on a retroactive basis. Each shareholder and holder of Subscription Rights is advised to consult an independent tax advisor as to the tax consequences relating to the holder's particular circumstances that could arise from the Offering, including the applicability and effect of foreign income tax legislation (including regulations) and provisions in tax treaties for the avoidance of double taxation.*

### Certain tax issues in Denmark

Under current Danish tax law, dividends on the New A Shares can be paid and the New A Shares can be disposed of without any requirement to withhold any amount at source for or on account of Danish tax.

## Certain tax issues in Estonia

### *Taxation of dividends in Estonia*

*Private individuals*

Pursuant to the Estonian Income Tax Act, income tax is charged on all dividends and other profit distributions received by a resident private individual from a foreign legal person in monetary or non-monetary form. As an exception, income tax is not charged on dividends if income tax has been paid on the share of profit on the basis of which the dividends are paid or if income tax on the dividends has been withheld in a foreign state. Therefore, dividends from SEB to a private individual resident in Estonia are exempt from income tax in Estonia if income tax on the dividends is withheld in a foreign state (such as, Swedish withholding tax).

The income tax rate is 21% in 2009. Pursuant to the Estonian Income Tax Act currently in force, the income tax rate will decrease gradually within the following years (to 20% as from January 1, 2010, 19% as from January 1, 2011, and 18% as from January 1, 2012).

*Companies*

The system of corporate earnings taxation currently in force in Estonia is a unique system that shifts the point of corporate taxation from the moment of earning the profits to the moment of their distribution. Corporate income tax is charged on profit distributions such as dividends and implicit distributions (that is, fringe benefits, gifts and donations, as well as expenditures and payments not related to the business activities of a company). Therefore, in case the resident shareholder who is entitled to the dividend payment is itself a company, the obligation to pay income tax from the earned profits arises only at the moment of the profit distribution.

All of the above profit distributions are taxed at a rate of 21/79, which amounts to approximately 26.6% of the net amount of the distribution. Pursuant to the Estonian Income Tax Act currently in force, the corporate income tax rate will decrease gradually within the following years (to 20/80 as from January 1, 2010, 19/81 as from January 1, 2011, and 18/82 as from January 1, 2012).

Pursuant to the Estonian Income Tax Act, income tax is not charged if the resident company has derived the dividend which is the basis for the payment from a resident company of a EU state or the Swiss Confederation taxable with income tax (except for companies located in a low tax territory) and at least 10% of such company's shares or votes belonged to the company at the time of deriving the dividend. Further, no income tax obligation will arise if the dividend is paid out of profit attributed to a resident company's permanent establishment located in a EU state or the Swiss Confederation.

If the Estonian resident company has less than a 10% participation in the non-resident company at the time of deriving the dividend, then pursuant to the Estonian Income Tax Act, the Estonian resident company is entitled to deduct income tax paid in a foreign state (that is, Swedish withholding tax) from the Estonian income tax. The income tax of a foreign state may be deducted only in the amount which it is mandatory to pay pursuant to the law of the state or a tax treaty for the avoidance of double taxation.

Corporate income tax imposed on distributed profits is not a withholding tax and thus is not influenced by the applicable tax treaty for the avoidance of double taxation.

*Withholding tax on dividends*

Under current Estonian tax law dividends on the New A Shares can be paid without any requirement to withhold any amount at source for or on account of Estonian tax.

## Certain tax issues in Finland

*Below is a summary of certain Finnish tax issues related to the Offering for shareholders in SEB and holders of Subscription Rights that are generally liable to taxation in Finland (i.e. resident in Finland for tax purposes), unless otherwise stated. The summary is based on current legislation and is intended to provide general information only. The summary applies only to investors that directly hold shares in SEB as a portfolio investment and that (directly or indirectly) represent less than 10% of the capital and votes.*

*The summary does not cover:*

- *tax issues related to currency exchange gains or currency exchange losses;*
- *situations where securities are held by employees or directors of SEB;*
- *situations where securities are held by a partnership (in Finnish: "avoin yhtiö" or "kommandiittiyhtiö") or a private entrepreneur; or*
- *non-Finnish investors carrying on business from a permanent establishment in Finland.*

*Special tax rules apply to certain categories of companies (such as financial institutions, insurance companies and pension insurance companies as well as companies carrying on private equity activities). The tax consequences for each individual security holder depend to some extent on the holder's particular circumstances. Each shareholder and holder of Subscription Rights is advised to consult an independent tax advisor regarding the tax consequences relating to his/her particular circumstances that could arise from the Offering, including the applicability and effect of foreign income tax legislation (including regulations) and provisions in tax treaties for the avoidance of double taxation.*

### General information

#### *Private individuals*

For private individuals resident in Finland for tax purposes, income such as interest income, dividends and capital gains is taxed as capital income (as opposed to earned income).[1)] The tax rate for capital income is currently 28%. However, 70% of dividends received from publicly listed companies is treated as taxable capital income and the remaining 30% is treated as tax-exempt income.

The capital gain or the capital loss at a disposal is computed as the difference between the consideration and the acquisition value, including selling expenses. The deductible amount is, however, always at least 20% of the consideration, or if the asset disposed of has been held by the seller for at least ten years, at least 40% of the consideration (the acquisition value assumption). If the acquisition value assumption is used, the actual selling expenses cannot be deducted.

Capital losses arising at the disposal of assets shall be offset against capital gains at the disposal of assets (i.e. not against other income) during the tax year in question and the three subsequent tax years, as such capital gains arise.

Shares and Subscription Rights handled in the electronic book-entry system are considered to be disposed of in the order of acquisition (i.e. first in first out), if the tax payer does not show which shares or Subscription Rights he or she has actually disposed of.

Private individuals are encouraged to, at need, take into account the possibility of paying supplementary tax (*in Finnish: "ennakon täydennysmaksu*") if significant capital gains have been realised. By e.g. paying supplementary tax by the end of January in the year following the tax year during which the disposal took place, it is possible to entirely avoid the interest payable on tax arrears to the extent the above-mentioned payment covers the tax arrears.

Persons resident in Finland for tax purposes are not required to pay transfer tax on the subscribed shares in SEB or the received Subscription Rights.

#### *Limited liability companies*

For limited liability companies, the basis is that all taxable income, including capital gains, is taxed as income from business activities at a rate of 26%.[2)] Dividends received by a limited liability company are, as a general rule, not taxable income. However, 75% of the dividend is taxable income and 25% is tax-exempt income, if the limited liability company distributing the dividend is such a publicly listed company intended in Section 33 a, Subsection 2 of the Finnish Income Tax Act (1535/1992), as SEB is, and the recipient of the dividend is not a publicly listed company.

The capital gain or the capital loss at a disposal is computed as the difference between the consideration and the remaining acquisition value for tax purposes, including selling expenses.[3)]

Capital losses arising at the disposal of shares not held as fixed assets (*in Finnish: "käyttöomaisuus*") may be deducted from business income during the tax year in question and the ten subsequent tax years.

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1) It is assumed here that the income in question is not regarded as income from business activities or as agricultural income.
2) Limited liability companies may also have income that is not regarded as income from business activities. In this context it is, however, assumed that capital gains and dividends from SEB are regarded as income from business activities.
3) Tax payers other than private individuals cannot use the acquisition value assumption described in the section "—Private individuals".

If the shares held represent less than 10% of the capital, it is not possible to apply the tax exemption for capital gains for shares held as fixed assets (as set out in Section 6 b of the Finnish Business Income Tax Act, 360/1968). Capital losses on taxable shares, held as fixed assets, may only be deducted from taxable capital gains on shares held as fixed assets. The setoff is possible during the tax year during which the losses arise and the five subsequent tax years. If the tax payer has not owned the shares disposed of continuously for at least one year, the deductible capital loss is decreased by amounts that have decreased the assets of the company, such as by dividends received by the tax payer on the shares disposed of.

Capital losses arising at the disposal of shares not pertaining to income from business activities may be set off against capital gains arising within the same income category during the tax year in question and the subsequent three tax years.

Finnish limited liability companies are not required to pay transfer tax on the subscribed shares in SEB or the received Subscription Rights.

### *Received Subscription Rights*

If a shareholder in SEB exercises his/her Subscription Rights to acquire new shares, no tax is levied in Finland. For private individuals, the acquisition value for Existing Shares and the acquisition value for new shares deriving from the holding of Existing Shares are added together and divided evenly between each such share. For companies carrying on business activities, the acquisition value for Existing Shares and the acquisition value for new shares are not added together. Private individuals may use the acquisition value assumption described above in the section "—General information—Private individuals".

Shareholders that do not wish to exercise their Subscription Rights can sell their Subscription Rights. At the disposal of Subscription Rights the taxable capital gain shall be calculated. The acquisition value for Subscription Rights deriving from the holding of shares in SEB is deemed to be zero. Only private individuals may use the acquisition value assumption described above in the section "—General information—Private individuals". Limited liability companies should treat the entire consideration, less selling expenses, as a taxable capital gain. The acquisition value for the Existing Shares is not affected by a disposal of Subscription Rights.

### *Acquired Subscription Rights*

For those buying or similarly acquiring Subscription Rights, the consideration paid constitutes the acquisition value for these Subscription Rights.

A disposal of Subscription Rights triggers capital gains taxation. Only private individuals may use the acquisition value assumption described above in the section "—General information—Private individuals". For limited liability companies, the taxable capital gain should be computed as the difference between the consideration and the acquisition value for the Subscription Rights, including selling expenses.

Exercise of Subscription Rights to subscribe for shares does not trigger taxation. The acquisition value for the subscribed shares equals the sum of the consideration for the shares and the Subscription Rights, including the purchase costs directly related thereto. Private individuals may use the acquisition value assumption described above in the section "—General information—Private individuals".

### *Withholding tax and avoidance of double taxation*

Under current Finnish tax law, dividends on the New A Shares can be paid and the New A Shares can be disposed of without any requirement to withhold any amount at source for or on account of Finnish tax.

With regard to Swedish withholding tax and the party liable to carry out withholding tax deductions for shareholders not resident in Sweden for tax purposes that receive dividends on shares in a Swedish limited liability company or other income from Sweden related to the Offering, please refer to the section "—Certain tax issues in Sweden—Shareholders and holders of Subscription Rights not resident in Sweden for tax purposes". Under the tax treaty between the Nordic countries for the avoidance of double taxation, e.g., the Swedish withholding tax on dividends paid on portfolio investments to eligible Finnish shareholders shall not exceed 15%. A prerequisite of the applicability of the above-mentioned tax rate is that the shareholder is entitled to invoke the provisions in the tax treaty for the avoidance of double taxation reducing the withholding tax on dividends. The tax paid in Sweden shall be credited from the corresponding tax in Finland, if any.

## Certain tax issues in Germany

### *Taxation of dividends in Germany*

*Private individuals*

Dividends received by a German resident private individual from shares in a corporation (whether located in Germany or not) are subject to a 25% flat income tax rate (plus 5.5% solidarity surcharge thereof, that is, in total 26.375%) pursuant to the German Income Tax Act (*in German: "Einkommensteuergesetz"*), provided, however, that the shares are held as private assets (*in German: "Privatvermögen"*).

In case of dividends of a foreign company, the entity (which might be a German bank, a German branch of a foreign bank, a German depositary bank, etc.) that (i) pays out the dividends to the investor resident in Germany and (ii) that is located in Germany, instead of the foreign corporation, has to withhold the flat income tax. In such a case, this entity would have to deduct 25% withholding tax (plus 5.5% solidarity surcharge thereof, that is, in total 26.375%).

In general, the German entity which pays out the dividends may credit an actually paid foreign withholding tax to the German withholding tax up to an amount of 25%. However, in accordance with the tax treaty between Germany and Sweden for the avoidance of double taxation, the Swedish withholding tax must not exceed 15%, see "—Certain tax issues in Sweden—Shareholders and holders of Subscription Rights not resident in Sweden for tax purposes". Therefore, the maximum amount which may be credited to the German withholding tax is also limited to 15%.

The German dividend withholding tax would generally be a final tax, i.e., the withholding tax fully covers all personal income tax on such dividend income (*in German: "Endbesteuerung"*). Also, the deduction of income-related expenses (*in German: "Werbungskosten"*) would be limited to a lump-sum for savings (*in German: "Sparer-Pauschbetrag"*).

In the absence of a German entity paying out the dividends, the investor would have to declare the dividend income in his income tax return with a generally applicable special flat income tax rate of 25% (plus 5.5% solidarity surcharge thereof, that is, in total 26.375%).

Further, the investor may in certain cases also alternatively apply for a regular tax assessment (*in German: "Steuerveranlagung"*), in which case the limitation of the deduction of income-related expenses to the lump-sum for savings does not apply. Depending on the kind of the regular tax assessment, the dividends are taxed either at the regular income tax rate or at the flat income tax rate. Moreover, shareholders holding at least 25% of the shares of the company or holding at least 1% of the shares of the company and employed by the company may apply for dividends not to be taxed with the flat income tax but according to the partial income method (*in German: "Teileinkünfteverfahren"*). In this case, only 60% of the dividends are treated as taxable income. Accordingly, income-related expenses can also only be deducted in the amount of 60%.

If the shares are held as business assets (*in German: "Betriebsvermögen"*), the flat income tax does not apply. Instead, dividends are generally taxed according to the partial income method. Also, the partial income method applies to shares, which are held as business assets of partnerships to the extent that individual investors are partners in the partnership.

*Corporations*

In case the resident shareholder is itself a corporation, 95% of the dividends are generally exempt from corporate income tax and the solidarity surcharge (subject to exceptions for certain companies, such as credit institutions, financial services companies, etc.). No minimum level of participation or minimum holding period needs to be observed. However, 5% of the dividends are treated as taxable income of the corporation.

## Certain tax issues in Latvia

The Latvian tax laws provide that dividends on shares can be paid without any requirement to withhold any amount at source for or on account of taxes in Latvia.

## Certain tax issues in Lithuania

Under current Lithuanian tax law dividends on the New A Shares can be paid without any requirement to withhold any amount at source for or on account of Lithuanian tax.

### Certain tax issues in Luxembourg

#### *Private individuals*

Dividends received by a Luxembourg resident private individual from shares held in a Swedish corporation will be subject to the progressive income tax rate of this private individual (the top marginal tax rate is 38%), plus an unemployment fund contribution levied at the rate of 2.5% on the tax previously computed (that is, a top marginal tax rate of 38.95%). Such dividends may benefit from the 50% exemption set forth in Article 115(15a) of the Luxembourg Income Tax Law, subject to fulfillment of the conditions set out therein. In such case, any withholding tax previously withheld in Sweden will only be creditable within a 50% limit. Should the dividend be fully taxable, then the tax credit can be used without the 50% limit just mentioned. As regards Swedish withholding tax for shareholders not resident in Sweden for tax purposes, please refer to the section "—Certain tax issues in Sweden—Shareholders and holders of Subscription Rights not resident in Sweden for tax purposes". Capital gains will only be taxable in Luxembourg if they are realized on a sale of the New A Shares, which takes place within the first six months following their acquisition, or if the relevant holder holds more than 10% of the SEB shares. The payment of such income through an intermediary/agent does not change the above described treatment and no tax is withheld in Luxembourg by such intermediary.

#### *Companies*

For Luxembourg companies, income in the form of dividends or capital gains derived from SEB shares will be subject to corporate income tax and municipal business tax. The combined rate for these two taxes (including an unemployment fund contribution of 4%) is 28.59% in the city of Luxembourg. Withholding tax paid in Sweden may however be creditable against Luxembourg corporate income tax, under certain conditions. As regards Swedish withholding tax for shareholders not resident in Sweden for tax purposes, please refer to the section "—Certain tax issues in Sweden—Shareholders and holders of Subscription Rights not resident in Sweden for tax purposes". Such dividends may benefit either from the 50% exemption set forth in Article 115(15a) of the Luxembourg Income Tax Law or from the full exemption set forth in Article 166 of the Luxembourg Income Tax Law, subject in each case to fulfillment of the respective conditions set out therein. Capital gains realized on the sale of SEB shares may benefit from the full exemption provided for by Article 166 of the Luxembourg Income Tax Law and by the Grand Ducal Decree of December 21, 2001, as amended, subject in each case to fulfillment of the conditions set out therein. Should this not be the case, capital gains will be taxable at the full corporate income tax and municipal income tax rate.

### Certain tax issues in Norway

Under current Norwegian tax law dividends on the New A Shares can be paid without any requirement to withhold any amount at source for or on account of Norwegian tax.

### Certain tax issues in the United Kingdom

Under current United Kingdom tax law dividends on the New A Shares can be paid without any requirement to withhold any amount at source for or on account of United Kingdom tax.

# Certain United States federal income tax considerations

***IRS Circular 230 Notice: To ensure compliance with U.S. Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Prospectus or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the U.S. Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.***

This section describes the material United States federal income tax consequences of the receipt, ownership, sale, exercise and disposition of the Subscription Rights received as a distribution pursuant to the Rights Offering and the ownership, sale and disposition of the New A Shares. It applies only to a U.S. Holder (as defined below) that acquires Subscription Rights or New A Shares in the Offering and that holds Subscription Rights or New A Shares as capital assets for U.S. federal income tax purposes. This section does not describe all the tax consequences which may apply to a U.S. Holder that is a member of a special class of holders subject to special rules, including:

- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
- a tax-exempt organisation;
- a life insurance company;
- a person liable for alternative minimum tax;
- a person that actually or constructively owns 10% or more of SEB's voting stock;
- a person that holds the A Shares as part of a straddle or a hedging or conversion transaction; or
- a person whose functional currency is not the U.S. dollar.

This section is based on the U.S. Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis.

A "U.S. Holder" is a beneficial owner of Subscription Rights or New A Shares that is for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a domestic corporation or other entity treated as a domestic corporation for U.S. federal income tax purposes;
- an estate whose income is subject to United States federal income tax regardless of its source; or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorised to control all substantial decisions of the trust.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) receives the Subscription Rights or holds New A Shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor as to the U.S. federal income tax consequences of receiving, exercising and disposing of the Subscription Rights and owning or disposing of the New A Shares.

*Investors should consult their own tax advisor regarding the United States federal, state, local and other tax consequences of receiving, owning, exercising and disposing of Subscription Rights and owning and disposing of New A Shares in their particular circumstances.*

This discussion addresses only United States federal income taxation. For a discussion of Swedish tax implications for U.S. Holders, see "Certain tax issues in selected jurisdictions—Certain tax issues in Sweden".

### Taxation of Subscription Rights

#### *Receipt of Subscription Rights*

The receipt of Subscription Rights pursuant to the Rights Offering should be treated as a nontaxable distribution with respect to a U.S. Holder's Existing Shares for U.S. federal income tax purposes. The discussion below assumes that the receipt of Subscription Rights will be treated as a nontaxable distribution.

If the fair market value of the Subscription Rights that a U.S. Holder receives is less than 15% of the fair market value of the holder's Existing Shares on the date the holder receives the Subscription Rights, the Subscription Rights will be allocated a zero basis for U.S. federal income tax purposes, unless the U.S. Holder elects to allocate basis between the holder's Existing Shares and the Subscription Rights in proportion to the relative fair market values of the holder's Existing Shares and the Subscription Rights determined on the date of receipt of the Subscription Rights. If a U.S. Holder chooses to allocate basis between the holder's Existing Shares and the Subscription Rights, the U.S. Holder must make this election on a statement included with the holder's tax return for the taxable year in which the holder receives the Subscription Rights. Such an election is irrevocable.

On the other hand, if the fair market value of the Subscription Rights that a U.S. Holder receives is 15% or more of the fair market value of the holder's Existing Shares on the date the holder receives the Subscription Rights, then the U.S. Holder must allocate the holder's basis in the Existing Shares between the Existing Shares and the Subscription Rights the holder receives in proportion to their fair market values determined on the date the holder receives the Subscription Rights.

A U.S. Holder's holding period in a Subscription Right will include the holder's holding period in the Existing Shares with respect to which the Subscription Right was distributed.

#### *Exercise of Subscription Rights*

Generally, a U.S. Holder will not realise gain or loss on the exercise of a Subscription Right. A U.S. Holder's tax basis in a New A Share acquired when the holder exercises a Subscription Right will be equal to the holder's adjusted tax basis in the Subscription Right plus the U.S. dollar value of the Subscription Price. The holding period of a New A Share acquired when a U.S. Holder exercises a Subscription Right will begin on the date of exercise.

#### *Not exercising Subscription Rights*

If a U.S. Holder does not exercise the holder's Subscription Right, the holder will not recognise a capital loss for U.S. federal income tax purposes and any portion of the tax basis in the holder's Existing Shares previously allocated to the Subscription Right not exercised will be re-allocated to the Existing Shares.

#### *Sale of Subscription Rights*

Subject to the passive foreign investment company ("**PFIC**") rules described below, upon a sale or other disposition of a Subscription Right, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. dollar value of the amount that the holder realises and the holder's tax basis, determined in U.S. dollars, in the holder's Subscription Right (if any). Capital gain of a noncorporate U.S. Holder that is recognised in taxable years beginning before January 1, 2011, is generally taxed at a maximum rate of 15% where the holder has a holding period greater than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations.

## Taxation of New A Shares

### *Dividends*

Subject to the PFIC rules discussed below, for a U.S. Holder, the gross amount of any dividend the Issuer pays out of its current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) is subject to United States federal income taxation.

For a noncorporate U.S. Holder, dividends paid to the holder in taxable years beginning before January 1, 2011 that constitute qualified dividend income will generally be taxable to the holder at a maximum tax rate of 15%, provided that the holder holds the New A Shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meets other holding period requirements. Dividends paid by SEB with respect to the New A Shares generally will be qualified dividend income.

A U.S. Holder must include any Swedish tax withheld from the dividend payment in income even though the holder does not in fact receive it. The dividend is taxable to a U.S. Holder when a holder receives the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations.

The amount of the dividend distribution that a U.S. Holder must include in the holder's income will be the U.S. dollar value of the SEK payments made, determined at the spot SEK / U.S. dollar rate on the date the dividend distribution is includible in the holder's income, regardless of whether the payment is in fact converted into U.S. dollars.

Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date a U.S. Holder includes the dividend payment in income to the date the U.S. Holder converts the payment into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of a U.S. Holder's basis in the New A Shares and thereafter as capital gain. The Issuer has not maintained and does not plan to maintain calculations of its earnings and profits for U.S. federal income tax purposes. As a result, a U.S. Holder may need to include the entire amount of any distribution in income as a dividend. U.S. Holders should consult their own tax advisors with respect to the appropriate U.S. federal income tax treatment of any distribution on New A Shares.

Dividends will be income from sources outside the United States and will, depending on a U.S. Holder's circumstances, be "passive" or "general" income for purposes of computing the foreign tax credit allowable to the holder.

### *Capital gains*

Subject to the PFIC rules described below, if a U.S. Holder sells or otherwise disposes of the holder's New A Shares, the holder will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. dollar value of the amount that the holder realises and the holder's tax basis, determined in U.S. dollars, in the holder's New A Shares. Capital gain of a noncorporate U.S. Holder that is recognised in taxable years beginning before January 1, 2011 is generally taxed at a maximum rate of 15% where the holder has a holding period greater than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations.

## PFIC rules

The Subscription Rights and New A Shares should not be treated as stock of a PFIC for U.S. federal income tax purposes, but this conclusion is a factual determination that is made annually and thus may be subject to change. If SEB were to be treated as a PFIC, gain realised on the sale or other disposition of a U.S. Holder's New A Shares and, under certain proposed regulations, Subscription Rights would in general not be treated as capital gain. Instead, a U.S. Holder would be treated as if the holder had realised such gain and certain "excess distributions" rateably over the holder's holding period for the New A Shares and Subscription Rights and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. With certain exceptions, a U.S. Holder's New A Shares and Subscription Rights will be treated as stock in a PFIC if SEB were a PFIC at any time during the holder's holding period in New A Shares and Subscription Rights.

### Backup withholding and information reporting

For a noncorporate U.S. Holder, information reporting requirements, on U.S. Internal Revenue Service Form 1099, generally will apply to:

- dividend payments or other taxable distributions made to the U.S. Holder within the United States; and
- the payment of proceeds to the U.S. Holder from the sale of Subscription Rights or New A Shares effected at a United States office of a broker.

Additionally, backup withholding may apply to such payments if a U.S. Holder is a noncorporate U.S. Holder that:

- fails to provide an accurate taxpayer identification number;
- is notified by the Internal Revenue Service that the U.S. Holder has failed to report all interest and dividends required to be shown on the holder's federal income tax return; or
- in certain circumstances, fails to comply with applicable certification requirements.

Payment of the proceeds from the sale of Subscription Rights or New A Shares effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale of Subscription Rights or New A Shares that is effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

- the proceeds are transferred to an account maintained by a U.S. Holder in the United States;
- the payment of proceeds or the confirmation of the sale is mailed to a U.S. Holder at a United States address; or
- the sale has some other specified connection with the United States as provided in U.S. Treasury regulations;

unless the broker does not have actual knowledge or reason to know that the U.S. Holder is a United States person and the documentation requirements described above are met or the U.S. Holder otherwise establishes an exemption.

In addition, a sale of Subscription Rights or New A Shares effected at a foreign office of a broker will be subject to information reporting if the broker is:

- a United States person;
- a controlled foreign corporation for United States tax purposes;
- a foreign person 50% or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period; or
- a foreign partnership, if at any time during its tax year:
  - one or more of its partners are "U.S. persons", as defined in U.S. Treasury regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership; or
  - such foreign partnership is engaged in the conduct of a United States trade or business;

unless the broker does not have actual knowledge or reason to know that a U.S. Holder is a United States person and the documentation requirements described above are met or a U.S. Holder otherwise establishes an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that a U.S. Holder is a United States person.

A U.S. Holder generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed the holder's income tax liability by filing a refund claim with the United States Internal Revenue Service.

# Restrictions on sale and transfer of Subscription Rights, BTAs and New A Shares

## General

The grant of Subscription Rights and issue of BTAs and New A Shares upon exercise of Subscription Rights and the offer of unsubscribed New A Shares to persons resident in, or who are citizens of, countries other than Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Luxembourg, Norway or the United Kingdom, may be affected by the laws of the relevant jurisdiction. Investors should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to exercise Subscription Rights or purchase BTAs or New A Shares.

The Issuer is not taking any action to permit a public offering of the Subscription Rights, the BTAs or the New A Shares (pursuant to the exercise of the Subscription Rights or otherwise) in any jurisdiction other than Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Luxembourg, Norway and the United Kingdom. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Luxembourg, Norway and the United Kingdom, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Subscription Rights, the BTAs or the New A Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Subscription Rights, the BTAs and the New A Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Subscription Rights, BTAs or New A Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

If any person (including a financial intermediary) forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), such person should draw the recipient's attention to the contents of this section. Except as otherwise expressly noted in this Prospectus: (i) the Subscription Rights, BTAs and New A Shares being granted or offered, respectively, in the Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Member States of the European Economic Area that have implemented the Prospectus Directive, unless pursuant to applicable exemptions under the Prospectus Directive, and Australia, the United States, Canada, Hong Kong, Japan or any other jurisdiction in which it would not be permissible to offer the Subscription Rights, BTAs or New A Shares (the **"Ineligible Jurisdictions"**); (ii) this Prospectus may not be sent to any person in any Ineligible Jurisdiction; and (iii) the crediting of Subscription Rights to an account of a shareholder or other person in an Ineligible Jurisdiction or a citizen of an Ineligible Jurisdiction (referred to as **"Ineligible Persons"**) does not constitute an offer to such persons of the BTAs or the New A Shares. Ineligible Persons may not exercise Subscription Rights.

If an investor takes up, delivers or otherwise transfers Subscription Rights, exercises Subscription Rights to obtain New A Shares or trades or otherwise deals in Subscription Rights or BTAs or New A Shares being granted or offered, respectively, in the Offering, that investor will be deemed to have made, or, in some cases, be required to make, the following representations and warranties to the Issuer and any person acting on its behalf, unless the Issuer waives such requirement:

(a) the investor is not located in an Ineligible Jurisdiction;

(b) the investor is not an Ineligible Person;

(c) the investor is not acting, and has not acted, for the account or benefit of an Ineligible Person;

(d) unless the investor is an existing shareholder and "Qualified Institutional Buyer" or "QIB" as defined in Rule 144A, the investor is located outside the United States, and any person for whose account or benefit it is acting on a non-discretionary basis is located outside the United States and, upon acquiring BTAs or New A Shares, the investor and any such person will be located outside the United States;

(e) the investor understands that neither the Subscription Rights, the BTAs nor the New A Shares being granted and offered in the Offering have been or will be registered under the Securities Act and may not be offered, sold, pledged, resold, delivered, allotted, taken up or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; and

(f) the investor may lawfully be offered, take up, subscribe for and receive the Subscription Rights, BTAs and New A Shares being offered in the Offering in the jurisdiction in which it resides or is currently located.

The Issuer and any persons acting on behalf of the Issuer will rely upon the investor's representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may void a transaction in the Subscription Rights, BTAs or New A Shares, and subject the investor to liability.

If a person is acting on behalf of a holder of Subscription Rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to the Issuer with respect to the exercise of Subscription Rights on the holder's behalf. If such person cannot provide the foregoing representations and warranties, the Issuer will not be bound to authorise the allocation of any of the Subscription Rights, BTAs or New A Shares to that person or the person on whose behalf the other is acting. Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees and trustees) located outside Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Luxembourg, Norway or the United Kingdom wishes to exercise or otherwise deal in Subscription Rights or subscribe for the BTAs or New A Shares, the investor must satisfy itself as to full observance of the applicable laws of any relevant jurisdiction, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The information set out in this section is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise its Subscription Rights or subscribe for the BTAs or New A Shares, that investor should consult its professional adviser without delay.

As regards shareholders who on the Record Date hold shares in the Issuer through a financial intermediary, all Subscription Rights will initially be credited to the intermediary. A financial intermediary may not exercise any Subscription Rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons and may be required in connection with any exercise of Subscription Rights to certify the same.

Subject to certain exceptions, financial intermediaries are not permitted to send this Prospectus or any other information about the Offering into any Ineligible Jurisdiction or to any Ineligible Persons. The crediting of Subscription Rights to the account of persons in Ineligible Jurisdictions or to Ineligible Persons does not constitute an offer of BTAs or New A Shares to such persons. Financial intermediaries, which include brokers, custodians and nominees, holding for Ineligible Persons may consider selling any and all Subscription Rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons.

Subject to certain exceptions, exercise instructions sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid, and the BTAs and New A Shares being offered in the Offering will not be delivered to an addressee in any Ineligible Jurisdiction. The Issuer reserves the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such BTAs or New A Shares, who is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is not acting on a discretionary basis for such persons, or who appears to the Issuer or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Issuer reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Subscription Rights which appear to it to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Despite any other provision of this Prospectus, the Issuer reserves the right to permit a holder to exercise its Subscription Rights if the Issuer in its absolute discretion is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Issuer does not accept any liability for any actions that a holder takes or for any consequences that it may suffer by them accepting the holder's exercise of Subscription Rights.

### United States

None of the Subscription Rights, the BTAs or the New A Shares have been or will be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may only be offered or sold within the United States to persons who are reasonably believed to be "Qualified Institutional Buyers". Further, the Subscription Rights, BTAs and New A Shares may be resold by purchasers in the United States only pursuant to an exemption from securities registration, if any, available under the laws of the state where the sale is made.

The Subscription Rights may not be exercised by any persons who have not executed and timely returned to the Issuer an investor letter in the form attached as Annex A.

Until 40 days after the commencement of the Offering, an offer, sale or transfer of the Subscription Rights, BTAs or New A Shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act. The Subscription Rights, BTAs and New A Shares have not been approved or disapproved by any U.S. federal or U.S. state securities commission or U.S. regulatory authority. Furthermore, the foregoing authorities have not passed upon or endorsed the merits of the Offering, the Subscription Rights, the BTAs or the New A shares or the accuracy or completeness of this Prospectus.

Each holder of Subscription Rights, BTAs or New A Shares, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that, among other things (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

(a) it: (i) is a "**Qualified Institutional Buyer**", or QIB; (ii) is aware, and each beneficial owner of such Subscription Rights, BTAs or New A Shares has been advised, that the sale of the Subscription Rights, BTAs or New A Shares to it may be being made in reliance on an exemption from the registration requirements of the Securities Act, which may include Rule 144A, or in a transaction not subject to, the registration requirements of the Securities Act; and (iii) is acquiring such Subscriptions Rights, BTAs or New A Shares for its own account or for the account of a QIB; or it is exercising, subscribing for or otherwise acquiring the Subscription Rights, BTAs or New A Shares in an offshore transaction in accordance with Rule 903 or 904 of Regulation S;

(b) it acknowledges that the Subscription Rights, BTAs and New A Shares are **"Restricted Securities"** within the meaning of Rule 144(a)(3) under the Securities Act and understands that such securities have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except: (i) to a QIB in a transaction meeting the requirements of Rule 144 (a "**Rule 144 Transaction**"); (ii) in the case of New A Shares, in accordance with Rule 144 under the Securities Act; (iii) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act (a "**Regulation S Transaction**"); or (iv) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities law of any state of the United States;

(c) for so long as the New A Shares are Restricted Securities, no such New A Shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that such New A Shares will not settle or trade through the facilities of the Depositary Trust Company Inc. or any other U.S. exchange or clearing system;

(d) it represents that if, in the future, it offers, resells, pledges or otherwise transfers the Subscription Rights, BTAs or New A Shares, it shall notify such subsequent transferee of the transfer restrictions set out in paragraphs (a) to (c) above;

(e) it is not an affiliate (as defined in Rule 501(b) under the Securities Act) of the Issuer, and is not acting on behalf of an affiliate of the Issuer;

(f) if the subscriber or investor is acquiring any Subscription Rights, BTAs or New A Shares for the account of one or more other investors, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(g) the Issuer, the Underwriters and each of their respective affiliates and agents, and others, will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

In addition, each holder of Subscription Rights and purchaser of BTAs or New A Shares offered hereby will be deemed to have acknowledged and agreed that:

(a) it is relying on this Prospectus in conducting its examination of SEB and the terms of the Offering, including the merits and risks involved, and in making an investment decision regarding the Subscription Rights, BTAs or New A Shares; and

(b) no person is authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations will not be relied upon as having been authorised by SEB or the Joint Bookrunners, nor will SEB or the Joint Bookrunners have any liability or responsibility therefore.

Persons receiving this Prospectus are hereby notified that the Issuer and other sellers of Subscription Rights, BTAs or New A Shares may be relying on an exemption from the registration requirements of Section 5 of the Securities Act.

### European Economic Area

In relation to each Relevant Member State, an offer to the public of any Subscription Rights, BTAs or New A Shares may not be made in that Relevant Member State (other than the offers contemplated in this Prospectus in Sweden and in each of Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Luxembourg, Norway and the United Kingdom once the SFSA has notified their competent authorities of its approval of the Swedish Prospectus in accordance with the Prospectus Directive, as implemented in Sweden), except that an offer to the public in that Relevant Member State of any of the Subscription Rights, BTAs or New A Shares may be made at any time under the following exemptions from the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which meets at least two or more of the following criteria: (A) an average of at least 250 employees during the last financial year; (B) a total balance sheet of more than €43,000,000; and (C) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); and

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Subscription Rights, the BTAs or the New A Shares shall result in a requirement for the publication by SEB or any of the Joint Bookrunners of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes hereof, the expression an **"offer to the public"** in relation to any of the securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any securities to be offered so as to enable an investor to decide to purchase any of the securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression **"Prospectus Directive"** means directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### Australia, Canada, Hong Kong, Japan, South Africa and certain other jurisdictions

The Offering will not be made to persons who are residents of Australia, Canada, Hong Kong, Japan, South Africa or in any jurisdiction in which such offering would be unlawful.

# Glossary

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|---|---|
| *A Shares* | Series A shares of the Issuer. |
| *Adjusted shareholders' equity per share* | Shareholders' equity as per the balance sheet plus the equity portion of any surplus values in the holdings of interest-bearing securities and surplus value in life insurance operations divided by the number of shares at year-end. |
| *AFA Försäkring* | Kollektivavtalsstiftelsen Trygghetsfonden SAF-LO TSL, AFA Livförsäkringsaktiebolag (AGB), AFA Livförsäkringsaktiebolag (TGL), AFA Sjukförsäkringsaktiebolag and AFA Trygghetsförsäkringsaktiebolag. |
| *AFA Försäkring Entities* | AFA Sjukförsäkringsaktiebolag, AFA Trygghetsförsäkringsaktiebolag, Kollektivavtalsstiftelsen Trygghetsfonden SAF-LO TSL, AFA Arbetsmarknadens Försäkrings AB and AFA Yrkeslandslaget. |
| *Alecta* | Alecta pensionsförsäkring ömsesidig. |
| *AMA* | Advanced Measurement Approach used to calculate regulatory capital for operational risk. The model is also used to calculate economic capital for operational risk, albeit on a higher confidence level and with the inclusion of loss events relevant for life insurance operations. |
| *Basel I* | Capital adequacy and related rules based on the first Basel Accord issued by the Basel Committee on Banking Supervision. |
| *Basel II* | Capital adequacy and related rules based on the second Basel Accord issued by the Basel Committee on Banking Supervision, which were implemented in Sweden on February 1, 2007. |
| *DBRS* | Dominion Bond Rating Service. |
| *BTA* | Paid subscription share *(Sw: betald tecknad aktie).* |
| *C Shares* | Series C shares of the Issuer. |
| *CaR* | Capital at Risk. |
| *Committed Shareholders* | Investor AB, Trygg-Stiftelsen, Alecta, AFA Försäkring, Fjärde AP-Fonden, Knut och Alice Wallenbergs Stiftelse, Andra AP-Fonden and SEB-Stiftelsen. See "Underwriting and supplementary information—The Offering—Shareholder commitments". |
| *Cost/Income ratio* | Total operating expenses divided by total operating income. |
| *Credit loss level* | Credit losses and value changes in assets taken over, divided by lending to the general public and credit institutions (excluding banks), assets taken over and loan guarantees at the opening of the year. |
| *Credit portfolio* | The Group's portfolio of loans (gross before reserves, but excluding repurchase agreements ("repos") and bonds), contingent liabilities and commitments (such as credit commitments, letters of credit and guarantees) and counterparty risks arising in derivatives and foreign exchange contracts (after netting). The Group's fixed-income portfolio is not included in the credit portfolio. The term "credit exposure" is sometimes used herein interchangeably with "credit portfolio". See Note 38 to each of the 2008 Financial Statements and Unrestated 2007 Financial Statements for further details on liabilities and commitments and SEB's balance sheet as of December 31, 2008 and 2007 for further details on SEB's derivatives. |
| *EAD* | Exposure At Default. |
| *Earnings per share* | Net profit for the year divided by the average number of shares. |
| *EEA* | European Economic Area. |

| | |
|---|---|
| *Euroclear Sweden* | Euroclear Sweden AB (formerly VPC AB), the Swedish central securities depository. |
| *Exchange Act* | United States Securities Exchange Act of 1934, as amended. |
| *Fitch* | Fitch Ratings, Inc. |
| *Fixed-income portfolio* | The Group's portfolio of fixed-income securities maintained for investment, treasury and client trading purposes. The fixed-income securities consist mainly of government bonds, covered bonds, bonds issued by financial institutions and asset-backed securities. Most of these positions are within SEB's Merchant Banking division and Group Treasury. |
| *FTEs* | Full time equivalent permanent and temporary employees receiving a salary from SEB. |
| *Goldman Sachs International* | Goldman Sachs International. |
| *Group* | The group of companies of which Skandinaviska Enskilda Banken AB (publ) is the parent company. |
| *ICAAP* | Internal Capital Adequacy Assessment Process. |
| *IFRS* | International Financial Reporting Standards, as endorsed by the European Union, including making use of the version of IAS 39 endorsed by the European Union with respect to portfolio hedges of interest rate risks. |
| *IRB* | Method for calculating capital requirements for credit risk within the Basel II capital adequacy framework. The IRB approach is a method for calculating RWAs, and therefore capital requirements, by applying an asset class-based risk-weight formula to certain risk components of a financial institution's credit exposures. The IRB approach requires financial institutions to use the IRB-prescribed risk-weight formulas, but permits financial institutions to rely, subject to regulatory approval, on their own internal estimates of certain risk components (including PD, LGD, EAD and maturity) for a given exposure. Additional minimum standards for employing the IRB approach apply to each IRB-defined asset class. |
| *IRB Advanced* | IRB approach to calculating capital requirements for credit risk under which the financial institution is generally permitted to provide more of its own estimates of PD, LGD and EAD, and its own calculation of maturity, of its credit exposures than is permitted under the IRB Foundation approach. |
| *IRB Foundation* | IRB approach to calculating capital requirements for credit risk under which the financial institution is generally permitted to provide its own estimates of PD of its credit exposures, while relying on its regulatory supervisor's estimates for other risk components. |
| *Issuer* | Skandinaviska Enskilda Banken AB (publ). |
| *Joint Bookrunners* | Goldman Sachs International, Morgan Stanley, SEB Enskilda and UBS Investment Bank. |
| *Level of impaired loans* | Impaired loans (net) divided by loans to the general public and credit institutions (excluding banks) and equipment leased to clients (net). |
| *LGD* | Loss given default. |
| *Major Shareholder* | A shareholder holding 10% or more of the shares or votes of the Issuer. |
| *MiFID* | Markets in Financial Instruments Directive. Directive 2004/39/EU of the European Parliament and of the Council. |
| *Moody's* | Moody's Investors Service, Inc. |
| *Morgan Stanley* | Morgan Stanley & Co. International plc. |

| | |
|---|---|
| *New A Shares* | New shares of series A of Skandinaviska Enskilda Banken AB (publ) issued pursuant to the capital increase as described in this Prospectus. |
| *NII* | Net Interest Income. |
| *PD* | Probability of Default. |
| *Prospectus Directive* | Directive 2003/71/EC of the European Parliament and of the Council. |
| *QIBs* | Qualified institutional buyers, as defined in Rule 144A. |
| *Record Date* | March 11, 2009, the date for the determination of who shall receive Subscription Rights. |
| *Regulation S* | Regulation S promulgated under the U.S. Securities Act. |
| *Reserve ratio for impaired loans* | Reserve for probable loan losses as a percentage of impaired loans, gross. |
| *Return on business equity* | Operating profit reduced by a standard tax per division, divided by allocated capital. |
| *Return on equity* | Net profit attributable to equity holders for the year as a percentage of average shareholders equity, defined as the average of equity at the opening of the year and at the close of March, June, September and December, respectively, adjusted for dividends paid during the year, repurchase of own shares and rights issues. |
| *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. |
| *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. |
| *Rights Offering* | The offering of New A Shares to be issued upon the exercise of Subscription Rights as described in this Prospectus. |
| *Risk-weighted assets* | The book value of the assets as per the balance sheet and the off balance-sheet commitments are valued in accordance with the capital adequacy rules. |
| *Rule 144A* | Rule 144A promulgated under the U.S. Securities Act. |
| *RWAs* | Risk weighted assets. |
| *S&P* | Standard & Poor's. |
| *SEB* | Skandinaviska Enskilda Banken AB (publ) or the consolidated group of companies of which the Skandinaviska Enskilda Banken AB (publ) is the parent company, as the context may require. |
| *SEB Enskilda* | SEB Enskilda, Skandinaviska Enskilda Banken AB (publ). |
| *Securities Act* | United States Securities Act of 1933, as amended. |
| *SEPA* | Single Euro Payments Area initiative. |
| *Skandinaviska Enskilda Banken* | Skandinaviska Enskilda Banken (publ). |
| *Stabilisation Manager* | Morgan Stanley (or an agent or affiliate of Morgan Stanley) who, in such capacity, may effect transactions which stabilise or maintain the market price of the Subscription Rights, the BTAs or the New A Shares at levels which might not otherwise prevail. |
| *Subscription Period* | From and including March 13, 2009 until and including March 27, 2009. |
| *Subscription Price* | SEK 10 per New A Share. |

| | |
|---|---|
| *Subscription Rights* | Pre-emptive subscription rights to subscribe for New A Shares in the Rights Offering. |
| *Tier I capital* | Tier I capital consists of shareholders' equity, adjusted according to the capital adequacy rules described in "Commentary on the financial development—Liquidity and capital resources". |
| *Tier I capital ratio* | The Tier I capital of the financial group of undertakings as a percentage of risk-weighted assets. |
| *Total capital* | Total capital consists of core capital and supplementary capital minus holdings of shares in unconsolidated companies and proposed dividend as well as deferred tax and intangibles. Supplementary capital includes subordinated debenture loans plus reserves and capital contributions, after approval by the Financial Supervisory Authority. Supplementary capital must not exceed the amount of core capital. |
| *Total capital ratio* | The total capital of the financial group of undertakings, adjusted according to the capital adequacy rules as a percentage of risk-weighted assets. |
| *Trygg Foundation* | Trygg-Stiftelsen. |
| *UBS or UBS Investment Bank* | UBS Limited. |
| *U.S. or United States* | The United States of America, including its overseas territories and possessions. |
| *Underwriters* | Goldman Sachs International, Morgan Stanley and UBS Investment Bank. |
| *Underwriting Agreement* | The underwriting agreement dated as of February 5, 2009, between the Issuer and the Underwriters. |
| *U.S. SEC* | The U.S. Securities and Exchange Commission. |
| *VaR* | Value-at-Risk. |

# Financial Statements

## Index to the historical financial statements

# Audited financial statements – 2008/2007

# Income statements

## SEB Group

| SEK m | Note | 2008 | 2007 | Change, % |
|---|---|---|---|---|
| *Interest income* | | *97,281* | *86,035* | *13* |
| *Interest expense* | | *–78,571* | *–70,037* | *12* |
| Net interest income | 3 | 18,710 | 15,998 | 17 |
| *Fee and commission income* | | *19,877* | *21,400* | *–7* |
| *Fee and commission expense* | | *–4,623* | *–4,349* | *6* |
| Net fee and commission income | 4 | 15,254 | 17,051 | –11 |
| *Gains (losses) on financial assets and liabilities held for trading, net* | | *3,665* | *3,256* | *13* |
| *Gains (losses) on financial assets and liabilities designated at fair value, net* | | *–221* | *–17* | |
| *Impairments on available-for-sale financial assets* | | *–474* | | |
| Net financial income | 5 | 2,970 | 3,239 | –8 |
| *Premium income, net* | | *7,126* | *5,961* | *20* |
| *Income investment contracts* | | *983* | *1,067* | *–8* |
| *Investment income net* | | *–2,519* | *981* | |
| *Other insurance income* | | *397* | *471* | *–16* |
| *Net insurance expenses* | | *–3,612* | *–5,547* | *–35* |
| Net life insurance income | 6 | 2,375 | 2,933 | –19 |
| *Dividends* | | *122* | *79* | *54* |
| *Profit and loss from investments in associates* | | *77* | *128* | *–40* |
| *Gains less losses from investment securities* | | *1,236* | *653* | *89* |
| *Other operating income* | | *396* | *359* | *10* |
| Net other income | 7 | 1,831 | 1,219 | 50 |
| **Total operating income** | | **41,140** | **40,440** | **2** |
| Staff costs | 9 | –16,241 | –14,921 | 9 |
| Other expenses | 10 | –7,642 | –6,919 | 10 |
| Depreciation, amortisation and impairments of tangible and intangible assets | 11 | –1,524 | –1,354 | 13 |
| **Total operating expenses** | | **–25,407** | **–23,194** | **10** |
| Gains less losses from tangible and intangible assets | 12 | 6 | 788 | –99 |
| Net credit losses incl. changes in value of seized assets | 13 | –3,268 | –1,016 | |
| **Operating profit** | | **12,471** | **17,018** | **–27** |
| Income tax expense | 15 | –2,421 | –3,376 | –28 |
| **Net profit** | | **10,050** | **13,642** | **–26** |
| Attributable to minority interests | | 9 | 24 | –63 |
| Attributable to equity holders | | 10,041 | 13,618 | –26 |
| **Net profit** | | **10,050** | **13,642** | **–26** |
| Basic earnings per share, SEK | 16 | 14.66 | 19.97 | |
| Diluted earnings per share, SEK | 16 | 14.65 | 19.88 | |

# Balance sheets

## SEB Group

| 31, December, SEK m | Note | 2008 | 2007 | Change, % |
|---|---|---|---|---|
| Cash and cash balances with central banks | 19 | 44,852 | 96,871 | –54 |
| Loans to credit institutions | 20 | 266,363 | 263,012 | 1 |
| Loans to the public | 21 | 1,296,777 | 1,067,341 | 21 |
| *Securities held for trading* | | *161,596* | *348,888* | *–54* |
| *Derivatives held for trading* | | *248,426* | *85,395* | *191* |
| *Derivatives used for hedging* | | *11,155* | *2,777* | |
| *Fair value changes of hedged items in a portfolio hedge* | | *3,503* | *–641* | |
| *Financial assets – policyholders bearing the risk* | | *114,425* | *135,485* | *–16* |
| *Other financial assets designated at fair value* | | *96,349* | *89,319* | *8* |
| Financial assets at fair value | 22 | 635,454 | 661,223 | –4 |
| Available-for-sale financial assets | 23 | 163,115 | 170,137 | –4 |
| Held-to-maturity investments | 24 | 1,997 | 1,798 | 11 |
| Assets held for sale | 53 | 852 | | |
| Investments in associates | 25 | 1,129 | 1,257 | –10 |
| *Intangible assets* | | *19,395* | *16,894* | *15* |
| *Property and equipment* | | *2,626* | *2,564* | *2* |
| *Investment properties* | | *7,490* | *5,239* | *43* |
| Tangible and intagible assets | 27 | 29,511 | 24,697 | 19 |
| *Current tax assets* | | *3,998* | *3,766* | *6* |
| *Deferred tax assets* | | *2,836* | *845* | |
| *Trade and client receivables* | | *13,402* | *25,377* | *–47* |
| *Other assets* | | *50,416* | *28,138* | *79* |
| Other assets | 28 | 70,652 | 58,126 | 22 |
| **Total assets** | | **2,510,702** | **2,344,462** | **7** |
| | | | | |
| Deposits by credit institutions | 29 | 429,425 | 421,348 | 2 |
| Deposits and borrowing from the public | 30 | 841,034 | 750,481 | 12 |
| *Liabilities to policyholders – investment contracts* | | *115,110* | *135,937* | *–15* |
| *Liabilities to policyholders – insurance contracts* | | *95,960* | *89,979* | *7* |
| Liabilities to policyholders | 31 | 211,070 | 225,916 | –7 |
| Debt securities | 32 | 525,219 | 510,564 | 3 |
| *Trading derivatives* | | *231,341* | *79,211* | *192* |
| *Derivatives used for hedging* | | *8,168* | *2,169* | |
| *Trading liabilities* | | *54,411* | *135,421* | *–60* |
| *Fair value changes of hedged items in portfolio hedge* | | *1,613* | *–411* | |
| Financial liabilities at fair value | 33 | 295,533 | 216,390 | 37 |
| *Current tax liabilities* | | *1,148* | *1,101* | *4* |
| *Deferred tax liabilities* | | *9,810* | *9,403* | *4* |
| *Trade and client payables* | | *9,498* | *33,940* | *–72* |
| *Other liabilities* | | *51,109* | *53,075* | *–4* |
| Other liabilities | 34 | 71,565 | 97,519 | –27 |
| Provisions | 35 | 1,897 | 1,536 | 24 |
| Subordinated liabilities | 36 | 51,230 | 43,989 | 16 |
| **Total liabilities** | | **2,426,973** | **2,267,743** | **7** |
| | | | | |
| Minority interests | | 192 | 191 | 1 |
| *Revaluation reserves* | | *–1,295* | *–278* | |
| *Share capital* | | *6,872* | *6,872* | |
| *Other reserves* | | *32,857* | *29,757* | *10* |
| *Retained earnings* | | *45,103* | *40,177* | *12* |
| Shareholders' equity | | 83,537 | 76,528 | 9 |
| **Total equity** | | **83,729** | **76,719** | **9** |
| | | | | |
| **Total liabilities and equity** | | **2,510,702** | **2,344,462** | **7** |

# Statements of changes in equity

## SEB Group

| 31, December, SEK m | 2008 | 2007 | Change, % |
|---|---|---|---|
| Minority interests | 192 | 191 | 1 |
| Shareholders' equity | 83,537 | 76,528 | 9 |
| **Total equity** | **83,729** | **76,719** | **9** |
| **Shareholders' equity** | | | |
| Reserve for cash flow hedges | 1,767 | 160 | |
| Reserve for available-for-sale financial assets | –3,062 | –438 | |
| **Revaluation reserves** | **–1,295** | **–278** | |
| Share capital (663,004,123 Series A shares; 24,152,508 Series C shares) | 6,872 | 6,872 | |
| Fund for cancelled shares | 174 | 174 | |
| Equity fund | 5 | 71 | –93 |
| Translation difference | –225 | –377 | –40 |
| Other restricted reserves | 32,903 | 29,889 | 10 |
| **Equity, restricted** | **39,729** | **36,629** | **8** |
| Swap hedging of employee stock option programme | –371 | –398 | –7 |
| Eliminations of repurchased shares for employee stock option programme | –1,926 | –2,109 | –9 |
| Profit brought forward | 37,359 | 29,066 | 29 |
| Net profit attibutable to equity holders | 10,041 | 13,618 | –26 |
| **Equity, non-restricted** | **45,103** | **40,177** | **12** |
| **Total** | **83,537** | **76,528** | **9** |

**Changes in equity**

| **2008** | Minority interests | Reserve for cash flow hedges | Reserve for afs financial assets | Share capital | Restricted reserves | Retained earnings | Total |
|---|---|---|---|---|---|---|---|
| Opening balance | 191 | 160 | –438 | 6,872 | 29,757 | 40,177 | **76,719** |
| Change in market value | | 1,623 | –2,573 | | | | **–950** |
| Recognised in income statement | | –16 | –51 | | | | **–67** |
| Translation difference | | | | | 151 | | **151** |
| Net income recognised directly in equity | | 1,607 | –2,624 | | 151 | | **–866** |
| Net profit | 9 | | | | | 10,041 | **10,050** |
| Total recognised income | 9 | 1,607 | –2,624 | | 151 | 10,041 | **9,184** |
| Dividend to shareholders[1] | | | | | | –4,451 | **–4,451** |
| Swap hedging of employee stock option programme | | | | | | 27 | **27** |
| Eliminations of repurchased shares for employee stock option programme[2] | | | | | | 183 | **183** |
| Other changes | –8 | | | | 2,949 | –874 | **2,067** |
| **Closing balance** | **192** | **1,767** | **–3,062** | **6,872** | **32,857** | **45,103** | **83,729** |
| **2007** | | | | | | | |
| Opening balance | 130 | 380 | 392 | 6,872 | 30,203 | 29,290 | **67,267** |
| Change in market value | | –206 | –614 | | | | **–820** |
| Recognised in income statement | | –14 | –216 | | | | **–230** |
| Translation difference | | | | | 98 | | **98** |
| Net income recognised directly in equity | | –220 | –830 | | 98 | | **–952** |
| Net profit | 24 | | | | | 13,618 | **13,642** |
| Total recognised income | 24 | –220 | –830 | | 98 | 13,618 | **12,690** |
| Dividend to shareholders[1] | | | | | | –4,079 | **–4,079** |
| Swap hedging of employee stock option programme | | | | | | –428 | **–428** |
| Eliminations of repurchased shares for employee stock option programme[2] | | | | | | 897 | **897** |
| Other changes | 37 | | | | –544 | 879 | **372** |
| **Closing balance** | **191** | **160** | **–438** | **6,872** | **29,757** | **40,177** | **76,719** |

1) Dividend per A-share SEK 0.00 (6.50) and per C-share SEK 0.00 (6.50). Further information can be found in The SEB share on page 20–21.

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 AGM. As stock options have been exercised during 2005, 2006, 2007 13.7 million shares have been sold and another 1.5 million shares in 2008. Thus, as of 31 December 2008 SEB owned 2.2 million Class A-shares with a market value of SEK 133m.

# Cash flow statements

## SEB Group

| SEK m | 2008 | 2007 | Change, % |
|---|---|---|---|
| Interest received | 98,300 | 83,430 | 18 |
| Interest paid | –77,218 | –66,407 | 16 |
| Commission received | 19,877 | 21,400 | –7 |
| Commission paid | –4,623 | –4,349 | 6 |
| Net received from financial transactions | 2,483 | 3,337 | –26 |
| Other income | 4,187 | 6,770 | –38 |
| Paid expenses | –28,380 | –22,921 | 24 |
| Taxes paid | –2,421 | –3,370 | –28 |
| Cash flow from the profit and loss statement | 12,205 | 17,890 | –32 |
| | | | |
| Increase (–)/decrease (+) in trading portfolios | –12,646 | –32,503 | –61 |
| Increase (+)/decrease (–) in issued short-term securities | 13,276 | 72,454 | –82 |
| Increase (–)/decrease (+) in lending to credit institutions | 38,890 | –45,995 | –185 |
| Increase (–)/decrease (+) in lending to the public | –162,529 | –116,298 | 40 |
| Increase (+)/decrease (–) in liabilities to credit institutions | 9,208 | 52,274 | –82 |
| Increase (+)/decrease (–) in deposits and borrowings from the public | 87,815 | 104,715 | –16 |
| Increase (–)/decrease (+) in insurance portfolios | 234 | 22,302 | –99 |
| Change in other balance sheet items | –2,894 | 10,348 | –128 |
| **Cash flow from operating activities** | **–16,441** | **85,187** | **–119** |
| | | | |
| Sales of shares and bonds | 1,236 | 224 | |
| Sales of intangible and tangible fixed assets | 6 | 1,431 | –100 |
| Dividends | 122 | 57 | 114 |
| Investments in subsidiaries[2] | –1,040 | –657 | 58 |
| Investments in shares and bonds | –534 | –375 | 42 |
| Investments in intangible and tangible assets | –5,840 | –3,030 | 93 |
| **Cash flow from investing activities** | **–6,050** | **–2,350** | **157** |
| | | | |
| Issue of securities and new borrowings | 107,349 | 128,791 | –17 |
| Repayment of securities | –100,230 | –86,315 | 16 |
| Dividend paid | –4,466 | –4,079 | 9 |
| **Cash flow from financing activities** | **2,653** | **38,397** | **–93** |
| | | | |
| **Net increase in cash and cash equivalents** | **–19,838** | **121,234** | **–116** |

| | | | |
|---|---|---|---|
| Cash and cash equivalents at beginning of year | 194,985 | 73,751 | 164 |
| Net increase in cash and cash equivalents | –19,838 | 121,234 | –116 |
| **Cash and cash equivalents at end of period[1]** | **175,147** | **194,985** | **–10** |

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 | | 102 |
| Loans from customers | 1,749 | 1,352 |
| Other assets | 353 | 248 |
| Due to customers | –1,754 | –1,439 |
| Other liabilities | –155 | –84 |
| Goodwill | 847 | 580 |
| **Total purchase consideration paid** | **1,040** | **759** |

| | | |
|---|---|---|
| Cost of acquisition | –1,040 | –759 |
| Less cash acquired | | 102 |
| **Cash flow outflow on acquisition** | **–1,040** | **–657** |

# Income statements

In accordance with the Swedish Financial Supervisory Authority regulations

## Skandinaviska Enskilda Banken

| SEK m | Note | 2008 | 2007 | Change, % |
|---|---|---|---|---|
| Interest income | 3 | 59,786 | 43,913 | 36 |
| Leasing income | 3 | 6,372 | 6,154 | 4 |
| Interest expense | 3 | –52,987 | –38,464 | 38 |
| Dividends | 7 | 2,715 | 3,925 | –31 |
| Fee and commission income | 4 | 7,473 | 8,455 | –12 |
| Fee and commission expense | 4 | –1,479 | –1,331 | 11 |
| Net financial income | 5 | 3,236 | 2,490 | 30 |
| Other income | 7 | 2,934 | 658 | |
| **Total operating income** | | **28,050** | **25,800** | **9** |
| Administrative expenses | 8 | –13,738 | –12,589 | 9 |
| Depreciation, amortisation and impairments of tangible and intangible assets | 11 | –4,820 | –4,847 | –1 |
| **Total operating expenses** | | **–18,558** | **–17,436** | **6** |
| **Profit before credit losses** | | **9,492** | **8,364** | **13** |
| Net credit losses | 13 | –773 | –24 | |
| Impairment of financial assets | 7 | –121 | –106 | 14 |
| **Operating profit** | | **8,598** | **8,234** | **4** |
| Appropriations | 14 | –1,683 | –158 | |
| Tax for the year | 15 | –4 | –546 | –99 |
| Other taxes | 15 | 1,304 | –45 | |
| **Net profit** | | **8,215** | **7,485** | **10** |

# Balance sheets

## Skandinaviska Enskilda Banken

| 31, December, SEK m | Note | 2008 | 2007 | Change, % |
|---|---|---|---|---|
| Cash and cash balances with central banks | 19 | 10,670 | 1,758 | |
| Loans and receivables to credit institutions | 20 | 349,073 | 357,482 | –2 |
| Loans and receivables to the public | 21 | 768,737 | 637,138 | 21 |
| *Securities held for trading* | | *131,253* | *285,036* | *–54* |
| *Derivatives held for trading* | | *242,882* | *80,966* | *200* |
| *Derivatives used for hedging* | | *12,576* | *1,871* | |
| *Other financial assets designated at fair value* | | *91* | *112* | *–19* |
| Financial assets at fair value | 22 | 386,802 | 367,985 | 5 |
| Available-for-sale financial assets | 23 | 26,897 | 62,085 | –57 |
| Held-to-maturity investments | 24 | 3,263 | 3,348 | –3 |
| Investments in associates | 25 | 1,011 | 1,063 | –5 |
| Shares in subsidiaries | 26 | 60,063 | 51,936 | 16 |
| *Intangible assets* | | *1,335* | *892* | *50* |
| *Property and equipment* | | *40,077* | *34,605* | *16* |
| Tangible and intagible assets | 27 | 41,412 | 35,497 | 17 |
| *Current tax assets* | | *1,072* | *1,813* | *–41* |
| *Deferred tax assets* | | *1,338* | | |
| *Trade and client receivables* | | *12,317* | *23,625* | *–48* |
| *Other assets* | | *45,845* | *15,589* | *194* |
| Other assets | 28 | 60,572 | 41,027 | 48 |
| **Total assets** | | **1,708,500** | **1,559,319** | **10** |
| | | | | |
| Deposits by credit institutions | 29 | 410,105 | 367,699 | 12 |
| Deposits and borrowing from the public | 30 | 453,697 | 412,499 | 10 |
| Debt securities | 32 | 394,246 | 408,002 | –3 |
| *Trading derivatives* | | *225,829* | *78,408* | *188* |
| *Derivatives used for hedging* | | *4,254* | *1,666* | *155* |
| *Trading liabilities* | | *49,429* | *121,687* | *–59* |
| Financial liabilities at fair value | 33 | 279,512 | 201,761 | 39 |
| *Current tax liabilities* | | *94* | *46* | *104* |
| *Trade and client payables* | | *8,001* | *32,369* | *–75* |
| *Other liabilities* | | *47,562* | *34,678* | *37* |
| Other liabilities | 34 | 55,657 | 67,093 | –17 |
| Provisions | 35 | 789 | 271 | 191 |
| Subordinated liabilities | 36 | 50,199 | 43,046 | 17 |
| **Total liabilities** | | **1,644,205** | **1,500,371** | **10** |
| | | | | |
| **Untaxed reserves** | 37 | **21,136** | **19,016** | **11** |
| | | | | |
| *Revaluation reserves* | | *–848* | *–218* | |
| *Share capital* | | *6,872* | *6,872* | |
| *Other reserves* | | *12,260* | *12,260* | |
| *Retained earnings* | | *24,875* | *21,018* | *18* |
| **Shareholders' equity** | | **43,159** | **39,932** | **8** |
| | | | | |
| **Total liabilities, untaxed reserves and shareholders' equity** | | **1,708,500** | **1,559,319** | **10** |

# Statements of changes in equity

## Skandinaviska Enskilda Banken

| 31, December, SEK m | 2008 | 2007 | Change, % |
|---|---|---|---|
| Reserve for cash flow hedges | 1,737 | 190 | |
| Reserve for available-for-sale financial assets | –2,585 | –408 | |
| **Revaluation reserves** | **–848** | **–218** | |
| Share capital (663,004,123 Series A shares; 24,152,508 Series C shares) | 6,872 | 6,872 | |
| Reserve fund and other restricted reserves | 12,086 | 12,086 | |
| Fund for cancelled shares | 174 | 174 | |
| **Equity, restricted** | **19,132** | **19,132** | |
| Group contributions | 694 | 1,119 | –38 |
| Tax on Group contributions | –194 | –313 | –38 |
| Swap hedging of employee stock option programme | –371 | –398 | –7 |
| Eliminations of repurchased shares for employee stock option programme | –1,926 | –2,109 | –9 |
| Translation differencies | –268 | –71 | |
| Profit brought forward | 18,725 | 15,305 | 22 |
| Net profit for the year | 8,215 | 7,485 | 10 |
| **Equity, non-restricted** | **24,875** | **21,018** | **18** |
| **Total** | **43,159** | **39,932** | **8** |

**Changes in equity**

| **2008** | Reserve for cash flow hedges | Reserve for afs financial assets | Share capital | Restricted reserves | Retained earnings | **Total** |
|---|---|---|---|---|---|---|
| Opening balance | 190 | –408 | 6,872 | 12,260 | 21,018 | **39,932** |
| Change in market value | 1,563 | –2,242 | | | | **–679** |
| Recognised in income statement | –16 | 65 | | | | **49** |
| Translation difference | | | | | –195 | **–195** |
| Net income recognised directly in equity | 1,547 | –2,177 | | | –195 | **–825** |
| Net profit | | | | | 8,215 | **8,215** |
| Total recognised income | 1,547 | –2,177 | | | 8,020 | **7,390** |
| Dividend to shareholders[1] | | | | | –4,451 | **–4,451** |
| Group contributions net after tax[2] | | | | | 500 | **500** |
| Swap hedging of employee stock option programme | | | | | 27 | **27** |
| Eliminations of repurchased shares for employee stock option programme[3] | | | | | 183 | **183** |
| Other changes | | | | | –422 | **–422** |
| **Closing balance** | **1,737** | **–2,585** | **6,872** | **12,260** | **24,875** | **43,159** |

| **2007** | Reserve for cash flow hedges | Reserve for afs financial assets | Share capital | Restricted reserves | Retained earnings | **Total** |
|---|---|---|---|---|---|---|
| Opening balance | 367 | 212 | 6,872 | 12,804 | 15,558 | **35,813** |
| Change in market value | –163 | –653 | | | | **–816** |
| Recognised in income statement | –14 | 33 | | | | **19** |
| Translation difference | | | | | –36 | **–36** |
| Net income recognised directly in equity | –177 | –620 | | | –36 | **–833** |
| Net profit | | | | | 7,485 | **7,485** |
| Total recognised income | –177 | –620 | | | 7,449 | **6,652** |
| Effect of merger of SEB BoLån and SEB Finans | | | | | 399 | **399** |
| Dividend to shareholders[1] | | | | | –4,079 | **–4,079** |
| Group contributions net after tax[2] | | | | | 806 | **806** |
| Swap hedging of employee stock option programme | | | | | –428 | **–428** |
| Eliminations of repurchased shares for employee stock option programme[3] | | | | | 897 | **897** |
| Other changes | | | | –544 | 416 | **–128** |
| **Closing balance** | **190** | **–408** | **6,872** | **12,260** | **21,018** | **39,932** |

1) Dividend per A-share SEK 0.00 (6.50) and per C-share SEK 0.00 (6.50). Further information can be found in The SEB share on page 20–21.
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 AGM. As stock options have been exercised during 2005, 2006, 2007 13.7 million shares have been sold and another 1.5 million shares in 2008. Thus, as of 31 December 2008 SEB owned 2.2 million Class A-shares with a market value of SEK 133m.

# Cash flow statements

## Skandinaviska Enskilda Banken

| SEK m | 2008 | 2007 | Change, % |
|---|---|---|---|
| Interest received | 66,599 | 56,602 | 18 |
| Interest paid | –53,129 | –43,397 | 22 |
| Commission received | 7,414 | 8,285 | –11 |
| Commission paid | –1,162 | –1,538 | –24 |
| Net received from financial transactions | –2,647 | 2,451 | |
| Other income | 1,887 | 2,411 | –22 |
| Paid expenses | –11,387 | –12,568 | –9 |
| Taxes paid | –356 | –2,401 | –85 |
| Cash flow from the profit and loss statement | 7,219 | 9,845 | –27 |
| | | | |
| Increase (–)/decrease (+) in trading portfolios | 13,209 | 2,338 | |
| Increase (+)/decrease (–) in issued short-term securities | –31,863 | 84,144 | –138 |
| Increase (–)/decrease (+) in lending to credit institutions | 42,460 | –87,515 | –149 |
| Increase (–)/decrease (+) in lending to the public | –72,892 | –56,939 | 28 |
| Increase (+)/decrease (–) in liabilities to credit institutions | 42,893 | 35,327 | 21 |
| Increase (+)/decrease (–) in deposits and borrowings from the public | 41,382 | 23,373 | 77 |
| Change in other balance sheet items | –53,432 | 6,627 | |
| **Cash flow from operating activities** | **–11,024** | **17,200** | **–164** |
| | | | |
| Sales of shares and bonds | | 221 | –100 |
| Dividends and Group contributions | 3,391 | 5,018 | –32 |
| Investments in subsidiaries/Merger of subsidiaries | –1,648 | 3,264 | –150 |
| Investments/divestments in shares and bonds | 85 | 472 | –82 |
| Investments in intangible and tangible assets | –10,709 | –24,946 | –57 |
| **Cash flow from investment activities** | **–8,881** | **–15,971** | **–44** |
| | | | |
| Issue of securities and new borrowings | 106,626 | 68,425 | 56 |
| Repayment of securities | –81,895 | –15,007 | |
| Dividend paid | –4,452 | –4,078 | 9 |
| **Cash flow from financing activities** | **20,279** | **49,340** | **–59** |
| | | | |
| **Net increase in cash and cash equivalents** | **374** | **50,569** | **–99** |

| | | | |
|---|---|---|---|
| Cash and cash equivalents at beginning of year | 139,767 | 89,198 | 57 |
| Net increase in cash and cash equivalents | 374 | 50,569 | –99 |
| **Cash and cash equivalents at end of period[1)]** | **140,141** | **139,767** | |

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

## Currency codes

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| BRL | Brazilian reales | EUR | Euro | ISK | Icelandic kronor | NOK | Norwegian kroner | THB | Thai baht |
| CHF | Swiss francs | GBP | British pounds | JPY | Japanese yen | PLN | Polish zloty | USD | U.S. dollars |
| DKK | Danish kroner | HKD | Hong Kong dollar | LTL | Lithuanian litas | SEK | Swedish kronor | | |
| EEK | Estonian kroon | INR | Indian rupees | LVL | Latvian lats | SGD | Singapore dollars | | |

## 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 2008 were approved for publications by the Board of Directors on 18 February and will be presented for adoption at the 2009 Annual General Meeting.

SEK m, unless otherwise stated.

## 1 Accounting policies

SIGNIFICANT ACCOUNTING POLICIES FOR THE GROUP

**Basis of presentation**
The Group's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards IFRS/IAS endorsed by the European Commission. In addition, provided in the Act (1995:1559) on annual accounts of credit institutions and securities companies (AACS), the accounting regulations of the Financial Supervisory Board ("FSA 2008:25") and Recommendation RFR 2.1 of the Swedish Financial Reporting Board (SFRB), have been applied.

The consolidated accounts are based on amortised cost, except for the fair value valuation of available-for-sale financial assets, financial assets and liabilities valued at fair value through profit or loss including derivatives.

***The following new standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2008***
*IAS 39 "Financial instruments: Recognition and measurement"*, amendment on reclassification of financial assets permits reclassification of certain financial assets out of the held for trading and the available for sale categories under certain circumstances. The amendment to IFRS 7 "Financial Instruments: Disclosures" introduces related disclosure requirements for such reclassified assets. The amendments which the Group has adopted are prospectively effective from 1 July 2008.
*IFRIC 11 "Group and treasury share transactions"* (effective for annual periods beginning after 1 March 2007). IFRIC 11 provides guidance whether share-based payments involving treasury shares or involving group entities should be treated as equity-settled or cash-settled share-based payment transactions in the standalone accounts of the parent and group entities. This interpretation does not have an impact on the Group's financial statements.
*IFRIC 14 "IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction"* (effective January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a minimum funding requirement. The interpretation is not expected to have any impact on the Group accounts.

***Interpretation effective 2008 but not relevant to the Group***
*IFRIC 12 "Service concession"* (effective January 2008). Applies to contractual arrangements whereby a private entity participates in the development, financing, operation and maintenance of infrastructure for public sector services. IFRIC 12 is not relevant to the Group's operations.

***Standards, amendments and interpretations not yet effective and have not been early adopted by the Group***
*IAS 1 (Amendment) "Presentation of financial statements"* (effective January 2009). The changes apply particularly to the presentation and names of the financial statements. Consequently the Group's financial statements will change by the introduction of this standard.
*IAS 23 (Amendment) "Borrowing costs"* (effective 1 January 2009). The amendment requires capitalisation of borrowing costs for qualifying assets and will be applied to significant investments.
*IAS 27 (Amendment) "Consolidated and separate financial statements"* (effective for annual periods beginning after July 2009 but still subject to endorsement by the European Union). The amendment states that total comprehensive income shall be attributed to non-controlling interests (minority) even if it results in the non-controlling interest having a deficit balance. Changes in the parent's ownership interest that do not result in the loss of control shall be reported in equity. If the parent company loses control the remaining interest shall be recorded at fair value on the date of the transaction. The amendment will influence future transactions only.
*IAS 32 (Amendment) "Financial instruments: Presentation"-puttable financial Instruments and obligations arising on liquidation.* The amendment specifies the conditions for determining whether a puttable financial Instrument is an equity instrument or a financial liability. The amendment is not expected to have an impact on the Group.
*IFRS 2 (Amendment) "Share-based payments – vesting conditions and cancellations"* (effective January 2009 but still subject to endorsement by the European Union). The amendment 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 3 (Amendment) "Business combinations"* (effective for annual periods beginning after July 2009 but still subject to endorsement by the European Union). 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 8 "Operating segments"* (effective and will be applied by the Group from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the US standard SFAS 131. The standard requires a management approach where segments are presented according to internal reporting. The standard is not expected to have a material impact on the Group's segment reporting.
*IFRIC 13 "Customer loyalty program"* (effective for annual periods beginning after 1 July 2008) 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 will not have a material effect on the Group's financial statements
*IFRIC 16 "Hedges of net investments in a Foreign Operation"* The interpretation 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 interpre-

tation 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.

***Standard and interpretation issued that are neither effective nor relevant to the Group***
*IFRIC 15 "Real estate sales"* (effective January 2009) stipulates when revenue should be recognised from the construction of real estate. This interpretation has no impact on the Group's financial statements.

**Consolidation**
The consolidated accounts comprise the parent company and its subsidiaries including Special Purpose Entities ("SPE"). Subsidiaries are companies, over which the parent company has control and consequently the power to govern the financial and operating policies of the subsidiary 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. For SPE's, consolidation also takes place if the parent company or subsidiary does not have more than 50 percent of the votes but bears the economic risks and receives the economic benefits in another manner. Companies in which the parent company or its subsidiary hold more than 50 percent 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 provided as compensation
– any equity instruments issued
– 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. These units may not be larger than the equivalent of one segment, that is, one business segment or one geographical segment, as determined in the segment reporting of the Group.

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.

The consolidated accounts also include associated companies, which are companies over which the Group has a significant influence. 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 deemed to exist if the Group, directly or indirectly, holds between 20 and 50 per cent of the voting rights of an entity. A company in which the Group holds fewer than 20 percent of voting rights can also be classified as an associated company if the Group is represented in the Board of Directors and participates in work related to the company's strategic issues and issues affecting guidelines.

According to the main principle, associated companies are consolidated in accordance with the equity method. 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.

The equity method implies that participations in associated companies are initially reported at acquisition cost. The carrying amount of the participations is thereafter adjusted to the Group's share of the change in the value of the net assets of the associated companies. The Group's share of the results of the associated companies is included in profit or loss.

Dilution of gains and losses in associates are recognised in the income statement.

**Segment reporting**
A segment is a business segment or a geographical segment. A business segment is a distinguishable component, in terms of accounting, of an entity engaged in providing an individual product or service or a group of related products or services, and that is subject to risks and returns differing from those of other business segments. A geographical segment from a reporting point of view is a distinguishable component of an entity engaged in providing products or services in a particular economic environment and that is subject to risks and returns differing from those applicable to other economic environments. The Group has defined business segments as primary segments and geographical segments as secondary segments.

**Foreign currency translation**
The consolidated financial statements are presented in Swedish kronor (SEK), which is the presentation currency of the Group.

When a foreign currency transaction is initially recognised, the amount is translated into the functional currency at the spot exchange rate on the date of the transaction. 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 directly in equity.

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 equity.

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 equity. When a foreign operation is partially disposed of or sold, exchange differences recorded in equity are recognised in the income statement as part of the gain or loss on the sale.

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**
***Classification***
Financial assets are classified in the following four categories at initial recognition:
– Financial assets at fair value through profit or loss
– Loans and receivables
– Held-to-maturity investments
– Available-for-sale financial assets

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.

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

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. Equity instruments cannot be classified as held to maturity as their life is indefinite.

Financial assets are designated in the available for sale category when intended to be held for an indefinite time and may be sold in response to specific needs for liquidity or anticipation of changes in equity price or those financial assets that have not been classified as financial assets measured at fair value through profit or loss, as loans and receivables or as investments held to maturity.

**Reclassification**

Non-derivative trading financial assets 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 in rare circumstances. 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 changed 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.

***Measurement***

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.

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.

The valuation of financial assets after initial recognition is governed by their classification.

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 and held-to-maturity investments are measured at amortised cost using the effective interest rate method.

Available for sale financial assets are measured at fair value. Gains and losses arising from changes in fair value are reported directly in the fair value revaluation reserve in equity until the financial asset is sold or impaired. 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 rate method. Foreign exchange gains or losses on monetary items classified as available for sale is recognised in the income statement. 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.

**Financial liabilities**

***Classification***

Financial liabilities are classified in two categories:
– Financial liabilities at fair value through profit or loss
– Other financial liabilities.

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 negative replacement value of derivatives.

The category other financial liabilities primarily include the Group's short-term and long-term borrowings.

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

***Measurement***

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.

After initial recognition, financial liabilities measured at fair value through profit or loss, are measured and reported in a manner equivalent to the measurement and reporting of financial assets measured at fair value through profit or loss. Other financial liabilities are, after initial recognition, measured on an ongoing basis at amortised cost, using the effective interest rate 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 of the instrument calculated using a valuation technique is amortised over the life of the transaction, unless the calculation of the fair value is entirely based on observable market data. If the valuation is entirely based on market data a day 1 gain is recognised in profit or loss.

**Derivative financial instruments**

Derivatives are initially recognised at fair value on trade date and subsequently measured at fair value. Derivatives are recognised as assets when replacement value is positive and as liabilities when replacement value is negative.

***Embedded derivatives***

Embedded derivatives are separated from the host contract and accounted for as derivatives. Embedded derivatives are not separated when their economic characteristics and risks are closely related to those of the host contract or the host contract is carried at fair value.

Certain combined instruments, i.e. contracts that contain one or more embedded derivatives, are classified as financial asset or financial liability at fair value through profit or loss. The designation implies that the entire combined instrument is valued at fair value and that changes in fair value are recognised on an ongoing basis in profit or loss.

***Hedge accounting***

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 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 hedged item. The Group also assesses and documents that the likelihood of forecasted transactions to take place is highly probable.

The Group designates derivatives as either:
– hedges of the fair value of recognised assets or liabilities of firm commitments (fair value hedge)
– hedges of the fair value of the interest risk of a portfolio (macro hedging)
– 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).

*Fair value hedge*

Fair value hedge is the hedging of exposure to changes in the fair value of an asset or a liability, or an identifiable component of such asset or liability, which is attributable to a certain risk that could affect the profit or loss. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement together with changes in the fair value of the hedged item 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. The group applies the EU carve out version of IAS 39 for portfolio hedges of both assets and liabilities.

Fair value hedges are discontinued in the following situations:
– The hedging instrument expires or is sold, terminated or exercised
– The hedging relationship no longer meets the criteria for hedge accounting
– The hedging relationship is discontinued.

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 directly against equity. 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 directly against equity are recognised in profit or loss in the same period as interest income and interest expense from the hedged asset or liability.

Cash flow hedges are discontinued in the same situations as listed above regarding the termination of fair value hedges. 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*
The hedging of a net investment in a foreign operation refers to the hedge of equity in a foreign subsidiary against foreign exchange fluctuations. This type of hedge is accounted for similarly to cash flow hedges. Gains or losses on the hedging instrument attributable to the effective portion of the hedge are recognised in equity whilst the ineffective portion is recognised directly in profit or loss. Gains or losses accumulated in equity are included in profit or loss at the disposal of the foreign operation.

**Interest income and interest expenses**
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.

**Commission income 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**
Repurchase agreements are generally treated as collateralised financing transactions. Market values of the securities received or delivered are monitored on a daily basis to require or deliver additional collateral. In repurchase transactions, the asset continues to be reported on the selling party's balance sheet and the payment received is reported as a deposit or borrowing. The sold instrument is reported as pledged assets. The buying party reports the payment as an outstanding loan to the selling party. The difference in amounts between the spot and the forward payments is allocated as interest over the life of the instrument.

**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.

On each balance sheet date the Group assesses whether there is objective evidence that a financial asset or group of financial assets is 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 pertaining the issuer or obligor,
– concession granted to the borrower as a consequence of financial difficulty, the nature of 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 60 days or more. 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 an incurred but not identified collective appraisal. The collective appraisal of incurred but not identified credit losses is based on the SEB counterpart rating scale.

*Homogeneous group appraisal for impairment*
Financial assets with limited value and similar risk, homogeneous groups, are appraised for impairment on a portfolio basis. The appraisal of homogeneous groups are based on historical lending losses and an assessment of factors, based on an expert judgement, which could have an impact on the level of losses.

***Recognition of impairment loss on assets carried at amortised cost***
An impairment of a 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 (other comprehensive income) 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 equity.

***Renegotiated loans***
Renegotiated loans are no longer considered to be past due unless the loan is past due according to the renegotiated terms.

**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 at the earliest convenience.

**Tangible fixed assets**
Tangible fixed assets, with the exception of investment properties held in insurance operations, are reported at historical 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 5 years.

Tangible fixed assets are tested for impairment whenever there is 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 5 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**
A provision is established when the Group has a present obligation as a result of past events. Conditions for the establishment of a provision are that the amount can be estimated in a reliable manner and that it is more likely than not that an outflow of resources will be required to settle the obligation. Provisions are evaluated at each balance sheet date and are adjusted as necessary.

Provisions are valued at the present value of the amount expected to be required in order to settle the obligation. The applied discount rate before tax reflects the current market assessment of the time-dependent value of the funds or the risks to which the provision refers. The increase of the provision over the course of time is recorded as an interest expense.

**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. 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 programme 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 directly in equity is also reported directly in equity. 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 re-insurers 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.

## SIGNIFICANT ACCOUNTING POLICIES OF THE PARENT COMPANY

The annual report of the parent company has been prepared in accordance with the Act (1995:1559) on annual accounts of credit institutions and securities companies ("AACS"), the accounting regulations of the Financial Supervisory Board ("FSA 2008:25") and recommendation RFR 2.1 of the Swedish Financial Reporting Board (SFRB).

The parent company applies "IFRS as restricted by the law", which means that international accounting standards are applied to the extent permitted under Swedish accounting legislation. As the Swedish standards have not been fully adjusted to IFRS, 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 AACS are not in conformity with IFRS. Credit institutions and securities companies applying international accounting standards (IFRS/IAS) endorsed by the European Commission in their consolidated accounts are provided the option to deviate from the presentation format for the balance sheet as stipulated in AACS, but may not deviate from the AACS stipulated profit and loss account. The parent company has chosen to utilize this option, implying that the presentation format of the balance sheet is, in all material aspects, the same in both the Group and the parent company.

**Definition of the Group**

The AACS and IAS 27 have different definitions of a group. According to the AACS, companies are not reported as parent companies and subsidiaries if there is no ownership interest. According to IAS 27, it is sufficient that there is controlling influence. In other words, no share in the ownership of the company is required. There is a definition in AACS which determines when a company is the parent company of a group and is; therefore, liable to prepare consolidated accounts, but it is IAS 27 which stipulates the companies to be included in the consolidated accounts. For SEB, this means that the consolidated accounts comprise a different group of companies than those constituting a group according to AACS.

**Holdings in subsidiaries and associated companies**
Participations in subsidiaries and associated companies shall be reported in accordance with the cost method. Dividends received are reported as income to the extent that they emanate from profits earned after the acquisition. Dividends in excess of such profits reduce the reported value of the participation. If the value of the participations is lower than their acquisition cost on balance sheet date, a write-down to the lower value will be made if such decrease in value is deemed permanent.

The parent company has chosen to apply hedge accounting to the foreign exchange risk in participations held in foreign subsidiaries and to the exchange risk in accrued profits in these subsidiaries. For this purpose hedging of the fair values is applied, which means that the value of the participations and the loans serving as hedge instruments are translated taking into consideration the hedged risk. Participations in subsidiaries subject to hedge accounting are, consequently, reported at a value differing from their acquisition cost.

**Segment reporting**
The parent company need not present segment information. However, information shall be disclosed regarding income per business area and geographical market.

**Financial assets and financial liabilities designated at fair value through profit or loss (Fair Value Option)**
It is only possible to designate financial assets and financial liabilities as measured at fair value through profit or loss in those cases permitted by AACS. Therefore, it is not possible for the parent company to fully apply the Fair Value Option. For example, it is not possible to designate liabilities as measured at fair value through profit or loss, except for those held for trading purposes or which constitute derivatives.

**Leasing**
According to RFR 2.1, leasing contracts which are classified as finance leases in the consolidated accounts may be accounted for as operating leases in legal entities. The parent company has chosen to utilize this option.

**Pensions**
The Act on safeguarding of pension commitments and the guidance from the FSA include regulations the application of which results in accounting treatment as regards defined benefit plans differing from the treatment stipulated in IAS 19. Compliance with the Act on safeguarding of pension commitments is a condition for fiscal deductibility. In view of this, RFR 2.1 states that it is not mandatory that the regulations in IAS 19 regarding defined benefit pension plans be applied in the legal entity. The parent company, whose obligations are covered by pension funds, has chosen to utilize this possibility. Imputed pension costs are, therefore, reported as personnel costs in the profit and loss account and reversed in appropriations. The parent company compensates itself for pensions paid from the pension funds, provided the financial position of the funds so permits. Paid pensions and compensation from the pension funds are recorded among appropriations.

**Group contributions**
Group contributions paid or received for the purpose of minimising the Group's taxes are reported in the parent company as a decrease/increase in non-restricted equity, after adjustment for estimated tax.

## 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 9b contains a list of the most critical assumptions used when calculating the provision.

## 2 Segment reporting

BUSINESS SEGMENTS IN SEB GROUP

| Income statement, 2008 | Merchant Banking | Retail Banking | Wealth Management | Life[1] | Other incl. eliminations[2] | Group |
|---|---|---|---|---|---|---|
| *Interest income* | *67,684* | *46,440* | *4,011* | | *–20,854* | *97,281* |
| *Interest expense* | *–60,270* | *–35,690* | *–3,120* | *–36* | *20,545* | *–78,571* |
| Net interest income | 7,414 | 10,750 | 891 | –36 | –309 | 18,710 |
| *Fee and commission income* | *6,573* | *8,137* | *5,264* | | *–97* | *19,877* |
| *Fee and commission expense* | *–1,325* | *–2,496* | *–1,583* | | *781* | *–4,623* |
| Net fee and commission income | 5,248 | 5,641 | 3,681 | | 684 | 15,254 |
| Net financial income | 3,625 | 397 | 67 | | –1,119 | 2,970 |
| Net life insurance income | | | | 3,296 | –921 | 2,375 |
| Net other income | 541 | 244 | 48 | | 998 | 1,831 |
| **Total operating income** | **16,828** | **17,032** | **4,687** | **3,260** | **–667** | **41,140** |
| of which internally generated | –10,550 | 1,700 | –67 | 1,005 | 7,912 | |
| Staff costs | –3,890 | –4,632 | –1,427 | –1,105 | –5,187 | –16,241 |
| Other expenses | –3,594 | –5,449 | –1,132 | –523 | 3,056 | –7,642 |
| Depreciation, amortisation and impairments of tangible and intangible assets | –95 | –311 | –100 | –569 | –449 | –1,524 |
| **Total operating expenses** | **–7,579** | **–10,392** | **–2,659** | **–2,197** | **–2,580** | **–25,407** |
| Gains less losses from tangible and intangible assets | 5 | 2 | | | –1 | 6 |
| Net credit losses incl. changes in value of seized assets | –904 | –2,380 | –17 | | 33 | –3,268 |
| **Operating profit** | **8,350** | **4,262** | **2,011** | **1,063** | **–3,215** | **12,471** |

| Income statement, 2007 | Merchant Banking | Retail Banking | Wealth Management | Life[1] | Other incl. eliminations[2] | Group |
|---|---|---|---|---|---|---|
| *Interest income* | *59,858* | *34,924* | *3,609* | | *–12,356* | *86,035* |
| *Interest expense* | *–54,248* | *–25,226* | *–2,766* | *–28* | *12,231* | *–70,037* |
| Net interest income | 5,610 | 9,698 | 843 | –28 | –125 | 15,998 |
| *Fee and commission income* | *7,256* | *8,410* | *5,767* | | *–33* | *21,400* |
| *Fee and commission expense* | *–1,311* | *–2,191* | *–1,690* | | *843* | *–4,349* |
| Net fee and commission income | 5,945 | 6,219 | 4,077 | | 810 | 17,051 |
| Net financial income | 2,613 | 482 | 79 | | 65 | 3,239 |
| Net life insurance income | | | | 3,958 | –1,025 | 2,933 |
| Net other income | 839 | 159 | 86 | | 135 | 1,219 |
| **Total operating income** | **15,007** | **16,558** | **5,085** | **3,930** | **–140** | **40,440** |
| of which internally generated | –6,350 | –2,027 | –864 | 1,113 | 8,128 | |
| Staff costs | –4,246 | –4,235 | –1,340 | –1,050 | –4,050 | –14,921 |
| Other expenses | –3,489 | –5,285 | –1,040 | –530 | 3,425 | –6,919 |
| Depreciation, amortisation and impairments of tangible and intangible assets | –85 | –318 | –60 | –548 | –343 | –1,354 |
| **Total operating expenses** | **–7,820** | **–9,838** | **–2,440** | **–2,128** | **–968** | **–23,194** |
| Gains less losses from tangible and intangible assets | 2 | 4 | –1 | | 783 | 788 |
| Net credit losses incl. changes in value of seized assets | –326 | –715 | –7 | | 32 | –1,016 |
| **Operating profit** | **6,863** | **6,009** | **2,637** | **1,802** | **–293** | **17,018** |

1) Business result in Life amounted to SEK 2,052m (3,075), of which change in surplus values was net SEK 989m (1,273).
2) Profit and losses from associated companies accounted for under the equity method are recognised in Net other income by SEK 77m (128). The aggregated investments are SEK 99m (424).

| Balance sheet, 2008-12-31 | Merchant Banking | Retail Banking | Wealth Management | Life | Other incl. eliminations | Group |
|---|---|---|---|---|---|---|
| Assets | 1,434,495 | 728,433 | 78,772 | 230,836 | 38,166 | 2,510,702 |
| Liabilities | 1,394,392 | 666,214 | 70,258 | 222,232 | 73,877 | 2,426,973 |
| Investments | 455 | 783 | 1,051 | 2,126 | 523 | 4,938 |

| Balance sheet, 2007-12-31 | Merchant Banking | Retail Banking | Wealth Management | Life | Other incl. eliminations | Group |
|---|---|---|---|---|---|---|
| Assets | 1,381,938 | 725,782 | 86,938 | 244,497 | –94,693 | 2,344,462 |
| Liabilities | 1,340,919 | 672,802 | 78,983 | 236,112 | –61,073 | 2,267,743 |
| Investments | 364 | 539 | 62 | 1,042 | 841 | 2,848 |

Note 2 ctd. Segment reporting

GEOGRAPHICAL SEGMENTS IN SEB GROUP

| | 2008 | | | 2007 | | |
|---|---|---|---|---|---|---|
| | Gross Income* | Assets | Investments | Gross Income* | Assets | Investments |
| Sweden | 75,927 | 1,686,933 | 1,257 | 65,900 | 1,512,209 | 1,164 |
| Norway | 11,757 | 149,637 | 33 | 10,474 | 145,624 | 28 |
| Denmark | 11,151 | 206,720 | 1,392 | 10,209 | 280,562 | 478 |
| Finland | 3,077 | 27,289 | 15 | 2,782 | 20,815 | 24 |
| Estonia | 3,694 | 57,311 | 34 | 3,336 | 52,023 | 61 |
| Latvia | 3,488 | 50,796 | 58 | 3,124 | 47,356 | 92 |
| Lithuania | 5,523 | 91,718 | 357 | 4,308 | 77,220 | 151 |
| Germany | 28,206 | 651,615 | 252 | 25,801 | 575,581 | 227 |
| Other countries | 12,540 | 257,999 | 1,538 | 22,948 | 369,283 | 623 |
| Group eliminations | –31,028 | –669,316 | 2 | –34,056 | –736,211 | |
| **Total** | **124,335** | **2,510,702** | **4,938** | **114,826** | **2,344,462** | **2,848** |

*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.

BUSINESS SEGMENTS IN PARENT COMPANY

| **2008** | Merchant Banking | Retail Banking | Wealth Management | Life | Other incl. eliminations | Parent company |
|---|---|---|---|---|---|---|
| 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 |
| **2007** | | | | | | |
| Gross income* | 32,162 | 10,608 | 1,723 | 106 | 20,996 | 65,595 |
| Assets | 970,143 | 314,625 | 11,056 | 2 | 263,493 | 1,559,319 |
| Investments | 141 | 73 | 14 | | 58 | 286 |

GEOGRAPHICAL SEGMENTS IN PARENT COMPANY

| | 2008 | | | 2007 | | |
|---|---|---|---|---|---|---|
| | Gross Income* | Assets | Investments | Gross Income* | Assets | Investments |
| Sweden | 65,218 | 1,522,815 | 431 | 43,360 | 1,248,095 | 286 |
| Norway | 4,618 | 77,926 | | 3,796 | 61,879 | |
| Denmark | 5,449 | 71,799 | | 5,147 | 167,731 | |
| Finland | 1,348 | 3,357 | | 946 | 3,692 | |
| Other countries | 5,883 | 32,603 | 132 | 12,346 | 77,922 | |
| **Total** | **82,516** | **1,708,500** | **563** | **65,595** | **1,559,319** | **286** |

*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.

**Primary segment – 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. Some supportfunctions have been moved from the divisions to Group Operations and Group Staff, 2007 years figures have been restated accordingly.

**Secondary segment – Geographical segment**
The split is based on the location of the entity.

**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 | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007[3] |
| Loans to credit institutions | 11,873 | 10,865 | 14,329 | 4,963 |
| Loans to the public | 64,612 | 53,770 | 33,940 | 25,521 |
| Interest-bearing securities[1] | 18,706 | 18,127 | 11,408 | 11,686 |
| Other interest income | 2,090 | 3,273 | 109 | 1,743 |
| **Interest income[2]** | **97,281** | **86,035** | **59,786** | **43,913** |
| Deposits by credit institutions | –19,485 | –17,287 | –17,470 | –5,174 |
| Deposits and borrowing from the public | –31,292 | –26,760 | –13,618 | –9,639 |
| Interest-bearing securities | –21,593 | –20,668 | –16,602 | –19,289 |
| Subordinated liabilities | –2,336 | –2,075 | –2,280 | –2,011 |
| Other interest costs | –3,865 | –3,247 | –3,017 | –2,351 |
| **Interest expense** | **–78,571** | **–70,037** | **–52,987** | **–38,464** |
| **Total** | **18,710** | **15,998** | **6,799** | **5,449** |
| 1) Of which, measured at fair value. | 18,706 | 18,007 | 11,094 | 11,427 |
| 2) Including interest on impaired loans. | 101 | 107 | | |

3) In the parent company a productnetting was made 2007 between loans and deposits to credit institutions.

### Net income from leases[1]

| | | |
|---|---|---|
| Income from leases | 6,372 | 6,154 |
| Depreciation of leased equipment | –4,604 | –4,735 |
| **Total** | **1,768** | **1,419** |

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

| | | |
|---|---|---|
| Interest income | 59,786 | 43,913 |
| Income from leases | 6,372 | 6,154 |
| Interest expense | –52,987 | –38,464 |
| Depreciation of leased equipment | –4,604 | –4,735 |
| **Total** | **8,567** | **6,868** |

## 4 Net fee and commission income

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Issue of securities | 172 | 335 | 959 | 1,192 |
| Secondary market | 2,769 | 3,751 | 608 | 1,141 |
| Custody and mutual funds | 7,022 | 7,165 | 2,369 | 2,454 |
| Securities commissions | 9,963 | 11,251 | 3,936 | 4,787 |
| Payments | 1,844 | 1,808 | 1,134 | 1,116 |
| Card fees | 4,300 | 4,093 | 173 | 163 |
| Payment commissions | 6,144 | 5,901 | 1,307 | 1,279 |
| Lending | 1,004 | 1,055 | 678 | 718 |
| Deposits | 98 | 89 | 68 | 67 |
| Advisory | 1,118 | 1,473 | 297 | 378 |
| Guarantees | 301 | 264 | 171 | 152 |
| Derivatives | 601 | 363 | 516 | 305 |
| Other | 648 | 1,004 | 500 | 769 |
| Other commissions | 3,770 | 4,248 | 2,230 | 2,389 |
| **Fee and commission income** | **19,877** | **21,400** | **7,473** | **8,455** |
| Securities commissions | –970 | –902 | –267 | –260 |
| Payment commissions | –2,450 | –2,373 | –526 | –520 |
| Other commissions | –1,203 | –1,074 | –686 | –551 |
| **Fee and commission expense** | **–4,623** | **–4,349** | **–1,479** | **–1,331** |
| **Total** | **15,254** | **17,051** | **5,994** | **7,124** |

## 5 Net financial income

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Gains (losses) on financial assets and liabilities held for trading, net | 3,665 | 3,256 | 3,236 | 2,490 |
| Gains (losses) on financial assets and liabilities designated at fair value, net | –221 | –17 | | |
| Impairments on available-for-sale financial assets | –474 | | | |
| **Total** | **2,970** | **3,239** | **3,236** | **2,490** |

**Gains (losses) on financial assets and liabilities held for trading, net**

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Equity instruments and related derivatives | 1,483 | 569 | 1,002 | 587 |
| Debt instruments and related derivatives | –936 | –100 | –176 | –104 |
| Currency related | 3,106 | 2,787 | 2,410 | 2,007 |
| Other financial instruments | 12 | | | |
| **Total**[1] | **3,665** | **3,256** | **3,236** | **2,490** |

**Gains (losses) on financial assets and liabilities designated at fair value, net**

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Equity instruments and related derivatives | –68 | –49 | | |
| Debt instruments and related derivatives | –123 | –1 | | |
| Currency related | –30 | 33 | | |
| **Total** | **–221** | **–17** | | |

1) Includes ineffectiveness for net investment hedges in foreign operations of SEK –85m (0).

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 2008 | Group 2007 |
|---|---|---|
| Premium income, net | 7,126 | 5,961 |
| Income investment contracts | 983 | 1,067 |
| Investment income net | –2,519 | 981 |
| Other insurance income | 397 | 471 |
| Net insurance expenses | –3,612 | –5,547 |
| **Total** | **2,375** | **2,933** |

**Investment income, net**

| | 2008 | 2007 |
|---|---|---|
| Direct yield[1] | 4,230 | 4,427 |
| Change in value on investments at fair value, net | –7,069 | –2,813 |
| Foreign exchange gains (losses) | 39 | –419 |
| | –2,800 | 1,195 |
| Expenses for asset management services | –119 | –108 |
| Policyholders tax | 400 | –106 |
| **Total** | **–2,519** | **981** |

1) Net interest income, dividends received and operating surplus from properties.

**Net insurance expenses**

| | 2008 | 2007 |
|---|---|---|
| Claims paid, net | –9,330 | –7,918 |
| Change in insurance contract provisions | 5,718 | 2,371 |
| **Total** | **–3,612** | **–5,547** |

## 7 Net other income

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Dividends | 122 | 79 | **2,715** | **3,925** |
| Impairment of financial assets | | | **–121** | **–106** |
| Investments in associates | 77 | 128 | | |
| Gains less losses from investment securities | 1,236 | 653 | 2,004 | 377 |
| Gains less losses from tangible assets[1] | | | 6 | –939 |
| Other income | 396 | 359 | 924 | 1,220 |
| **Total** | **1,831** | **1,219** | **2,934** | **658** |

1) See note 13 for the Group.

**Dividends**

| | | | | |
|---|---|---|---|---|
| Available-for-sale investments | 122 | 79 | 18 | 26 |
| Investments in associates | | | | 57 |
| Shares in subsidiaries | | | 2,697 | 3,842 |
| **Total** | **122** | **79** | **2,715** | **3,925** |

**Impairment of financial assets**

| | | | | |
|---|---|---|---|---|
| Impairments | | | –121 | –106 |
| **Total** | | | **–121** | **–106** |

**Investments in associates[1]**

| | | | | |
|---|---|---|---|---|
| NCSD Holding (former VPC) | 60 | 89 | | |
| BGC Holding | 13 | 26 | | |
| Other | 4 | 13 | | |
| **Total** | **77** | **128** | | |

1) Recognised through the equity method.

**Gains less losses from investment securities**

| | | | | |
|---|---|---|---|---|
| Available for sale financial assets – Equity instruments | 1,232 | 638 | 2,004 | 377 |
| Available for sale financial assets – Debt instruments | 85 | 791 | | |
| Loans | 9 | 1 | | |
| Capital gains | 1,326 | 1,430 | 2,004 | 377 |
| Available for sale financial assets – Equity instruments | –18 | –45 | | |
| Available for sale financial assets – Debt instuments | –55 | –641 | | |
| Loans | –17 | –91 | | |
| Capital losses | –90 | –777 | | |
| **Total** | **1,236** | **653** | **2,004** | **377** |

**Other income**

| | | | | |
|---|---|---|---|---|
| Fair value adjustment in hedge accounting | –46 | –132 | –87 | –26 |
| Operating result from non-life insurance, run off | –12 | –12 | | |
| Other income | 454 | 503 | 1,011 | 1,246 |
| **Total** | **396** | **359** | **924** | **1,220** |

**Fair value adjustment in hedge accounting**

| | | | | |
|---|---|---|---|---|
| Fair value changes of the hedged items attributable to the hedged risk | –5,374 | –1,363 | –4,519 | –854 |
| Fair value changes of the hedging derivatives | 4,831 | 907 | 4,417 | 842 |
| Fair value hedges – ineffective portion | –543 | –456 | –102 | –12 |
| Fair value changes of the hedging derivatives | 15 | –14 | 15 | –14 |
| Cash-flow hedges – ineffective portion | 15 | –14 | 15 | –14 |
| Fair value changes of the hedged items | 2,404 | –691 | | |
| Fair value changes of the hedging derivatives | –1,922 | 1,029 | | |
| Fair value portfolio hedge of interest rate risk – ineffective portion | 482 | 338 | | |
| **Total** | **–46** | **–132** | **–87** | **–26** |

Note 7 ctd. Net other income

**Fair value hedges and fair value 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 2009 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 55,899m (53,260) and currency forwards to an amount of SEK 4,486m (349) was designated as hedges of net investments in foreign operations. Ineffectiveness has been recognised with SEK –85m reported in Net financial income (note 5).

## 8 Administrative expenses

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Staff costs | –16,241 | –14,921 | –9,274 | –8,611 |
| Other expenses | –7,642 | –6,919 | –4,464 | –3,978 |
| **Total** | **–23,883** | **–21,840** | **–13,738** | **–12,589** |

## 9 Staff costs

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Salaries and remuneration | –11,088 | –10,808 | –5,653 | –5,576 |
| Payroll overhead | –2,618 | –2,615 | –1,785 | –1,646 |
| Employee stock option programme | 67 | –71 | 67 | –71 |
| **Payroll related costs** | **–13,639** | **–13,494** | **–7,371** | **–7,293** |
| Imputed pension costs | | | –434 | –362 |
| Pension premiums paid | | | –441 | –447 |
| Benefit retirement plans | –7 | 369 | | |
| Contribution retirement plans | –732 | –733 | | |
| **Pension related costs[1]** | **–739** | **–364** | **–875** | **–809** |
| **Other staff costs[2]** | **–1,863** | **–1,063** | **–1,028** | **–509** |
| **Total** | **–16,241** | **–14,921** | **–9,274** | **–8,611** |

1) Pension costs in the Group are accounted for according to IAS 19, Employee benefits. 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 213m (393) for early retirement have been charged to the pension funds of the Bank.
2) Includes costs for redundancies with SEK 1,050m (281) for the Group and SEK 778m (115) for the parent company.

## 9 a Salaries and other remunerations per category

| | Group | | | Parent company | | |
|---|---|---|---|---|---|---|
| **2008** | Executives[1] | Other | **Total** | Executives[1] | Other | **Total** |
| Sweden | –32 | –4,839 | **–4,871** | –18 | –4,172 | **–4,190** |
| 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** | **–10,607** | **–11,088** | **–18** | **–5,635** | **–5,653** |

Note 9 a ctd. Salaries and other remunerations per category

| | Group | | | Parent company | | |
|---|---|---|---|---|---|---|
| **2007** | Executives[1)] | Other | **Total** | Executives[1)] | Other | **Total** |
| Sweden | –34 | –5,038 | **–5,072** | –19 | –4,300 | **–4,319** |
| Norway | –33 | –827 | **–860** | | –190 | **–190** |
| Denmark | –14 | –756 | **–770** | | –321 | **–321** |
| Finland | –24 | –257 | **–281** | | –158 | **–158** |
| Estonia | –7 | –273 | **–280** | | | |
| Latvia | –13 | –244 | **–257** | | –19 | **–19** |
| Lithuania | –30 | –311 | **–341** | | | |
| Germany | –267 | –1,842 | **–2,109** | | –98 | **–98** |
| Poland | –6 | –27 | **–33** | | –15 | **–15** |
| Ukraine | –3 | –26 | **–29** | | | |
| China | | –5 | **–5** | | –5 | **–5** |
| Great Britain | | –337 | **–337** | | –337 | **–337** |
| France | | –11 | **–11** | | –11 | **–11** |
| Ireland | –2 | –10 | **–12** | | | |
| Luxembourg | –12 | –182 | **–194** | | | |
| Russia | –3 | –21 | **–24** | | | |
| Singapore | | –58 | **–58** | | –50 | **–50** |
| United States | –11 | –113 | **–124** | | –53 | **–53** |
| Other[2)] | | –11 | **–11** | | | |
| **Total** | **–459** | **–10,349** | **–10,808** | **–19** | **–5,557** | **–5,576** |

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 96 (101) of which 14 (19) female. Total number of Board members and their substitutes was 241 (207) of which 55 (47) 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 | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Managing Directors and Deputy Managing Directors[1)] | 153 | 134 | 18 | 2 |
| Boards of Directors[2)] | 251 | 208 | 34 | 47 |
| **Total** | **404** | **342** | **52** | **49** |

1) Comprises current President in the parent company and Managing Directors and Deputy Managing Directors in subsidiaries. Total number of executives was 96 (101) of which female 14 (19).
2) Comprises current Board members and their substitutes in the parent company and subsidiaries. Total number of persons was 241 (207) of which female 55 (47).

**Pension commitments to Executives**

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Pension disbursements made | 83 | 53 | 36 | 16 |
| Change in commitments | 52 | 58 | 11 | 7 |
| Commitments at year-end | 1,608 | 1,678 | 728 | 775 |

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 110 (115) persons.

## 9b Retirement benefit obligations

DEFINED BENEFIT PLANS IN SEB GROUP

| Net amount recognised in the Balance sheet | 2008 Sweden[1] | 2008 Foreign[1] | 2008 Group[1] | 2007 Sweden[1] | 2007 Foreign[1] | 2007 Group[1] |
|---|---|---|---|---|---|---|
| Defined benefit obligation at the beginning of the year | 16,479 | 4,760 | **21,239** | 14,312 | 5,016 | **19,328** |
| Acquisitions and reclassification | | –43 | **–43** | | –55 | **–55** |
| Service costs | 454 | 93 | **547** | 347 | 99 | **446** |
| Interest costs | 604 | 255 | **859** | 523 | 222 | **745** |
| Benefits paid | –805 | –285 | **–1,090** | –779 | –242 | **–1,021** |
| Exchange differences | | 764 | **764** | | 228 | **228** |
| Unrecognised actuarial gains/losses | 91 | –186 | **–95** | 2,076 | –508 | **1,568** |
| **Defined benefit obligation at the end of the year** | **16,823** | **5,358** | **22,181** | **16,479** | **4,760** | **21,239** |
| Fair value of plan assets at the beginning of the year | 16,991 | 4,528 | **21,519** | 17,579 | 4,472 | **22,051** |
| Acquisitions and reclassification | | | | | –77 | **–77** |
| Calculated return on plan assets | 1,275 | 265 | **1,540** | 1,317 | 260 | **1,577** |
| Benefits paid/contributions | –691 | –253 | **–944** | –782 | –216 | **–998** |
| Exchange differences | | 731 | **731** | | 205 | **205** |
| Unrecognised actuarial gains/losses | –4,511 | –688 | **–5,199** | –1,123 | –116 | **–1,239** |
| **Fair value of plan assets at the end of the year** | **13,064** | **4,583** | **17,647** | **16,991** | **4,528** | **21,519** |
| **Funded status** | **–3,759** | **–775** | **–4,534** | **512** | **–232** | **280** |
| Unrecognised actuarial gains/losses on liabilities | 5,941 | 160 | **6,101** | 5,989 | 348 | **6,337** |
| Unrecognised actuarial gains/losses on assets | 2,349 | 690 | **3,039** | –2,162 | 2 | **–2,160** |
| Exchange differences | | 69 | **69** | | 11 | **11** |
| **Net amount recognised in the Balance sheet** | **4,531** | **144** | **4,675** | **4,339** | **129** | **4,468** |
| of which recognised as assets | 4,486 | 217 | **4,703** | 4,373 | 192 | **4,565** |
| of which recognised as liabilities | –45 | 73 | **28** | 34 | 63 | **97** |

| Movements in the net assets or net liabilities | 2008 Sweden | 2008 Foreign | 2008 Group | 2007 Sweden | 2007 Foreign | 2007 Group |
|---|---|---|---|---|---|---|
| Defined benefit obligation at the beginning of the year | 4,339 | 129 | **4,468** | 3,896 | 192 | **4,088** |
| Acquisitions and reclassification | | 43 | **43** | | –24 | **–24** |
| Total expense as below | 78 | –85 | **–7** | 446 | –77 | **369** |
| Pension paid | 805 | 285 | **1,090** | 779 | 242 | **1,021** |
| Pension compensation | –691 | –253 | **–944** | –782 | –216 | **–998** |
| Exchange differences | | 25 | **25** | | 12 | **12** |
| **Amounts recognised in Balance sheet** | **4,531** | **144** | **4,675** | **4,339** | **129** | **4,468** |

The actual return on plan assets was SEK –3,928m (175) in Sweden and SEK –297m (113) in foreign plans. The allocation of total plan assets in Sweden is 78 per cent (78) shares and 22 (22) interest-bearing, in foreign plans 14 (24) shares and 86 (76) interest-bearing.

The pension plan assets include SEB shares with a fair value of SEK 417m (903) and buildings occupied by the company with a value of SEK 792m (792).

| Amounts recognised in the Profit and loss | 2008 Sweden | 2008 Foreign | 2008 Group | 2007 Sweden | 2007 Foreign | 2007 Group |
|---|---|---|---|---|---|---|
| Service costs | –454 | –93 | **–547** | –347 | –99 | **–446** |
| Interest costs | –604 | –255 | **–859** | –523 | –222 | **–745** |
| Return on plan assets | 1,275 | 265 | **1,540** | 1,317 | 260 | **1,577** |
| Actuarial gains/losses | –139 | –2 | **–141** | –1 | –16 | **–17** |
| **Total included in staff costs** | **78** | **–85** | **–7** | **446** | **–77** | **369** |

| Principal actuarial assumptions used, % | 2008 Sweden | 2008 Foreign | 2008 Group | 2007 Sweden | 2007 Foreign | 2007 Group |
|---|---|---|---|---|---|---|
| Discount rate | 3.8% | 6.0% | | 3.8% | 5.5% | |
| 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% | 5.0% | | 7.5% | 6.0% | |

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

| Net amount recognised in the Profit and loss | 2008 Sweden | 2008 Foreign | 2008 Group | 2007 Sweden | 2007 Foreign | 2007 Group |
|---|---|---|---|---|---|---|
| Expense in Staff costs | –463 | –269 | **–732** | –487 | –246 | **–733** |

Note 9 b ctd. Retirement benefit obligations

DEFINED BENEFIT PLANS IN SKANDINAVISKA ENSKILDA BANKEN

| | Parent company | |
|---|---|---|
| **Net amount recognised in the Balance sheet** | 2008 | 2007 |
| Defined benefit obligation at the beginning of the year | 11,877 | 11,204 |
| Imputed pensions costs | 434 | 362 |
| Interest costs and other changes | –47 | 700 |
| Early retirement | 213 | 393 |
| Pension disbursements | –803 | –782 |
| **Defined benefit obligation at the end of the year** | **11,674** | **11,877** |
| | | |
| Fair value of plan assets at the beginning of the year | 16,732 | 17,343 |
| Return in pension foundations | –3,136 | 171 |
| Benefits paid | –803 | –782 |
| **Fair value of plan assets at the end of the year** | **12,793** | **16,732** |

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 9,955m (13,125) and to a smaller extent interest related SEK 2,838m (2,593). The assets include SEB shares of SEK 408m (890) and buildings occupied by the company of SEK 792m (792). The return on assets was –19 per cent (11) before pension compensation.

| **Amounts recognised in the Profit and loss** | | |
|---|---|---|
| Imputed pension costs | –434 | –362 |
| **Total included in staff costs** | **–434** | **–362** |
| | | |
| Recovery of imputed pension costs | 434 | 362 |
| Pension disbursements | –803 | –782 |
| Compensation from pension foundations | 803 | 782 |
| **Total included in appropriations** | **434** | **362** |
| | | |
| **Net pension costs for defined benefit plans** | **0** | **0** |

| **Principal actuarial assumptions used, %** | | |
|---|---|---|
| Gross interest rate | 4.2% | 3.5% |
| Interest rate after tax | 3.6% | 3.0% |

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** | 2008 | 2007 |
| Expense in Staff costs | –441 | –447 |

**Pension foundations**

| | Pension commitments | | Market value of asset | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| SEB-Stiftelsen, Skandinaviska Enskilda Bankens Pensionsstiftelse | 11,674 | 11,877 | 12,793 | 16,732 |
| SEB Kort AB:s Pensionsstiftelse | 271 | 260 | 271 | 260 |
| **Total** | **11,945** | **12,137** | **13,064** | **16,992** |

SEB Kort AB:s Pensionstiftelse merged its assets with SEB-Stiftelsen, Skandinaviska Enskilda Bankens Pensionstiftelse during 2007 but kept its dedicated share of the assets.

**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

**Compensation to the top mangement, SEK**

| 2008 | Base salary | Variable salaries[1] | Remunerations[2] | Benefits and other[3] | Total |
|---|---|---|---|---|---|
| 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** |
| **2007** | | | | | |
| Chairman of the Board, Marcus Wallenberg | | | 2,600,000 | | **2,600,000** |
| Other members of the Board | | | 5,470,000 | | **5,470,000** |
| President and CEO, Annika Falkengren | 7,000,000 | 4,000,000 | | 1,106,016 | **12,106,016** |
| **Total** | **7,000,000** | **4,000,000** | **8,070,000** | **1,106,016** | **20,176,016** |

1) The President has unilateraly decided to renounce her pay-out of any short-term incentive compensation for 2008.
2) As decided at AGM.
3) Includes benefits for homeservice, company car and vacation compensation.

The principles for compensation of the President and the other members of the Group Executive Committee were prepared by the Board and the Remuneration and Human Resources Committee of the Board and approved by the Annual General Meeting 2008. For more information, see page 59–60.

**Short-term Incentive**
Short-term incentives for the Group Executive Committee are based on Group and divisional financial criteria, such as operating result, costs and other varying quantitative criteria. In addition to that there are individual qualitative criteria measured discretionary. All short-term incentives to the Group Executive Committee members are maximised to a percentage of base salary.

**Long-term Incentive programme**
From 1999 to 2004, employee stock options have been used as the vehicle for SEB's long-term incentive programmes. For 2005, the Annual General Meeting decided on a programme with a new performance based structure in the form of performance shares. For more information, see note 9d.

Performance shares and employee stock options cannot be sold nor pledged, which means that they do not have any market value. However, the calculated value for the 2008 programme at the time of the allotment was SEK 55 per performance share. The calculated value for allotted performance shares to the President is SEK 2,750,000 (3,499,942), 1,375,000 to the deputy President and to the GEC excluding the President and her deputy SEK 6,541,315 (10,800,052). The allotted performance shares that can be exercised will depend on the development of two predetermined performance criteria of equal importance, the real increase in earnings per share, 50 per cent, and the total shareholder return compared to SEB´s competitors, 50 per cent.

**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 variable salary 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 three that are defined contribution-based. Pension is payable from the age of 60 at the rate of maximum 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 average variable salary during the last three years. Defined contribution-based pensionable income consists of base salary.

Termination of employment by the Bank is subject to a maximum 12-month period of notice and entitles to a severance pay of maximum 24 months' salary. The Bank has the right to make deductions from such severance pay of any cash payments that the Executive may receive from another employer or through his/her own business.

Note 9c ctd. Compensation to the top management and the Group Executive Committee

**Compensation to the Group Executive Committee, SEK[1]**

| 2008 | Base salary | Variable salaries | Benefits | Total |
|---|---|---|---|---|
| Deputy President and CEO, Bo Magnusson[2] | 2,525,139 | 800,000 | 204,834 | **3,529,973** |
| Other members of the Group Executive Committee | 21,417,793 | 5,450,000 | 1,402,423 | **28,270,216** |
| **Total** | **23,942,932** | **6,250,000** | **1,607,257** | **31,800,189** |
| **2007** | | | | |
| Other members of the Group Executive Committee | 24,322,542 | 11,812,813 | 1,456,857 | **37,592,212** |
| **Total** | **24,322,542** | **11,812,813** | **1,456,857** | **37,592,212** |

1) Group Executive Committee excluding the President and CEO and Deputy President and CEO. The persons partly differ between the years but in average seven (seven) persons are included.
2) Bo Magnusson was appointed Deputy President and CEO in May 2008.

**Pension costs (service costs and interest costs)**

| | President and CEO, Annika Falkengren | Deputy President and CEO, Bo Magnusson[2] | GEC[1] | Total |
|---|---|---|---|---|
| 2008 | 7,367,039 | 1,810,196 | 12,535,958 | **21,713,193** |
| 2007 | 6,608,517 | | 14,058,447 | **20,666,964** |

1) Group Executive Committee excluding the President and CEO and Deputy President and CEO. The persons partly differ between the years but in average seven (seven) persons are included.
2) Bo Magnusson was appointed Deputy President and CEO in May 2008.

**Outstanding number of Employee stock options/Performance shares to the President and the Group Executive Committee**

| | 2008 | | | | 2007 | | |
|---|---|---|---|---|---|---|---|
| | President and CEO | Deputy President and CEO | GEC[1] | Total | President and CEO | GEC[1] | Total |
| 2001: Employee stock options | | | | | 79,412 | 91,177 | **170,589** |
| 2002: Employee stock options | 191,177 | | 98,544 | **289,721** | 191,177 | 127,661 | **318,838** |
| 2003: Employee stock options | 132,353 | | 143,794 | **276,147** | 132,353 | 172,911 | **305,264** |
| 2005: Performance shares | 458 | | 59,581 | **60,039** | 62,000 | 107,200 | **169,200** |
| 2006: Performance shares | 43,846 | | 109,177 | **153,023** | 43,846 | 134,562 | **178,408** |
| 2007: Performance shares | 40,697 | | 106,396 | **147,093** | 40,697 | 125,582 | **166,279** |
| 2008: Performance shares | 50,000 | 25,000 | 118,933 | **193,933** | | | |
| **Total** | **458,531** | **25,000** | **636,425** | **1,119,956** | **549,485** | **759,093** | **1,308,578** |

1) Group Executive Committee excluding the President and CEO and Deputy President and CEO. The persons partly differ between the years but in average seven (seven) persons are included.

**Related party disclosures***

| | Group | |
|---|---|---|
| **Loans to conditions on the market** | 2008 | 2007 |
| Top management and the Group Executive Committee | 60,937,605 | 84,806,739 |
| Other related parties | 8,752,920 | 8,600,000 |
| **Total** | **69,690,525** | **93,406,739** |

* For information about related parties such as Group companies and Associated companies see note 47.

## 9d Share-based payments

| | 2008 | | 2007 | |
|---|---|---|---|---|
| **Long-term incentive programmes** | Performance shares | Employee stock options | Performance shares | Employee stock options |
| Outstanding at the beginning of the year | 4,133,205 | 4,682,772 | 3,117,679 | 12,819,189 |
| Granted | 1,459,283 | | 1,264,040 | |
| Forfeited | –738,485 | –103,766[1] | –248,514 | –120,675[1] |
| Exercised | –383,770 | –1,231,922[2] | | –8,015,742[2] |
| **Outstanding at the end of the year** | **4,470,233** | **3,347,084** | **4,133,205** | **4,682,772** |
| of which exercisable | 593,981 | 3,347,084 | | 4,682,772 |

1) Weighted average exercise price SEK 21.37 (45.30).
2) Weighted average exercise price SEK 89.08 (113.70) and weighted average share price at exercise SEK 149.89 (221.30).

Note 9 d ctd. Share-based payments

**Total Long-term incentive programmes**

| | Original no of holders[2] | No of issued | No of outstanding 2008 | No of outstanding 2007 | A-share per option/share | Exercise price | Validity | First date of exercise |
|---|---|---|---|---|---|---|---|---|
| 2001: Employee stock options | 874 | 6,613,791 | | 1,045,790 | 1 | 118 | 2001–2008 | 04-03-05 |
| 2002: Employee stock options | 1,029 | 6,790,613 | 1,575,888 | 1,725,769 | 1 | 106.2 | 2002–2009 | 05-03-07 |
| 2003: Employee stock options | 792 | 6,200,000 | 1,771,196 | 1,911,213 | 1 | 81.3 | 2003–2010 | 06-02-27 |
| 2004: Employee stock options | 799 | 6,200,000 | | | 1 | 120 | 2004–2011 | 07-04-02 |
| 2005: Performance shares | 537 | 1,789,100 | 593,981 | 1,556,762 | 1 | 10 | 2005–2012 | 08-02-14 |
| 2006: Performance shares | 513 | 1,477,327 | 1,272,414 | 1,360,636 | 1 | 10 | 2006–2013 | 2009[1] |
| 2007: Performance shares | 509 | 1,264,040 | 1,150,305 | 1,215,807 | 1 | 10 | 2007–2014 | 2010[1] |
| 2008: Performance shares | 482 | 1,459,283 | 1,453,533 | | 1 | 10 | 2008–2015 | 2011[1] |
| **Total** | | **31,794,154** | **7,817,317** | **8,815,977** | | | | |

1) The fifth banking day falling after the Annual accounts for the financial year 2008, 2009, 2010 and 2011 respectively are made public.
2) In total 1,800 individuals have participated in all programmes.

**Long-term incentive programmes**

The first long-term incentive programme was installed 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 2001 programme matured in 2008.

The long-term Incentive programmes issued during 2005–2008 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, the real increase in earnings per share and the total shareholder return compared to SEB's competitors. The expected vesting is approximately 40 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 2008 to SEK 55 (86) (based upon an average closing price of one SEB Series A share during the period 7 February – 20 February, 2008, SEK 147.00 (233.20)) which is also an approximation of the closing price at grant. Other inputs to the options pricing model are; exercise price SEK 10 (10); volatility 26 (31) (based on historical values); expected dividend approximately 2.95 (2.6) per cent; risk free interest rate 3.68 (3.81) and expected early exercise of 3 (3) per cent. In the value of the option the expected outcome of earnings per share and total shareholders return compared to SEB's competitors are taken into account. Since earnings per share is a non-market condition, changes to the expected outcome under the vesting period, if any, influence the costs accounted for under that period. Further details of the outstanding programmes are found in the table above.

The 2005 programme vested in 2008 with a final outcome of 62 per cent i.e. 62 per cent of the initially allotted performance shares can be exercised.

At the AGM 2008 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 was performed after the publication of the annual accounts in February 2009. Ten countries are included in the 2008 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 incentive compensation. The deferred amounts are allocated to a deferral incentive pool and a determined number of deferral rights is 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 average annual nominal increase in earnings per share. The expected vesting is approximately 37 per cent. In 2008 there are no participants in this programme. 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 | | |
|---|---|---|---|---|---|---|
| **2008** | Men | Women | Total | Men | Women | Total |
| –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** |
| **2007** | | | | | | |
| –29 years | 0.2 | 1.4 | 0.9 | 1.8 | 3.8 | 2.9 |
| 30–49 years | 0.7 | 2.7 | 1.7 | 1.9 | 4.6 | 3.3 |
| 50–years | 1.6 | 5.3 | 3.5 | 3.1 | 7.5 | 5.3 |
| **Total** | **0.9** | **3.4** | **2.2** | **2.2** | **5.4** | **3.9** |

## 9f Number of employees

**Average number of full time equivalents**

| Division/supportfunction | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Merchant Banking | 2,721 | 2,566 | 1,632 | 1,457 |
| Retail Banking | 9,084 | 8,802 | 2,762 | 2,735 |
| Wealth Management | 1,133 | 1,074 | 457 | 420 |
| Life | 1,233 | 1,201 | 4 | 4 |
| New Markets | 1,534 | 458 | 1 | 3 |
| Group Operations | 1,917 | 1,850 | 1,304 | 1,215 |
| Group IT | 1,958 | 1,850 | 1,402 | 1,331 |
| Group Staff and Group Treasury | 1,711 | 1,705 | 859 | 806 |
| **Total** | **21,291** | **19,506** | **8,421** | **7,971** |
| Number of hours worked | | | 14,590,444 | 13,917,681 |

**Average number of employees**

| | Group | | | Parent company | | |
|---|---|---|---|---|---|---|
| **2008** | Men | Women | **Total** | Men | Women | **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** |
| **2007** | | | | | | |
| Sweden | 4,168 | 4,781 | **8,949** | 3,579 | 4,054 | **7,633** |
| Norway | 290 | 279 | **569** | 91 | 55 | **146** |
| Denmark | 426 | 367 | **793** | 125 | 75 | **200** |
| Finland | 153 | 174 | **327** | 80 | 75 | **155** |
| Estonia | 387 | 1,369 | **1,756** | | | |
| Latvia | 447 | 1,309 | **1,756** | 38 | 76 | **114** |
| Lithuania | 554 | 1,375 | **1,929** | | | |
| Germany | 1,853 | 1,830 | **3,683** | 108 | 19 | **127** |
| Poland | 38 | 22 | **60** | 16 | 13 | **29** |
| Ukraine | 308 | 596 | **904** | | | |
| China | 8 | 8 | **16** | 8 | 8 | **16** |
| Great Britain | 125 | 79 | **204** | 124 | 78 | **202** |
| France | 4 | 17 | **21** | 3 | 16 | **19** |
| Ireland | 7 | 14 | **21** | | | |
| Luxembourg | 105 | 110 | **215** | | | |
| Russia | 45 | 116 | **161** | 1 | | **1** |
| Singapore | 35 | 52 | **87** | 28 | 50 | **78** |
| United States | 42 | 18 | **60** | | | |
| Other[1] | 9 | 3 | **12** | 2 | | **2** |
| **Total** | **9,004** | **12,519** | **21,523** | **4,203** | **4,519** | **8,722** |

1) Switzerland, British Virgin Island and Brazil.

## 10 Other expenses

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Costs for premises[1] | –1,880 | –1,532 | –883 | –740 |
| Data costs | –2,866 | –2,321 | –1,447 | –1,234 |
| Stationery | –194 | –183 | –78 | –52 |
| Travel and entertainment | –527 | –526 | –302 | –292 |
| Postage | –250 | –256 | –227 | –248 |
| Consultants | –995 | –797 | –696 | –477 |
| Marketing | –720 | –783 | –285 | –259 |
| Information services | –388 | –362 | –286 | –264 |
| Other operating costs[2] | 178 | –159 | –260 | –412 |
| **Total** | **–7,642** | **–6,919** | **–4,464** | **–3,978** |
| 1) Of which rental costs. | –1,339 | –1,026 | –655 | –490 |

2) Net after deduction for capitalised costs, see also note 27.

**Fees and expense allowances to appointed auditors and audit firms [1] [2]**

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| PricewaterhouseCoopers | –60 | –46 | –10 | –9 |
| Other audit firms | –2 | –2 | | –1 |
| **Audit assignments** | **–62** | **–48** | **–10** | **–10** |
| PricewaterhouseCoopers | –49 | –18 | –15 | –6 |
| Other audit firms | –3 | –1 | | |
| **Other assignments** | **–52** | **–19** | **–15** | **–6** |
| **Total** | **–114** | **–67** | **–25** | **–16** |

1) The audit has been performed in a mutual process with the internal audit team of SEB. The cost for internal audit is SEK 127m (117).
2) The parent company includes the foreign branches.

## 11 Depreciation, amortisation and impairments of tangible and intangible assets

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Depreciation tangible assets | –641 | –628 | –4,703 | –4,819 |
| Amortisation intangible assets | –351 | –223 | –117 | –28 |
| Amortisation of deferred acquisition costs | –519 | –494 | | |
| Impairment tangible assets | –13 | –9 | | |
| **Total** | **–1,524** | **–1,354** | **–4,820** | **–4,847** |

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 five years. Properties are depreciated according to plan.

## 12 Gains less losses from tangible and intangible assets

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Properties[1] | 2 | 791 | | 3 |
| Other tangible assets | 62 | 5 | 6 | 3 |
| **Capital gains** | **64** | **796** | **6** | **6** |
| Other tangible assets | –58 | –8 | | –945 |
| **Capital losses** | **–58** | **–8** | | **–945** |
| **Total** | **6** | **788** | **6** | **–939** |

1) Includes gain of SEK 785m on sale of properties in the Baltics in 2007.

## 13 Net credit losses incl. changes in value of seized assets

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Net credit losses | –3,231 | –1,021 | –773 | –24 |
| Change in value of seized assets | –37 | 5 | | |
| **Total** | **–3,268** | **–1,016** | **–773** | **–24** |

**Net credit losses (Impairments)**

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Provisions: | | | | |
| Net collective provisions | –1,303 | –390 | –393 | 38 |
| Specific provisions | –1,718 | –653 | –347 | –51 |
| Reversal of specific provisions no longer required | 336 | 405 | 39 | 25 |
| Net provisions for contingent liabilities | –56 | 8 | | |
| **Net provisions** | **–2,741** | **–630** | **–701** | **12** |
| Write-offs: | | | | |
| Total write-offs | –1,428 | –1,395 | –192 | –160 |
| Reversal of specific provisions utilized for write-offs | 699 | 711 | 70 | 53 |
| Write-offs not previously provided for | –729 | –684 | –122 | –107 |
| Recovered from previous write-offs | 239 | 293 | 50 | 71 |
| **Net write-offs** | **–490** | **–391** | **–72** | **–36** |
| **Total** | **–3,231** | **–1,021** | **–773** | **–24** |

**Change in value of seized assets**

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Properties taken over | –1 | | | |
| Other assets taken over | –6 | 5 | | |
| **Realised change in value** | **–7** | **5** | | |
| Properties taken over | –24 | 4 | | |
| Other assets taken over | –6 | –4 | | |
| **Unrealised change in value** | **–30** | | | |
| **Total** | **–37** | **5** | | |

## 14 Appropriations

| | Parent company | |
|---|---|---|
| | 2008 | 2007 |
| Recovery of imputed pension premiums | 434 | 362 |
| Compensation from pension funds, pension disbursements | 803 | 782 |
| Pension disbursements | –803 | –782 |
| **Pension compensation** | **434** | **362** |
| Appropriations to/utilisation of untaxed reserves | | |
| Accelerated tax depreciation | –2,117 | –520 |
| **Appropriations** | **–2,117** | **–520** |
| **Total** | **–1,683** | **–158** |

## 15 Income tax expense

| Major components of tax expense | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Current tax | –2,907 | –2,491 | –4 | –755 |
| Deferred tax | 500 | –804 | 1,338 | 209 |
| Tax for current year | –2,407 | –3,295 | 1,334 | –546 |
| Current tax for previous years | –14 | –81 | –34 | –45 |
| **Income tax expense** | **–2,421** | **–3,376** | **1,300** | **–591** |

**Relationship between tax expenses and accounting profit**

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Net profit | 10,050 | 13,642 | 8,215 | 7,485 |
| Income tax expense | 2,421 | 3,376 | –1,300 | 591 |
| **Accounting profit before tax** | **12,471** | **17,018** | **6,915** | **8,076** |
| Current tax at Swedish statutory rate of 28 per cent | –3,492 | –4,765 | –1,936 | –2,261 |
| Tax effect relating to other tax rates in other jurisdictions | 91 | 196 | | |
| Tax effect relating to not tax deductible expenses | –614 | –474 | –155 | –285 |
| Tax effect relating to non taxable income | 1,131 | 1,593 | 2,087 | 1,791 |
| Tax effect relating to a previously recognised tax loss, tax credit or temporary difference | –76 | 830 | | |
| Tax effect relating to a previously unrecognised tax loss, tax credit or temporary difference | 53 | 129 | | |
| **Current tax** | **–2,907** | **–2,491** | **–4** | **–755** |
| Tax effect relating to origin and reversal of tax losses, tax credits and temporary differences | 76 | –830 | 1,424 | 209 |
| Tax effect relating to changes in tax rates or the imposition of new taxes | 357 | –161 | –86 | |
| Tax effect relating to a previously unrecognised tax loss, tax credit or temporary difference | 68 | 224 | | |
| Tax effect relating to impairment or reversal of previous impairments of a deferred tax asset | –1 | –37 | | |
| **Deferred tax** | **500** | **–804** | **1,338** | **209** |
| **Current tax for previous years** | **–14** | **–81** | **–34** | **–45** |
| **Income tax expense** | **–2,421** | **–3,376** | **1,300** | **–591** |

In Sweden the income tax rate was reduced from 28 per cent to 26.3 per cent. The decision was taken in the fourth quarter with efffect from January 2009. In Germany the tax rate was reduced in beginning of 2008 from approximately 40 per cent to approximately 32 per cent.

**Deferred tax income and expense recognised in income statement**

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Accelerated tax depreciation | –534 | –351 | | |
| Pension plan assets, net | 143 | –146 | | |
| Tax losses carry forwards | 1,472 | 68 | 1,338 | |
| Other temporary differences | –581 | –375 | | 209 |
| **Total** | **500** | **–804** | **1,338** | **209** |

Deferred tax assets and liabilites where the change during 2008 is not reported as change in deferred tax amounts to SEK 1,293m and is explained by deferred tax related to divestures SEK 261m, deferred tax for life insurance investments SEK 880m, and currency translatation effect of SEK 152m.

## 16 Earnings per share

| | Group 2008 | Group 2007 |
|---|---|---|
| Net profit attributable to equity holders, SEK m | 10,041 | 13,618 |
| Weighted average number of shares, millions | 685 | 682 |
| Basic earnings per share, SEK | 14.66 | 19.97 |

| | Group 2008 | Group 2007 |
|---|---|---|
| Net profit attributable to equity holders, SEK m | 10,041 | 13,618 |
| Weighted average number of diluted shares, millions | 685 | 685 |
| Diluted earnings per share, SEK | 14.65 | 19.88 |

## 17 Risk disclosure

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 36–51) of the Report of the directors), which also forms part of the financial statements. The Group manages the liquidity risk and financing based on the possibility of a negative deviation from an expected financial outcome.

**17a Liquidity risk**
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 include 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 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** |

GROUP'S CASH LIQUIDITY 2007

| **Financial liabilities (contractual maturity dates)** | < 3 months | 3 < 12 months | 1 < 5 years | 5 years < | **Total** |
|---|---|---|---|---|---|
| Deposits by credit institutions | 379,588 | 16,778 | 7,466 | 17,516 | **421,348** |
| Deposits and borrowing from the public | 638,359 | 30,897 | 24,929 | 56,296 | **750,481** |
| Liabilities to policyholders – investment contracts | | | | 135,937 | **135,937** |
| Debt securities | 136,173 | 166,214 | 200,781 | 7,396 | **510,564** |
| Trading liabilities | 135,421 | | | | **135,421** |
| Trade and client payables | 33,940 | | | | **33,940** |
| Subordinated liabilities | 288 | | 1,273 | 42,428 | **43,989** |
| **Total** | **1,323,769** | **213,889** | **234,449** | **259,573** | **2,031,680** |
| **Other liabilities (non-financial)** | **5,567** | **1,101** | | **89,979** | **96,647** |
| **Off-balance sheet items** | | | | | |
| Loan commitments | 295,590 | | | | **295,590** |
| Acceptances and other financial facilitites | 66,984 | | | | **66,984** |
| Operating lease commitments | | 1,261 | 3,584 | 2,067 | **6,912** |
| **Total** | **362,574** | **1,261** | **3,584** | **2,067** | **369,486** |
| **Total liabilities and off-balance sheet items** | **1,691,910** | **216,251** | **238,033** | **351,619** | **2,497,813** |
| **Total financial assets (contractual maturity dates)[1)]** | **1,042,451** | **139,317** | **404,026** | **560,684** | **2,146,478** |
| **Derivatives** | | | | | |
| Currency-related | 696,561 | 174,008 | 34,215 | 113 | **904,897** |
| Interest-related | 18,895 | 32,405 | 92,645 | 14,545 | **158,490** |
| **Total derivative outflows** | **715,456** | **206,413** | **126,860** | **14,658** | **1,063,387** |
| **Total derivative inflows** | **715,007** | **206,057** | **125,249** | **14,558** | **1,060,871** |

Note 17 ctd. Risk disclosure

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** |
| Operating lease commitments | | | | | |
| **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** |

PARENT COMPANY'S CASH LIQUIDITY 2007

| Financial liabilities (contractual maturity dates) | < 3 months | 3 < 12 months | 1 < 5 years | 5 years < | Total |
|---|---|---|---|---|---|
| Deposits by credit institutions | 344,805 | 18,483 | 902 | 3,509 | **367,699** |
| Deposits and borrowing from the public | 384,956 | 6,777 | 2,709 | 18,057 | **412,499** |
| Debt securities | 129,144 | 152,881 | 123,235 | 2,742 | **408,002** |
| Trading liabilities | 121,687 | | | | **121,687** |
| Trade and client payables | 32,369 | | | | **32,369** |
| Subordinated liabilities | 300 | | 1,273 | 41,473 | **43,046** |
| **Total** | **1,013,261** | **178,141** | **128,119** | **65,781** | **1,385,302** |
| **Other liabilities (non-financial)** | **128** | **46** | | | **174** |
| **Off-balance sheet items** | | | | | |
| Loan commitments | 186,479 | | | | **186,479** |
| Acceptances and other financial facilitites | 50,909 | | | | **50,909** |
| Operating lease commitments | | 535 | 1,516 | 1,693 | **3,744** |
| **Total** | **237,388** | **535** | **1,516** | **1,693** | **241,132** |
| **Total liabilities and off-balance sheet items** | **1,250,777** | **178,722** | **129,635** | **67,474** | **1,626,608** |
| **Total financial assets (contractual maturity dates)[1]** | **785,606** | **74,700** | **350,309** | **80,875** | **1,291,490** |
| **Derivatives** | | | | | |
| Currency-related | 624,825 | 113,641 | 22,373 | 108 | **760,947** |
| Interest-related | 12,840 | 30,412 | 91,899 | 12,840 | **147,991** |
| **Total derivative outflows** | **637,665** | **144,053** | **114,272** | **12,948** | **908,938** |
| **Total derivative inflows** | **637,148** | **144,065** | **112,389** | **13,129** | **906,731** |

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** | 2008 | 2007 | 2008 | 2007 |
| Financial assets at fair value[1] | 521,029 | 525,738 | 386,802 | 367,985 |
| Available-for-sale financial assets | 163,115 | 170,137 | 26,897 | 62,085 |
| Investments in associates[2] | 1,030 | 833 | 986 | 815 |
| **Total** | **685,174** | **696,708** | **414,685** | **430,885** |
| **Financial liabilities at fair value** | | | | |
| Financial lialibilities at fair value | 295,533 | 216,390 | 279,512 | 201,761 |
| Debt securities[3] | 28,527 | 26,512 | 20,447 | 20,145 |
| **Total** | **324,060** | **242,902** | **299,959** | **221,906** |

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** | | | | |
|---|---|---|---|---|
| Quoted market prices | 166,166 | 114,965 | 30,098 | 72,563 |
| Valuation techniques – market observable input | 518,352 | 581,393 | 382,945 | 358,021 |
| Equities carried at cost | 656 | 350 | 1,642 | 301 |
| **Total** | **685,174** | **696,708** | **414,685** | **430,885** |
| **Fair value measurement – liabilities** | | | | |
| Quoted market prices | 30,604 | 53,270 | 17,294 | 51,366 |
| Valuation techniques – market observable input | 293,456 | 189,632 | 282,665 | 170,540 |
| **Total** | **324,060** | **242,902** | **299,959** | **221,906** |

**Quoted market prices**
For financial instruments traded in active markets fair values are based on quoted market prices or dealer price quotations.

**Valuation techniques with market observable input**
Valuation techniques are used to estimate fair values incorporating 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.
*Fixed income securities portfolios:* As a consequense of increased credit spreads in the fixed income securities portfolio and the subsequent decrease in market activity the Group has identified additional external sources for market quotes and continued to fair value the portfolio using market observable input. To a limited extent reference instruments with substantially the same underlying risk and structure are used to estimate fair value. The valuation technique together with the judgement involved in evaluating and reviewing third party quotes and establishing reference instruments are developed to ensure that the fair values recognised on the balance sheet and the changes in fair values recorded in the income statement and in equity reflect the underlying economics. Credit spread risk is the risk that the credit spread premium embedded in the price of a security changes and thus impacts the price of the instrument independently of changes in the so called risk free interest rate. The fixed income securities portfolio has an inherent credit spread sensitivity of SEK 2.6m (25.6) that will affect the operating profit and SEK 9.8m (13.3) that will affect equity if the credit spreads change one basis point 0.01%. The fixed income portfolio reclassified to loans has an inherent credit spread sensitivity of SEK 26.0m.
*Derivatives:* SEB uses widely recognised valuation techniques demonstrated to provide reliable fair values of financial derivative instruments, such as forwards, options and swaps, with use of market observable inputs.

**Valuation techniques with non-market observable input**
The Group has no assets nor liabilities where the bank applies a valuation technique without incorporating market input.

## 19 Cash and cash balances with central banks

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Cash | 5,300 | 5,020 | 1,331 | 1,550 |
| Balances with foreign central banks | 39,552 | 91,851 | 9,339 | 208 |
| **Total** | **44,852** | **96,871** | **10,670** | **1,758** |

## 20 Loans to credit institutions

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Remaining maturity | | | | |
| – payable on demand | 130,295 | 98,114 | 129,471 | 138,009 |
| – maximum 3 months | 62,513 | 130,843 | 42,372 | 103,601 |
| – more than 3 months but maximum 1 year | 7,711 | 11,246 | 58,530 | 9,825 |
| – more than 1 year but maximum 5 years | 13,662 | 11,836 | 69,769 | 93,709 |
| – more than 5 years | 8,588 | 9,619 | 4,569 | 10,564 |
| Accrued interest | 908 | 1,354 | 1,676 | 1,774 |
| Loans | 223,677 | 263,012 | 306,387 | 357,482 |
| Other debt instruments[1] | 42,427 | | 42,427 | |
| Accrued interest | 259 | | 259 | |
| Debt instruments | 42,686 | | 42,686 | |
| **Total** | **266,363** | **263,012** | **349,073** | **357,482** |
| of which repos | 42,201 | 97,213 | 32,847 | 82,249 |
| Average remaining maturity for Loans (years) | 0.63 | 0.58 | 0.97 | 1.14 |

1) See note 41 for maturity and note 42 for issuers.

## 21 Loans to the public

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Remaining maturity | | | | |
| – payable on demand | 158,386 | 133,161 | 99,321 | 111,480 |
| – maximum 3 months | 168,575 | 191,477 | 108,564 | 139,903 |
| – more than 3 months but maximum 1 year | 141,935 | 111,056 | 98,935 | 63,062 |
| – more than 1 year but maximum 5 years | 444,164 | 345,684 | 320,707 | 256,600 |
| – more than 5 years | 313,547 | 280,951 | 78,012 | 62,531 |
| Accrued interest | 4,664 | 5,012 | 3,238 | 3,562 |
| Loans | 1,231,271 | 1,067,341 | 708,777 | 637,138 |
| Eligible debt instruments[1)] | 5,410 | | | |
| Other debt instruments[1)] | 59,508 | | 59,508 | |
| Accrued interest | 588 | | 452 | |
| Debt instruments | 65,506 | | 59,960 | |
| **Total** | **1,296,777** | **1,067,341** | **768,737** | **637,138** |
| of which repos | 60,246 | 130,363 | 57,078 | 120,744 |
| Average remaining maturity for Loans (years) | 3.71 | 3.71 | 2.56 | 2.28 |

1) See note 41 for maturity and note 42 for issuers.

**Financial leases**

| | 2008 | 2007 |
|---|---|---|
| Book value | 84,669 | 73,104 |
| Gross investment | 101,875 | 89,151 |
| Present value of minimum lease payment receivables | 81,167 | 74,075 |
| Unearned finance income | 17,869 | 16,047 |
| Reserve for impaired uncollectable minimum lease payments | –618 | –50 |

| | Group 2008 | | | Group 2007 | | |
|---|---|---|---|---|---|---|
| | Book value | Gross investment | Present value | Book value | Gross investment | Present value |
| Remaining maturity | | | | | | |
| – maximum 1 year | 11,189 | 13,739 | 11,000 | 5,668 | 5,342 | 5,903 |
| – more than 1 year but maximum 5 years | 36,531 | 43,079 | 35,741 | 35,274 | 43,861 | 38,153 |
| – more than 5 years | 36,949 | 45,057 | 34,495 | 32,162 | 39,948 | 30,019 |
| **Total** | **84,669** | **101,875** | **81,236** | **73,104** | **89,151** | **74,075** |

The largest lease engagement amounts to SEK 5.3 billion (5.4).

## 22 Financial assets at fair value

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Securities held for trading | 161,596 | 348,888 | 131,253 | 285,036 |
| Derivatives held for trading | 248,426 | 85,395 | 242,882 | 80,966 |
| Derivatives used for hedging | 11,155 | 2,777 | 12,576 | 1,871 |
| Fair value changes of hedged items in a portfolio hedge | 3,503 | –641 | | |
| Financial assets – policyholders bearing the risk | 114,425 | 135,485 | | |
| Insurance assets designated at fair value | 94,818 | 88,020 | | |
| Other financial assets designated at fair value | 1,531 | 1,299 | 91 | 112 |
| **Financial assets at fair value** | **635,454** | **661,223** | **386,802** | **367,985** |

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.

The Group has reclassified interest-bearing securities from securiries held for trading to loans. See further page 25 in the Report of the directors, which also forms part of the financial statements.

**Securities held for trading**

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Equity instruments | 33,949 | 55,843 | 26,084 | 43,472 |
| Eligible debt instruments[1)] | 42,832 | 84,888 | 19,387 | 33,641 |
| Other debt instruments[1)] | 82,509 | 205,002 | 83,868 | 205,538 |
| Accrued interest | 2,306 | 3,155 | 1,914 | 2,385 |
| **Total** | **161,596** | **348,888** | **131,253** | **285,036** |

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** | 2008 | 2007 | 2008 | 2007 |
| Positive replacement values of interest-related derivatives | 122,066 | 41,259 | 122,839 | 39,302 |
| Positive replacement values of currency-related derivatives | 114,373 | 30,085 | 108,258 | 29,189 |
| Positive replacement values of equity-related derivatives | 3,247 | 10,722 | 3,087 | 9,329 |
| Positive replacement values of other derivatives | 8,740 | 3,329 | 8,698 | 3,146 |
| **Total** | **248,426** | **85,395** | **242,882** | **80,966** |
| | | | | |
| **Derivatives used for hedging** | | | | |
| Fair value hedges | 4,091 | 1,036 | 6,197 | 947 |
| Cash flow hedges | 6,379 | 893 | 6,379 | 924 |
| Portfolio hedges for interest rate risk | 685 | 848 | | |
| **Total** | **11,155** | **2,777** | **12,576** | **1,871** |
| | | | | |
| **Insurance assets designated at fair value** | | | | |
| Equity instruments | 17,331 | 20,889 | | |
| Other debt instruments[1] | 76,341 | 66,315 | | |
| Accrued interest | 1,146 | 816 | | |
| **Total** | **94,818** | **88,020** | | |

1) See note 41 for maturity and note 42 for issuers.

| **Other financial assets designated at fair value** | | | | |
|---|---|---|---|---|
| Equity instruments | 1,062 | 997 | 91 | 112 |
| Eligible debt instruments[1] | 24 | 20 | | |
| Other debt instruments[1] | 445 | 282 | | |
| **Total** | **1,531** | **1,299** | **91** | **112** |

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 policyholder 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. The fair values on those liabilities, designated at fair value to profit or loss, have not been affected by changes in credit risk. See also note 31.

## 23 Available-for-sale financial assets

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Equity instruments at cost | 656 | 289 | 655 | 289 |
| Equity instruments at fair value | 1,405 | 1,484 | 862 | 853 |
| Eligible debt instruments[1] | 126,217 | 113,230 | 674 | 7,780 |
| Other debt instruments[1] | 32,917 | 53,732 | 24,324 | 52,779 |
| Seized shares | 50 | 39 | 11 | 13 |
| Accrued interest | 1,870 | 1,363 | 371 | 371 |
| **Total** | **163,115** | **170,137** | **26,897** | **62,085** |

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.

The Group has reclassified interest-bearing securities from securiries held for trading to loans. See further page 25 in the Report of the directors, which also forms part of the financial statements.

## 24 Held-to-maturity investments

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Eligible debt instruments[1] | | 1 | | |
| Other debt instruments[1] | 1,958 | 1,770 | 3,237 | 3,322 |
| Accrued interest | 39 | 27 | 26 | 26 |
| **Total** | **1,997** | **1,798** | **3,263** | **3,348** |

1) See note 41 for maturity and note 42 for issuers.

## 25 Investments in associates

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Strategic investments | 99 | 424 | 25 | 248 |
| Venture capital holdings | 1,030 | 833 | 986 | 815 |
| **Total** | **1,129** | **1,257** | **1,011** | **1,063** |

| **Strategic investments** | Assets[1)] | Liabilities[1)] | Revenues[1)] | Profit or loss[1)] | Book value | Ownership, % |
|---|---|---|---|---|---|---|
| Bankomatcentralen AB, Stockholm | 1 | | | | 0 | 22 |
| Bankpension AB, Stockholm | 30 | 3 | 11 | 1 | 10 | 40 |
| BDB Bankernas Depå AB, Stockholm | 1,107 | 1,093 | 4 | –10 | 7 | 20 |
| BGC Holding AB, Stockholm | 290 | 137 | 836 | 53 | 4 | 33 |
| Föreningen Bankhälsan i Stockholm, Stockholm | 9 | 8 | 39 | | 4 | 33 |
| Privatgirot AB, Stockholm | 45 | 27 | 126 | 2 | 0 | 24 |
| Upplysningscentralen UC AB, Stockholm | 153 | 78 | 356 | 17 | 0 | 27 |
| **Parent company holdings** | | | | | **25** | |
| **Holdings of subsidiaries** | | | | | **10** | |
| **Group adjustments** | | | | | **64** | |
| **Group holdings** | | | | | **99** | |

1) Retrieved from respective Annual report 2007.

| **Venture capital holdings** | 2008 Book value | 2008 Ownership, % | 2007 Book value | 2007 Ownership, % |
|---|---|---|---|---|
| 3nine AB, Stockholm | 20 | 27 | 20 | 27 |
| Airsonett AB, Ängelholm | 22 | 20 | 15 | 16 |
| Ascade Holding AB, Stockholm | 58 | 43 | 51 | 42 |
| Askembla Growth Fund KB, Stockholm | 136 | 25 | 140 | 25 |
| Capres A/S, Copenhagen | 35 | 23 | 26 | 23 |
| Cobolt AB, Stockholm | 37 | 40 | 37 | 40 |
| Crossroad Loyalty Solutions AB, Gothenburg | 13 | 30 | 13 | 30 |
| Datainnovation i Lund AB, Lund | 26 | 43 | 23 | 42 |
| Emers Holdings AB, Huddinge | | | 40 | 23 |
| Exdex Förvaltning AB, Stockholm (former InDex Diagnostics AB) | | | 13 | 25 |
| Exitram AB, Stockholm | 23 | 44 | | |
| Fält Communications AB, Umeå | 25 | 47 | 23 | 46 |
| InDex Pharmaceuticals AB, Stockholm | 52 | 49 | 15 | 45 |
| KMW Energi AB, Norrtälje | 37 | 37 | 28 | 27 |
| Matrix AB, Stockholm | | | 21 | 48 |
| Neoventa Holding AB, Gothenburg | 59 | 30 | 51 | 30 |
| Nomad Holdings Ltd, Newcastle | 36 | 13 | | |
| NuEvolution A/S, Copenhagen | 49 | 47 | 29 | 40 |
| Phaseln AB, Stockholm | 64 | 44 | 44 | 43 |
| Prodacapo AB, Örnsköldsvik | 6 | 16 | 16 | 16 |
| ProstaLund AB, Lund | | | 32 | 30 |
| Quickcool AB, Lund | 8 | 18 | 5 | 9 |
| Sanos Bioscience A/S, Herlev | 48 | 30 | 41 | 30 |
| Scandinova Systems AB, Uppsala | 22 | 29 | 22 | 29 |
| Scibase AB, Stockholm | 40 | 28 | 40 | 28 |
| ShoZu Ltd, Abingdon | 39 | 17 | | |
| Signal Processing Devices Sweden AB, Linköping | 29 | 43 | 16 | 34 |
| Tail-f Systems AB, Stockholm | 32 | 43 | 27 | 39 |
| Time Care AB, Stockholm | 24 | 43 | 23 | 42 |
| Xylophane AB, Gothenburg | 15 | 23 | | |
| Zealcore Embedded Solutions, Västerås | | | 4 | 16 |
| Zinwave Holdings Limited, Cambridge | 31 | 29 | | |
| **Parent company holdings** | **986** | | **815** | |
| **Group adjustments** | **44** | | **18** | |
| **Group holdings** | **1,030** | | **833** | |

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 2008 | Parent company 2007 |
|---|---|---|
| Swedish subsidiaries | 15,801 | 15,670 |
| Foreign subsidiaries | 44,262 | 36,266 |
| **Total** | **60,063** | **51,936** |
| of which holdings in credit institutions | 44,008 | 37,167 |

| | 2008 | | | 2007 | | |
|---|---|---|---|---|---|---|
| **Swedish subsidiaries** | Book value | Dividend | Ownership, % | Book value | Dividend | Ownership, % |
| Aktiv Placering AB, Stockholm | 38 | | 100 | 38 | | |
| Enskilda Kapitalförvaltning SEB AB, Stockholm | 0 | | 100 | 0 | | 100 |
| Försäkringsaktiebolaget Skandinaviska Enskilda Captive, Stockholm | 100 | | 100 | 100 | | 100 |
| Key Asset Management (Sverige) AB, Stockholm | 1 | | 100 | | | |
| Parkeringshuset Lasarettet HGB KB, Stockholm | 0 | | 99 | 0 | | 99 |
| PM Leasing AB, Stockholm | | | | 0 | | 100 |
| Repono Holding AB, Stockholm | 5,406 | | 100 | 5,406 | | 100 |
| SEB AB, Stockholm | 6,076 | 1,775 | 100 | 6,076 | 1,050 | 100 |
| SEB Baltic Holding AB, Stockholm | | 13 | | 13 | | 100 |
| SEB Fonder AB, Stockholm | 642 | | 100 | 642 | | 100 |
| SEB Fondinvest AB, Stockholm | 69 | | 100 | | | |
| SEB Förvaltnings AB, Stockholm | 5 | | 100 | 5 | | 100 |
| SEB Internal Supplier AB, Stockholm | 12 | | 100 | 12 | | 100 |
| SEB Investment Management AB, Stockholm | 51 | | 100 | | | |
| SEB Kort AB, Stockholm | 2,260 | –24 | 100 | 2,260 | 787 | 100 |
| SEB Portföljförvaltning AB, Stockholm | 1,115 | 125 | 100 | 1,115 | 60 | 100 |
| SEB Strategic Investments AB, Stockholm | 24 | | 100 | 1 | | 100 |
| Skandic Projektor AB, Stockholm | 1 | | 100 | 1 | | 100 |
| Skandinaviska Kreditaktiebolaget, Stockholm | 0 | | 100 | 0 | | 100 |
| Team SEB AB, Stockholm | 1 | | 100 | 1 | | 100 |
| **Total** | **15,801** | **1,889** | | **15,670** | **1,897** | |
| **Foreign subsidiaries** | | | | | | |
| Interscan Servicos de Consultoria Ltda., São Paulo | 0 | | 100 | 0 | | 100 |
| Key Asset Management (Switzerland) SARL, Geneve | 0 | | 100 | | | |
| Key Asset Management (UK) Limited, London | 573 | | 100 | | | |
| Key Asset Management Norge ASA, Oslo | 1 | | 100 | | | |
| Key Capital Management Inc., Tortola | 378 | | 100 | | | |
| Möller Bilfinans AS, Oslo | 50 | | 51 | 57 | | 51 |
| Njord AS, Oslo | 0 | | 100 | 0 | | 100 |
| OJSB Factorial Bank, Kharkiv | 785 | | 98 | 760 | | 98 |
| OJSC SEB Bank, Kiev | 318 | | 100 | 318 | | 100 |
| SEB AG, Frankfurt am Main | 23,524 | | 100 | 20,007 | 425 | 100 |
| SEB Asset Management America Inc., Stamford | 29 | | 100 | 20 | | 100 |
| SEB Asset Management Fondmæglerselskab A/S, Copenhagen | | | | | 115 | |
| SEB Asset Management Norge AS, Oslo | 17 | | 100 | 12 | | 100 |
| SEB Asset Management S.A., Luxembourg | 6 | –12 | 100 | 5 | 52 | 100 |
| SEB Bank JSC, St Petersburg (former PetroEnergobank) | 178 | | 100 | 123 | | 100 |
| SEB Banka, AS, Riga | 699 | | 100 | 697 | | 100 |
| SEB bankas, AB, Vilnius[1)] | 3,056 | | 100 | 2,003 | | 100 |
| SEB Enskilda ASA, Oslo | 704 | 206 | 100 | 687 | 447 | 100 |
| SEB Enskilda Inc., New York | 35 | 70 | 100 | 13 | | 100 |
| SEB Ensklida Corporate Finance Oy Ab, Helsinki | 5 | | 65 | 5 | | 65 |
| SEB Fund Services S.A., Luxembourg | 111 | | 100 | 49 | | 100 |
| SEB Gyllenberg Asset Management Ab, Helsinki (former SEB Gyllenberg Ab) | 595 | 133 | 100 | 514 | 84 | 100 |
| SEB Gyllenberg Fondbolag Ab, Helsinki | 21 | 23 | 100 | 18 | | 100 |
| SEB Gyllenberg Private Bank Ab, Helsinki | 76 | | 100 | 66 | | 100 |
| SEB Hong Kong Trade Services Ltd., Hong Kong | 0 | | 100 | 0 | | 100 |
| SEB IT Partner Estonia OÜ, Tallinn | 0 | | 65 | 0 | | 65 |
| SEB Leasing Oy, Helsinki | 4,723 | | 100 | 4,019 | | 100 |
| SEB Leasing, CJSC, St Petersburg | 71 | | 100 | | | |
| SEB NET S.L., Barcelona | 0 | | 100 | 0 | | 100 |
| SEB Pank, AS, Tallinn | 2,407 | | 100 | 1,540 | | 100 |
| SEB Privatbanken ASA, Oslo[2)] | 1,296 | | 100 | 1,383 | 70 | 100 |
| SEB TFI SA (Towarzystwo Funduszy Inwestycyjnych), Warsaw[2)] | 39 | 24 | 100 | 36 | 58 | 100 |
| Skandinaviska Enskilda Banken A/S, Copenhagen | 2,351 | 317 | 100 | 1,913 | 94 | 100 |
| Skandinaviska Enskilda Banken Corporation, New York | 138 | | 100 | 113 | | 100 |
| Skandinaviska Enskilda Banken S.A., Luxembourg | 1,599 | 19 | 100 | 1,299 | 160 | 100 |
| Skandinaviska Enskilda Ltd., London | 477 | 28 | 100 | 609 | 64 | 100 |
| **Total** | **44,262** | **808** | | **36,266** | **1,569** | |

Information about the corporate registration numbers and numbers of shares of the subsidiaries is available upon request.

1) In 2006 SEB initiated a compulsory redemption process for the remaining shares.
2) Antecipated dividend for 2007 updated with received dividend.

## 27 Tangible and intangible assets

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Goodwill | 13,692 | 12,419 | 523 | 523 |
| Deferred acquisition costs | 3,351 | 3,027 | | |
| Other Intangible assets | 2,352 | 1,448 | 812 | 369 |
| **Intangible assets** | **19,395** | **16,894** | **1,335** | **892** |
| | | | | |
| Office, IT and other tangible assets | 1,383 | 1,398 | 254 | 278 |
| Equipment leased to clients[1] | | | 39,821 | 34,325 |
| Properties for own operations | 1,137 | 1,143 | 2 | 2 |
| Properties taken over for protection of claims | 106 | 23 | | |
| **Property and equipment** | **2,626** | **2,564** | **40,077** | **34,605** |
| | | | | |
| Investment properties recognised at cost | 218 | 201 | | |
| Investment properties recognised at fair value through profit and loss | 7,272 | 5,038 | | |
| **Investment properties** | **7,490** | **5,239** | | |
| | | | | |
| **Total** | **29,511** | **24,697** | **41,412** | **35,497** |

1) Equipment leased to clients are recognised as financial leases and presented as loans in the Group.

**Goodwill**

| | | | | |
|---|---|---|---|---|
| Opening balance | 12,419 | 11,668 | 523 | 523 |
| Acquisitions during the year | 971 | 538 | | |
| Reclassifications | | –55 | | |
| Sales during the year | –179 | | | |
| Exchange rate differences | 481 | 268 | | |
| **Total** | **13,692** | **12,419** | **523** | **523** |

**Deferred acquisition costs**

| | | |
|---|---|---|
| Opening balance | 3,027 | 2,845 |
| Capitalisation of acquisition costs | 807 | 683 |
| Amortisation of acquisition costs | –519 | –494 |
| Reclassifications | | –15 |
| Exchange rate differences | 36 | 8 |
| **Total** | **3,351** | **3,027** |

**Goodwill and intangible assets with indefinite lives**

Cash generating units with significant carrying amounts of goodwill and intangible assets with indefinite lives are SEB Kort and Merchant Banking. In SEB Kort the value of goodwill amounts to SEK 1,187m (1,202) and intangible assets with indefinite lives to SEK 139m (120). The goodwill in Merchant Banking originates from the acquisition of Enskilda Securities, SEK 844m (865). Goodwill in connection with the Trygg Hansa acquisition, SEK 5,721m (5,721), generates cash flows in Retail Banking Sweden, SEB Asset Management Sweden and SEB Trygg Liv Sweden. The goodwill has been allocated to these units for impairment testing. The carrying amounts of goodwill for Retail Banking Sweden is SEK 775m, SEB Asset Management Sweden SEK 2,769m and SEB Trygg Liv Sweden SEK 2,021m.

The impairment tests for the entities specified above have been based on their value in use with forecasted cash flows for a period of five years. The cash flows are determined based on historical performance and market trends for key assumptions such as growth and cost/income ratio. The growth rates used after five years are principally the expected long-term inflation rate adjusted for industry specific expectations, SEB Kort 2 per cent and Enskilda Securities 4.5 per cent and for the Trygg Hansa goodwill 3.5 per cent in average. The discount rate used for SEB Kort is 9 per cent, Enskilda Securites 8.5 per cent and the Trygg Hansa goodwill 10 per cent. The assumptions here specified are for impairment test purposes only. 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 for any of the above mentioned goodwill.

**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 798m and intangible assets SEK 161m.

**Acquisitions 2007**

During 2007 one minor acquisition was made, Factorial Bank, Ukraine.

The purchase price was SEK 759m and goodwill was SEK 531m.

Note 27 ctd. Tangible and intangible assets

| | Group | | Parent company | |
|---|---|---|---|---|
| **Other intangible assets** | 2008 | 2007 | 2008 | 2007 |
| Opening balance | 3,546 | 2,906 | 503 | 217 |
| Acquisitions during the year | 1,227 | 561 | 563 | 286 |
| Group adjustment | | 14 | | |
| Reclassifications | | –5 | | |
| Sales during the year | –131 | –45 | | |
| Exchange rate differences | 428 | 115 | | |
| **Acquisition value** | **5,070** | **3,546** | **1,066** | **503** |
| Opening balance | –2,098 | –1,847 | –134 | –106 |
| Current year's depreciations | –351 | –223 | –106 | –28 |
| Current year's impairments | –10 | | –11 | |
| Group adjustment | | –2 | | |
| Reclassifications | | 5 | | |
| Accumulated depreciations on current year's sales | 28 | 43 | | |
| Exchange rate differences | –287 | –74 | –3 | |
| **Accumulated depreciations** | **–2,718** | **–2,098** | **–254** | **–134** |
| **Total** | **2,352** | **1,448** | **812** | **369** |

| **Office, IT and other tangible assets** | | | | |
|---|---|---|---|---|
| Opening balance | 7,367 | 7,116 | 2,643 | 2,467 |
| Acquisitions during the year | 508 | 591 | 75 | 179 |
| Group acquisitions/Merger | 8 | 48 | | 17 |
| Reclassifications | 2 | –4 | | |
| Sales during the year | –159 | –540 | | |
| Exchange rate differences | 569 | 156 | | –20 |
| **Acquisition value** | **8,295** | **7,367** | **2,718** | **2,643** |
| Opening balance | –5,969 | –5,705 | –2,365 | –2,265 |
| Current year's depreciations | –576 | –577 | –99 | –85 |
| Current year's impairments | –1 | –1 | | |
| Group acquisitions/Merger | –5 | –18 | | –15 |
| Reclassifications | | 3 | | |
| Accumulated depreciations on current year's sales | 133 | 464 | | |
| Exchange rate differences | –494 | –135 | | |
| **Accumulated depreciations** | **–6,912** | **–5,969** | **–2,464** | **–2,365** |
| **Total** | **1,383** | **1,398** | **254** | **278** |

| **Equipment leased to clients**[1] | | | | |
|---|---|---|---|---|
| Opening balance | | | 46,101 | 16,459 |
| Acquisitions during the year | | | 12,189 | 8,967 |
| Merger of SEB Finans | | | | 28,354 |
| Sales during the year | | | –7,813 | –7,679 |
| **Acquisition value** | | | **50,477** | **46,101** |
| Opening balance | | | –11,776 | –1,907 |
| Current year's depreciations | | | –4,604 | –4,734 |
| Merger of SEB Finans | | | | –9,661 |
| Accumulated depreciations on current year's sales | | | 5,724 | 4,526 |
| **Accumulated depreciations** | | | **–10,656** | **–11,776** |
| **Total** | | | **39,821** | **34,325** |

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** | 2008 | 2007 | 2008 | 2007 |
| Opening balance | 1,653 | 1,248 | 3 | 10 |
| Acquisitions during the year | 57 | 115 | | |
| Appreciations during the year | 42 | 79 | | |
| Group adjustment | | 225 | | |
| Reclassifications | 75 | | | |
| Sales during the year | –141 | –40 | | –7 |
| Exchange rate differences | 46 | 26 | | |
| **Acquisition value** | **1,732** | **1,653** | **3** | **3** |
| Opening balance | –510 | –443 | –1 | –1 |
| Current year's depreciations | –48 | –35 | | |
| Current year's impairments | | –10 | | |
| Group adjustment | | –8 | | |
| Reclassifications | –16 | –5 | | |
| Accumulated depreciations on current year's sales | 35 | 10 | | |
| Exchange rate differences | –56 | –19 | | |
| **Accumulated depreciations** | **–595** | **–510** | **–1** | **–1** |
| **Total** | **1,137** | **1,143** | **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 | 23 | 86 |
| Acquisitions during the year | 82 | 4 |
| Sales during the year | –12 | –69 |
| Exchange rate differences | 13 | 2 |
| **Total** | **106** | **23** |

| **Net operating earnings from properties taken over for protection of claims** | | |
|---|---|---|
| External income | 3 | 3 |
| Operating costs | | –2 |
| **Total** | **3** | **1** |

| **Investment properties recognised at cost** | | |
|---|---|---|
| Opening balance | 401 | 871 |
| Acquisitions during the year | 4 | 2 |
| Reclassifications | | –4 |
| Sales during the year | | –497 |
| Exchange rate differences | 63 | 29 |
| **Acquisition value** | **468** | **401** |
| Opening balance | –200 | –242 |
| Current year's depreciations | –17 | –16 |
| Reclassifications | | 1 |
| Accumulated depreciations on current year's sales | | 67 |
| Exchange rate differences | –33 | –10 |
| **Accumulated depreciations** | **–250** | **–200** |
| **Total** | **218** | **201** |

| **Investment properties recognised at fair value through profit and loss** | | |
|---|---|---|
| Opening balance | 5,038 | 4,411 |
| Acquisitions during the year | 1,266 | 354 |
| Current year's impairments | –2 | |
| Reclassifications | | 3 |
| Revaluation at fair value | | 97 |
| Sales during the year | | –36 |
| Exchange rate differences | 970 | 209 |
| **Total** | **7,272** | **5,038** |

| **Net operating earnings from investment properties** | | |
|---|---|---|
| External income | 344 | 317 |
| Operating costs[1] | –114 | –97 |
| **Total** | **230** | **220** |

1) Direct operating expenses arising from investment property that did not generate rental income amounts to SEK 10m (5).

## 28 Other assets

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Current tax assets | 3,998 | 3,766 | 1,072 | 1,813 |
| Deferred tax assets | 2,836 | 845 | 1,338 | |
| Trade and client receivables | 13,402 | 25,377 | 12,317 | 23,625 |
| Other assets | 50,416 | 28,138 | 45,845 | 15,589 |
| **Other assets** | **70,652** | **58,126** | **60,572** | **41,027** |

**Current tax assets**

| | | | | |
|---|---|---|---|---|
| Other | 3,998 | 3,766 | 1,072 | 1,813 |
| **Recognised in profit and loss** | **3,998** | **3,766** | **1,072** | **1,813** |
| **Total** | **3,998** | **3,766** | **1,072** | **1,813** |

**Deferred tax assets**

| | | | | |
|---|---|---|---|---|
| Tax losses carry forwards | 2,084 | 612 | 1,338 | |
| Other temporary differences[1] | 797 | 54 | | |
| **Recognised in profit and loss** | **2,881** | **666** | **1,338** | |
| Unrealised losses in available-for-sale financial assets | –45 | 179 | | |
| **Recognised in Shareholders' equity** | **–45** | **179** | | |
| **Total** | **2,836** | **845** | **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 5,422m (4,895). 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 1,120 m (993).

**Trade and client receivables**

| | | | | |
|---|---|---|---|---|
| Trade receivables | 498 | 535 | | |
| Client receivables | 12,904 | 24,842 | 12,317 | 23,625 |
| **Total** | **13,402** | **25,377** | **12,317** | **23,625** |

**Other assets**

| | | | | |
|---|---|---|---|---|
| Pension plan assets, net | 4,703 | 4,565 | | |
| Reinsurers share of insurance provisions | 535 | 565 | | |
| Accrued interest income | 48 | 104 | | |
| Other accrued income | 1,025 | 1,722 | 1,659 | 1,771 |
| Prepaid expenses | 604 | 592 | | |
| Other[1] | 43,501 | 20,590 | 44,186 | 13,818 |
| **Total** | **50,416** | **28,138** | **45,845** | **15,589** |

1) Including margin of safety for security loans of SEK 30.361m (3.223).

## 29 Deposits by credit institutions

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Remaining maturity | | | | |
| – payable on demand | 143,224 | 114,001 | 161,754 | 103,644 |
| – maximum 3 months | 216,714 | 262,593 | 184,423 | 238,867 |
| – more than 3 months but maximum 1 year | 46,534 | 16,778 | 45,220 | 18,483 |
| – more than 1 year but maximum 5 years | 6,688 | 7,466 | 12,918 | 902 |
| – more than 5 years | 14,402 | 17,516 | 3,983 | 3,509 |
| Accrued interest | 1,863 | 2,994 | 1,807 | 2,294 |
| **Total** | **429,425** | **421,348** | **410,105** | **367,699** |
| of which repos | 23,575 | 70,988 | 23,573 | 68,371 |
| Average remaining maturity (years) | 0.52 | 0.58 | 0.32 | 0.22 |

## 30 Deposits and borrowing from the public

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Deposits | 730,295 | 647,075 | 406,100 | 318,171 |
| Borrowing | 107,086 | 100,737 | 46,513 | 93,060 |
| Accrued interest | 3,653 | 2,669 | 1,084 | 1,268 |
| **Total** | **841,034** | **750,481** | **453,697** | **412,499** |

**Deposits[1)]**

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Remaining maturity | | | | |
| – payable on demand | 440,527 | 410,695 | 406,100 | 318,171 |
| – maximum 3 months | 169,887 | 147,447 | | |
| – more than 3 months but maximum 1 year | 53,700 | 25,375 | | |
| – more than 1 year but maximum 5 years | 21,234 | 21,330 | | |
| – more than 5 years | 44,947 | 42,228 | | |
| **Total** | **730,295** | **647,075** | **406,100** | **318,171** |

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 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Average remaining maturity (years) | 0.78 | 0.80 | | |

**Borrowing**

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Remaining maturity | | | | |
| – payable on demand | 21,919 | 28,812 | 7,215 | 15,859 |
| – maximum 3 months | 57,815 | 48,736 | 26,476 | 49,658 |
| – more than 3 months but maximum 1 year | 9,921 | 5,522 | 1,753 | 6,777 |
| – more than 1 year but maximum 5 years | 4,511 | 3,599 | 519 | 2,709 |
| – more than 5 years | 12,920 | 14,068 | 10,550 | 18,057 |
| **Total** | **107,086** | **100,737** | **46,513** | **93,060** |
| of which repos | 36,304 | 38,680 | 15,437 | 36,076 |
| Average remaining maturity (years) | 1.46 | 1.60 | 2.40 | 2.14 |

## 31 Liabilities to policyholders

| | Group 2008 | Group 2007 |
|---|---|---|
| Liabilities to policyholders – investment contracts[1)] | 115,110 | 135,937 |
| Liabilities to policyholders – insurance contracts | 95,960 | 89,979 |
| **Total** | **211,070** | **225,916** |

1) Designated at fair value through profit and loss.

**Liabilities to policyholders – investment contracts***

| | 2008 | 2007 |
|---|---|---|
| Opening balance | 135,937 | 120,127 |
| Reclassification to/from insurance contracts | –57 | 1,913 |
| Change in investment contract provisions[1)] | –21,924 | 13,343 |
| Exchange rate differences | 1,154 | 554 |
| **Total** | **115,110** | **135,937** |

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**

| | 2008 | 2007 |
|---|---|---|
| Opening balance | 89,979 | 83,592 |
| Transfer of portfolios through acquisitions/divestments | | 7,474 |
| Reclassification from/to investment contracts | 57 | –1,913 |
| Change in collective bonus provisions | –7,339 | –326 |
| Change in other insurance contract provisions[1)] | 1,716 | –2,364 |
| Exchange rate differences | 11,547 | 3,516 |
| **Total** | **95,960** | **89,979** |

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 | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Bond loans | 367,357 | 301,414 | 239,245 | 200,880 |
| Other issued securities | 149,418 | 202,085 | 149,355 | 201,950 |
| Accrued interest | 8,444 | 7,065 | 5,646 | 5,172 |
| **Total** | **525,219** | **510,564** | **394,246** | **408,002** |

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 28,527m (26,512), as at fair value through profit or loss, since they contain embedded derivatives. The corresponding amounts for the parent company are SEK 20,629m (20,145). 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. Fair value on these financial liabilities has not been affected by changes in credit risk. This has been concluded by evaluating the bank's rating which has been stable. The Group's contractual liability is SEK 29,261m (24,863) and for the parent company SEK 21,092m (18,729).

**Bond loans**

| | | | | |
|---|---|---|---|---|
| Remaining maturity | | | | |
| – maximum 1 year | 82,637 | 100,230 | 46,811 | 81,895 |
| – more than 1 years but maximum 5 years | 276,046 | 194,643 | 187,294 | 117,097 |
| – more than 5 years but maximum 10 years | 4,253 | 6,035 | 2,492 | 1,342 |
| – more than 10 years | 4,421 | 506 | 2,648 | 546 |
| **Total** | **367,357** | **301,414** | **239,245** | **200,880** |
| Average remaining maturity (years) | 2.67 | 2.38 | 2.69 | 2.00 |

**Other issued securities**

| | | | | |
|---|---|---|---|---|
| Remaining maturity | | | | |
| – payable on demand | 4,749 | 4,416 | 4,442 | 4,483 |
| – maximum 3 months | 117,397 | 124,692 | 117,397 | 124,661 |
| – more than 3 months but maximum 1 year | 27,271 | 65,984 | 27,516 | 65,814 |
| – more than 1 year but maximum 5 years | 1 | 6,138 | | 6,138 |
| – more than 5 years | | 855 | | 854 |
| **Total** | **149,418** | **202,085** | **149,355** | **201,950** |
| Average remaining maturity (years) | 0.21 | 0.41 | 0.21 | 0.41 |

## 33 Financial liabilities at fair value

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Trading derivatives | 231,341 | 79,211 | 225,829 | 78,408 |
| Derivatives used for hedging | 8,168 | 2,169 | 4,254 | 1,666 |
| Trading liabilities | 54,411 | 135,421 | 49,429 | 121,687 |
| Fair value changes of hedged items in portfolio hedge | 1,613 | –411 | | |
| **Total** | **295,533** | **216,390** | **279,512** | **201,761** |

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 | 115,462 | 39,359 | 117,514 | 38,343 |
| Negative replacement values of currency-related derivatives | 112,195 | 34,382 | 105,470 | 32,926 |
| Negative replacement values of equity-related derivatives | 2,858 | 5,390 | 2,088 | 7,061 |
| Negative replacement values of other derivatives | 826 | 80 | 757 | 78 |
| **Total** | **231,341** | **79,211** | **225,829** | **78,408** |

**Derivatives used for hedging**

| | | | | |
|---|---|---|---|---|
| Fair value hedges | 733 | 952 | 805 | 950 |
| Cash flow hedges | 3,447 | 716 | 3,449 | 716 |
| Portfolio hedges for interest rate risk | 3,988 | 501 | | |
| **Total** | **8,168** | **2,169** | **4,254** | **1,666** |

**Trading liabilities**

| | | | | |
|---|---|---|---|---|
| Short positions in equity instruments | 15,387 | 18,845 | 15,387 | 18,461 |
| Short positions in debt instruments | 38,571 | 116,346 | 33,589 | 103,003 |
| Accrued interest | 453 | 230 | 453 | 223 |
| **Total** | **54,411** | **135,421** | **49,429** | **121,687** |

## 34 Other liabilities

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Current tax liabilities | 1,148 | 1,101 | 94 | 46 |
| Deferred tax liabilities | 9,810 | 9,403 | | |
| Trade and client payables | 9,498 | 33,940 | 8,001 | 32,369 |
| Other liabilities | 51,109 | 53,075 | 47,562 | 34,678 |
| **Total** | **71,565** | **97,519** | **55,657** | **67,093** |

**Current tax liabilities**

| | | | | |
|---|---|---|---|---|
| Other | 1,148 | 1,101 | 145 | –267 |
| **Recognised in profit and loss** | **1,148** | **1,101** | **145** | **–267** |
| Group contributions | | | 194 | |
| Other | | | –245 | 313 |
| **Recognised in Shareholders' equity** | | | **–51** | **313** |
| **Total** | **1,148** | **1,101** | **94** | **46** |

**Deferred tax liabilities**

| | | | | |
|---|---|---|---|---|
| Accelerated tax depreciation | 7,715 | 7,182 | | |
| Unrealised profits in financial assets at fair value | 130 | 82 | | |
| Pension plan assets, net | 1,150 | 1,257 | | |
| Other temporary differences | 674 | 726 | | |
| **Recognised in profit and loss** | **9,669** | **9,247** | | |
| Unrealised profits in cash flow hedges | 45 | 46 | | |
| Unrealised profits in available-for-sale financial assets | 96 | 110 | | |
| **Recognised in Shareholders' equity** | **141** | **156** | | |
| **Total** | **9,810** | **9,403** | | |

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 | 464 | 330 | | |
| Client payables | 9,034 | 33,610 | 8,001 | 32,369 |
| **Total** | **9,498** | **33,940** | **8,001** | **32,369** |

**Other liabilities**

| | | | | |
|---|---|---|---|---|
| Accrued interest expense | 51 | 124 | | |
| Other accrued expense | 4,535 | 5,443 | 2,330 | 128 |
| Prepaid income | 1,722 | 1,942 | | |
| Other | 44,801 | 45,566 | 45,232 | 34,550 |
| **Total** | **51,109** | **53,075** | **47,562** | **34,678** |

## 35 Provisions

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Restructuring reserve | 793 | 132 | 600 | 4 |
| Reserve for off-balance-sheet items | 251 | 209 | | 3 |
| Pensions and other post retirement benefit obligations (note 9b) | 28 | 97 | | |
| Other provisions | 825 | 1,098 | 189 | 264 |
| **Total** | **1,897** | **1,536** | **789** | **271** |

**Restructuring reserve**

| | | | | |
|---|---|---|---|---|
| Opening balance | 132 | 143 | 4 | 7 |
| Additions | 640 | | 600 | |
| Amounts used | –3 | –17 | –4 | –3 |
| Exchange differences | 24 | 6 | | |
| **Total** | **793** | **132** | **600** | **4** |

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

| | Group | | Parent company | |
|---|---|---|---|---|
| **Reserve for off-balance-sheet items** | 2008 | 2007 | 2008 | 2007 |
| Opening balance | 209 | 215 | 3 | 4 |
| Additions | 67 | 4 | | |
| Amounts used | –63 | –16 | –3 | –1 |
| Exchange differences | 38 | 6 | | |
| **Total** | **251** | **209** | **0** | **3** |

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 2009 while the remaining part has a substantially longer life.

| **Other provisions** | | | | |
|---|---|---|---|---|
| Opening balance | 1 098 | 1,650 | 264 | 405 |
| Additions | 23 | 14 | | |
| Amounts used | –358 | –483 | –75 | –141 |
| Unused amounts reversed | | –87 | | |
| Exchange differences | 62 | 4 | | |
| **Total** | **825** | **1,098** | **189** | **264** |

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 | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Debenture loans | 21,640 | 18,763 | 20,666 | 17,808 |
| Debenture loans, perpetual | 26,792 | 25,166 | 26,792 | 25,166 |
| Debenture loans, hedged positions | 2,388 | –228 | 2,388 | –228 |
| Accrued interest | 410 | 288 | 353 | 300 |
| **Total** | **51,230** | **43,989** | **50,199** | **43,046** |

**Debenture loans**

| | Currency | Original nom. amount | Book value | Rate of interest, % |
|---|---|---|---|---|
| 1994/2009 | USD | 200 | 1,531 | 6.875 |
| 2003/2015 | EUR | 500 | 5,483 | 4.125 |
| 2004/2014 | EUR | 750 | 8,187 | 1) |
| 2006/2017 | EUR | 500 | 5,465 | 1) |
| **Total parent company** | | | **20,666** | |
| Debenture loans issued by SEB AG | | | 887 | |
| Debenture loans issued by other subsidiaries | | | 87 | |
| **Total Group** | | | **21,640** | |

**Debenture loans, perpetual**

| | | | | |
|---|---|---|---|---|
| 1995 | JPY | 10,000 | 857 | 4.400 |
| 1997 | JPY | 15,000 | 1,286 | 5.000 |
| 1997 | USD | 150 | 860 | 7.500 |
| 2000 | USD | 100 | 15 | 1) |
| 2004 | USD | 500 | 3,866 | 4.958 |
| 2005 | USD | 600 | 4,640 | 1) |
| 2005 | GBP | 500 | 5,600 | 5.000 |
| 2006 | GBP | 375 | 4,200 | 5.500 |
| 2007 | EUR | 500 | 5,468 | 7.092 |
| **Total** | | | **26,792** | |

1) FRN, Floating Rate Note.

## 37 Untaxed reserves[1)]

| | Parent company | |
|---|---|---|
| | 2008 | 2007 |
| Excess depreciation of office equipment/leased assets | 21,131 | 19,012 |
| Other untaxed reserves | 5 | 4 |
| **Total** | **21,136** | **19,016** |

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 | 12,085 | 4 | **12,089** |
| Appropriations | 520 | | **520** |
| Merger of SEB Finans | 6,410 | | **6,410** |
| Exchange rate differencies | –3 | | **–3** |
| **Closing balance 2007** | **19,012** | **4** | **19,016** |
| Appropriations | 2,117 | | **2,117** |
| Exchange rate differencies | 2 | 1 | **3** |
| **Closing balance 2008** | **21,131** | **5** | **21,136** |

## 38 Memorandum items

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Collateral and comparable security pledged for own liabilities | 375,227 | 308,342 | 242,395 | 146,563 |
| Other pledged assets and comparable collateral | 152,142 | 207,363 | 37,737 | 73,510 |
| Contingent liabilities | 86,675 | 66,984 | 62,260 | 50,909 |
| Commitments | 416,533 | 394,128 | 261,252 | 259,024 |

**Collateral and comparable security pledged for own liabilities***

| | | | | |
|---|---|---|---|---|
| Lending[1)] | 70 | 66 | 47 | 66 |
| Bonds | 237,851 | 121,286 | 202,697 | 68,301 |
| Repos | 39,651 | 95,234 | 39,651 | 78,196 |
| Assets in insurance business | 97,655 | 91,756 | | |
| **Total** | **375,227** | **308,342** | **242,395** | **146,563** |

1) Of which SEK 47m (66) 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.

**Other pledged assets and comparable collateral**

| | | | | |
|---|---|---|---|---|
| Shares in insurance premium funds | 114,405 | 134,818 | | |
| Securities loans lending | 37,737 | 72,545 | 37,737 | 73,510 |
| **Total** | **152,142** | **207,363** | **37,737** | **73,510** |

**Contingent liabilities**

| | | | | |
|---|---|---|---|---|
| Guarantee commitments, credits | 12,309 | 7,188 | 8,314 | 4,602 |
| Guarantee commitments, other | 61,334 | 48,694 | 46,434 | 38,346 |
| Own acceptances | 836 | 799 | 823 | 776 |
| **Total** | **74,479** | **56,681** | **55,571** | **43,724** |
| Approved, but unutilised letters of credit | 12,196 | 10,303 | 6,689 | 7,185 |
| **Total** | **86,675** | **66,984** | **62,260** | **50,909** |

**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.

**Commitments**

| | | | | |
|---|---|---|---|---|
| Granted undrawn credit | 191,899 | 165,467 | 146,405 | 121,259 |
| Unutilised part of approved overdraft facilities | 161,641 | 130,119 | 74,760 | 65,220 |
| Securities loans borrowing | 62,008 | 92,327 | 40,087 | 72,545 |
| Other commmitments | 985 | 6,215 | | |
| **Total** | **416,533** | **394,128** | **261,252** | **259,024** |

## 39 Current and non-current assets and liabilities

| Group, Assets | 2008 Current assets | 2008 Non-current assets | 2008 Total | 2007 Current assets | 2007 Non-current assets | 2007 Total |
|---|---|---|---|---|---|---|
| Cash and cash balances with central banks | 44,852 | | 44,852 | 96,871 | | 96,871 |
| Loans to credit institutions | 201,427 | 64,936 | 266,363 | 241,557 | 21,455 | 263,012 |
| Loans to the public | 473,560 | 823,217 | 1,296,777 | 440,706 | 626,635 | 1,067,341 |
| *Securities held for trading* | *76,579* | *85,017* | *161,596* | *97,083* | *251,805* | *348,888* |
| *Derivatives held for trading* | *248,426* | | *248,426* | *85,395* | | *85,395* |
| *Derivatives used for hedging* | *11,155* | | *11,155* | *2,777* | | *2,777* |
| *Fair value changes of hedged items in a portfolio hedge* | *3,503* | | *3,503* | *–641* | | *–641* |
| *Financial assets – policyholders bearing the risk* | *114,425* | | *114,425* | *135,485* | | *135,485* |
| *Other financial assets designated at fair value* | *24,071* | *72,278* | *96,349* | *24,860* | *64,459* | *89,319* |
| Financial assets at fair value | 478,159 | 157,295 | 635,454 | 344,959 | 316,264 | 661,223 |
| Available-for-sale financial assets | 32,448 | 130,667 | 163,115 | 25,989 | 144,148 | 170,137 |
| Held-to-maturity investments | 1,507 | 490 | 1,997 | 639 | 1,159 | 1,798 |
| Assets held for sale | 852 | | 852 | | | |
| Investments in associates | | 1,129 | 1,129 | | 1,257 | 1,257 |
| *Intangible assets* | *870* | *18,525* | *19,395* | *717* | *16,177* | *16,894* |
| *Property and equipment* | *641* | *1,985* | *2,626* | *612* | *1,952* | *2,564* |
| *Investment properties* | | *7,490* | *7,490* | | *5,239* | *5,239* |
| Tangible and intagible assets | 1,511 | 28,000 | 29,511 | 1,329 | 23,368 | 24,697 |
| *Current tax assets* | *3,998* | | *3,998* | *3,766* | | *3,766* |
| *Deferred tax assets* | | *2,836* | *2,836* | | *845* | *845* |
| *Trade and client receivables* | *13,402* | | *13,402* | *25,377* | | *25,377* |
| *Other assets* | *50,416* | | *50,416* | *28,138* | | *28,138* |
| Other assets | 67,816 | 2,836 | 70,652 | 57,281 | 845 | 58,126 |
| **Total** | **1,302,132** | **1,208,570** | **2,510,702** | **1,209,331** | **1,135,131** | **2,344,462** |

| Liabilities | 2008 Current liabilities | 2008 Non-current liabilities | 2008 Total | 2007 Current liabilities | 2007 Non-current liabilities | 2007 Total |
|---|---|---|---|---|---|---|
| Deposits by credit institutions | 408,335 | 21,090 | 429,425 | 396,366 | 24,982 | 421,348 |
| Deposits and borrowing from the public | 757,422 | 83,612 | 841,034 | 669,256 | 81,225 | 750,481 |
| *Liabilities to policyholders – investment contracts* | *7,137* | *107,973* | *115,110* | *11,419* | *124,518* | *135,937* |
| *Liabilities to policyholders – insurance contracts* | *11,831* | *84,129* | *95,960* | *8,548* | *81,431* | *89,979* |
| Liabilities to policyholders | 18,968 | 192,102 | 211,070 | 19,967 | 205,949 | 225,916 |
| Debt securities | 240,498 | 284,721 | 525,219 | 302,387 | 208,177 | 510,564 |
| *Trading derivatives* | *231,341* | | *231,341* | *79,211* | | *79,211* |
| *Derivatives used for hedging* | *8,168* | | *8,168* | *2,169* | | *2,169* |
| *Trading liabilities* | *54,411* | | *54,411* | *135,421* | | *135,421* |
| *Fair value changes of hedged items in portfolio hedge* | *1,613* | | *1,613* | *–411* | | *–411* |
| Financial liabilities at fair value | 295,533 | | 295,533 | 216,390 | | 216,390 |
| *Current tax liabilities* | *1,148* | | *1,148* | *1,101* | | *1,101* |
| *Deferred tax liabilities* | | *9,810* | *9,810* | | *9,403* | *9,403* |
| *Trade and client payables* | *9,498* | | *9,498* | *33,940* | | *33,940* |
| *Other liabilities* | *51,109* | | *51,109* | *53,075* | | *53,075* |
| Other liabilities | 61,755 | 9,810 | 71,565 | 88,116 | 9,403 | 97,519 |
| Provisions | | 1,897 | 1,897 | | 1,536 | 1,536 |
| Subordinated liabilities | 1,531 | 49,699 | 51,230 | | 43,989 | 43,989 |
| **Total** | **1,784,042** | **642,931** | **2,426,973** | **1,692,482** | **575,261** | **2,267,743** |

## 40 Financial assets and liabilities by class

**Group 2008**

| | 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) | | | | | | | 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 by 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** |

**Group 2007**

| | 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) | | | | | | | 96,871 | **96,871** |
| Loans to credit institutions (note 20) | 263,012 | | | | | | | **263,012** |
| Loans to the public (note 21) | 1,067,341 | | | | | | | **1,067,341** |
| Financial assets at fair value (note 22)[1] | | 56,840 | 293,347 | 88,172 | 135,485 | | –641 | **573,203** |
| Available-for-sale financial assets (note 23) | | 1,812 | 168,325 | | | | | **170,137** |
| Held-to-maturity financial assets (note 24) | | | 1,798 | | | | | **1,798** |
| Investments in associates (note 25) | | 1,257 | | | | | | **1,257** |
| Trade and client receivables (note 28) | | | | | | | 25,377 | **25,377** |
| **Financial assets** | **1,330,353** | **59,909** | **463,470** | **88,172** | **135,485** | | **121,607** | **2,198,996** |
| Other assets | | | | | | 88,020 | 57,446 | **145,466** |
| **Total** | **1,330,353** | **59,909** | **463,470** | **88,172** | **135,485** | **88,020** | **179,053** | **2,344,462** |
| **Financial liabilities** | | | | | | | | |
| Deposits by credit institutions (note 29) | 421,348 | | | | | | | **421,348** |
| Deposits and borrowing from the public (note 30) | 750,481 | | | | | | | **750,481** |
| Liabilities to policyholders (note 31)[1] | | | | | 135,937 | | | **135,937** |
| Debt securities (note 32) | | | 510,564 | | | | | **510,564** |
| Financial liabilities at fair value (note 33) | | 18,845 | 116,576 | 81,380 | | | –411 | **216,390** |
| Trade and client payables (note 34) | | | | | | | 33,940 | **33,940** |
| Subordinated liabilities (note 36) | | | 43,989 | | | | | **43,989** |
| **Financial liabilities** | **1,171,829** | **18,845** | **671,129** | **81,380** | **135,937** | | **33,529** | **2,112,649** |
| Other liabilities (non-financial) | | | | | | 89,979 | 65,115 | **155,094** |
| Total equity | | | | | | | 76,719 | **76,719** |
| **Total** | **1,171,829** | **18,845** | **671,129** | **81,380** | **135,937** | **89,979** | **175,363** | **2,344,462** |

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 2008**

| | 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) | | | | | 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 (non-financial) | | | | | 89,667 | **89,667** |
| **Total** | **1,015,164** | **88,777** | **236,447** | **255,458** | **112,654** | **1,708,500** |
| **Financial liabilities** | | | | | | |
| Deposits by 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** |

**Parent company 2007**

| | Classes of financial assets and liabilities | | | | | |
|---|---|---|---|---|---|---|
| **Financial assets** | Loans and deposits | Equity instruments | Debt instruments | Derivative instruments | Other | **Total** |
| Cash and cash balances with central banks (note 19) | | | | | 1,758 | **1,758** |
| Loans to credit institutions (note 20) | 357,482 | | | | | **357,482** |
| Loans to the public (note 21) | 637,138 | | | | | **637,138** |
| Financial assets at fair value (note 22) | | 43,584 | 241,564 | 82,837 | | **367,985** |
| Available-for-sale financial assets (note 23) | | 1,155 | 60,930 | | | **62,085** |
| Held-to-maturity financial assets (note 24) | | | 3,348 | | | **3,348** |
| Investments in associates (note 25) | | 1,063 | | | | **1,063** |
| Shares in subsidiaries (note 26) | | 51,936 | | | | **51,936** |
| Trade and client receivables (note 28) | | | | | 23,625 | **23,625** |
| **Financial assets** | **994,620** | **97,738** | **305,842** | **82,837** | **25,383** | **1,506,420** |
| Other assets | | | | | 52,899 | **52,899** |
| **Total** | **994,620** | **97,738** | **305,842** | **82,837** | **78,282** | **1,559,319** |
| **Financial liabilities** | | | | | | |
| Deposits by credit institutions (note 29) | 367,699 | | | | | **367,699** |
| Deposits and borrowing from the public (note 30) | 412,499 | | | | | **412,499** |
| Debt securities (note 32) | | | 408,002 | | | **408,002** |
| Financial liabilities at fair value (note 33) | | 18,461 | 103,226 | 80,074 | | **201,761** |
| Trade and client payables (note 34) | | | | | 32,369 | **32,369** |
| Subordinated liabilities (note 36) | | | 43,046 | | | **43,046** |
| **Financial liabilities** | **780,198** | **18,461** | **554,274** | **80,074** | **32,369** | **1,465,376** |
| Other liabilities (non-financial) | | | | | 34,995 | **34,995** |
| Total equity and untaxed reserves | | | | | 58,948 | **58,948** |
| **Total** | **780,198** | **18,461** | **554,274** | **80,074** | **126,312** | **1,559,319** |

## 41 Debt instruments by maturities

**Eligible debt instruments***

| Group 2008 | < 1 month | 1 < 3 months | 3 months < 1 year | 1 < 5 years | 5 < 10 years | 10 years < | Total |
|---|---|---|---|---|---|---|---|
| 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** |

| Group 2007 | < 1 month | 1 < 3 months | 3 months < 1 year | 1 < 5 years | 5 < 10 years | 10 years < | Total |
|---|---|---|---|---|---|---|---|
| Securities held for trading (note 22) | 3,808 | 1,332 | 13,303 | 35,119 | 15,477 | 15,849 | **84,888** |
| Other financial assets at fair value (note 22) | | 20 | | | | | **20** |
| Available-for-sale financial assets (note 23) | 4,869 | 3,296 | 13,249 | 46,506 | 36,741 | 8,569 | **113,230** |
| Held-to-maturity financial assets (note 24) | | 1 | | | | | **1** |
| **Total** | **8,677** | **4,649** | **26,552** | **81,625** | **52,218** | **24,418** | **198,139** |

| Parent company 2008 | < 1 month | 1 < 3 months | 3 months < 1 year | 1 < 5 years | 5 < 10 years | 10 years < | Total |
|---|---|---|---|---|---|---|---|
| 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** |

| Parent company 2007 | < 1 month | 1 < 3 months | 3 months < 1 year | 1 < 5 years | 5 < 10 years | 10 years < | Total |
|---|---|---|---|---|---|---|---|
| Securities held for trading (note 22) | | 740 | 9,613 | 8,962 | 4,636 | 9,690 | **33,641** |
| Available-for-sale financial assets (note 23) | | | | | 119 | 7,661 | **7,780** |
| **Total** | | **740** | **9,613** | **8,962** | **4,755** | **17,351** | **41,421** |

**Other debt instruments***

| Group 2008 | < 1 month | 1 < 3 months | 3 months < 1 year | 1 < 5 years | 5 < 10 years | 10 years < | Total |
|---|---|---|---|---|---|---|---|
| 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** |

| Group 2007 | < 1 month | 1 < 3 months | 3 months < 1 year | 1 < 5 years | 5 < 10 years | 10 years < | Total |
|---|---|---|---|---|---|---|---|
| Securities held for trading (note 22) | 1,358 | 9,190 | 9,094 | 74,572 | 18,648 | 92,140 | **205,002** |
| Insurance assets (note 22) | 32 | 461 | 1,593 | 8,382 | 49,329 | 6,518 | **66,315** |
| Other financial assets at fair value (note 22) | 2 | 10 | 40 | 160 | 18 | 52 | **282** |
| Available-for-sale financial assets (note 23) | 634 | 254 | 512 | 26,935 | 5,810 | 19,587 | **53,732** |
| Held-to-maturity financial assets (note 24) | | | 612 | 1,068 | | 90 | **1,770** |
| **Total** | **2,026** | **9,915** | **11,851** | **111,117** | **73,805** | **118,387** | **327,101** |

| Parent company 2008 | < 1 month | 1 < 3 months | 3 months < 1 year | 1 < 5 years | 5 < 10 years | 10 years < | Total |
|---|---|---|---|---|---|---|---|
| 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** |

| Parent company 2007 | < 1 month | 1 < 3 months | 3 months < 1 year | 1 < 5 years | 5 < 10 years | 10 years < | Total |
|---|---|---|---|---|---|---|---|
| Securities held for trading (note 22) | 701 | 9,019 | 8,978 | 76,880 | 18,521 | 91,439 | **205,538** |
| Available-for-sale financial assets (note 23) | 9 | | 280 | 26,604 | 6,340 | 19,546 | **52,779** |
| Held-to-maturity financial assets (note 24) | 97 | | | 100 | 3,035 | 90 | **3,322** |
| **Total** | **807** | **9,019** | **9,258** | **103,584** | **27,896** | **111,075** | **261,639** |

* Accrued interest excluded.

## 42 Debt instruments by issuers

**Eligible debt instruments***

| **Group 2008** | Swedish State | Swedish municipalities | Other Swedish issuers – non-financial companies | Foreign States | Other foreign issuers | Total |
|---|---|---|---|---|---|---|
| Loans to the public (note 21) | | | | 5,410 | | **5,410** |
| Securities held for trading (note 22) | 15,010 | 294 | 2,628 | 24,864 | 36 | **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** | **31,194** | **123,735** | **174,483** |
| **Group 2007** | | | | | | |
| Securities held for trading (note 22) | 20,985 | 153 | | 12,437 | 51,313 | **84,888** |
| Other financial assets at fair value (note 22) | | | | | 20 | **20** |
| Available-for-sale financial assets (note 23) | 50 | | | 13,426 | 99,754 | **113,230** |
| Held-to-maturity financial assets (note 24) | | | | 1 | | **1** |
| **Total** | **21,035** | **153** | | **25,864** | **151,087** | **198,139** |
| **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** |
| **Parent company 2007** | | | | | | |
| Securities held for trading (note 22) | | 20,985 | 153 | 12,025 | 478 | **33,641** |
| Available-for-sale financial assets (note 23) | | | | 7,581 | 199 | **7,780** |
| **Total** | | **20,985** | **153** | **19,606** | **677** | **41,421** |

**Other debt instruments***

| **Group 2008** | Swedish State and municipalities | Swedish mortgage institutions | Other Swedish issuers – non-financial companies | Other Swedish issuers – other financial companies | Foreign States | Other foreign issuers | Total |
|---|---|---|---|---|---|---|---|
| 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** |
| **Group 2007** | | | | | | | |
| Securities held for trading (note 22) | | 25,085 | 6,176 | 788 | 2,173 | 170,780 | **205,002** |
| Insurance assets (note 22) | 9,096 | 995 | 929 | 932 | 5,578 | 48,785 | **66,315** |
| Other financial assets at fair value (note 22) | | | | 25 | 142 | 115 | **282** |
| Available-for-sale financial assets (note 23) | | | 200 | 1,556 | 1,009 | 50,967 | **53,732** |
| Held-to-maturity financial assets (note 24) | | 827 | 91 | | | 852 | **1,770** |
| **Total** | **9,096** | **26,907** | **7,396** | **3,301** | **8,902** | **271,499** | **327,101** |
| **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** |
| **Parent company 2007** | | | | | | | |
| Securities held for trading (note 22) | | 25,085 | 6,175 | 788 | | 173,490 | **205,538** |
| Available-for-sale financial assets (note 23) | | | 200 | 1,464 | | 51,115 | **52,779** |
| Held-to-maturity financial assets (note 24) | | | 100 | | | 3,222 | **3,322** |
| **Total** | | **25,085** | **6,475** | **2,252** | | **227,827** | **261,639** |

* Accrued interest excluded.

## 43 Repricing periods

**Group 2008**

| **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 | 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 | 6,760 | 331 | | 336 | | | | 67,060 | 9,242 | 83,729 |
| **Total** | **1,129,722** | **214,596** | **137,690** | **78,113** | **261,546** | **123,118** | **174,350** | **168,680** | **222,887** | **2,510,702** |
| | | | | | | | | | | |
| Interest rate sensitive, net | –122,866 | 49,271 | –13,962 | 29,492 | 5,567 | 17,098 | 24,397 | 5,460 | 5,543 | |
| Cumulative sensitive | –122,866 | –73,595 | –87,557 | –58,065 | –52,498 | –35,400 | –11,003 | –5,543 | | |

**Group 2007**

| **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 | 223,594 | 14,569 | 2,229 | 6,444 | 3,485 | 3,304 | 4,506 | 3,738 | 1,143 | 263,012 |
| Loans to the public | 542,449 | 160,272 | 75,905 | 39,267 | 95,829 | 65,324 | 89,598 | –1,303 | | 1,067,341 |
| Financial assets | 284,949 | 109,782 | 55,809 | 14,878 | 59,660 | 7,958 | 47,439 | 151,558 | 224,630 | 956,663 |
| Other assets | | | | | | | | 41,623 | 15,823 | 57,446 |
| **Total** | **1,050,992** | **284,623** | **133,943** | **60,589** | **158,974** | **76,586** | **141,543** | **195,616** | **241,596** | **2,344,462** |
| | | | | | | | | | | |
| **Liabilities and equity** | | | | | | | | | | |
| Deposits by credit institutions | 349,850 | 49,944 | 18,988 | 1,370 | 502 | 516 | 770 | –592 | | 421,348 |
| Deposits and borrowing from the public | 608,373 | 45,416 | 15,121 | 11,222 | 12,714 | 7,474 | 47,492 | 2,669 | | 750,481 |
| Issued securities | 129,041 | 138,201 | 59,089 | 21,484 | 127,711 | 56,712 | 14,911 | 7,404 | | 554,553 |
| Other liabilities | 15,296 | 7,967 | 5,567 | 3,313 | 8,322 | 18,268 | 51,983 | 196,465 | 234,180 | 541,361 |
| Total equity | | | | | | | | 76,719 | | 76,719 |
| **Total** | **1,102,560** | **241,528** | **98,765** | **37,389** | **149,249** | **82,970** | **115,156** | **282,665** | **234,180** | **2,344,462** |
| | | | | | | | | | | |
| Interest rate sensitive, net | –51,568 | 43,095 | 35,178 | 23,200 | 9,725 | –6,384 | 26,387 | –87,049 | 7,416 | |
| Cumulative sensitive | –51,568 | –8,473 | 26,705 | 49,905 | 59,630 | 53,246 | 79,633 | –7,416 | | |

## 44 Loans and loan loss provisions

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Loans to credit institutions[1] | 266,363 | 263,012 | 349,073 | 357,482 |
| Loans to the public[1] | 1,296,777 | 1,067,341 | 768,737 | 637,138 |
| **Total** | **1,563,140** | **1,330,353** | **1,117,810** | **994,620** |

1) Including debt instruments classified as Loans.

**Loans**

| | | | | |
|---|---|---|---|---|
| Performing loans not impaired | 1,558,448 | 1,328,351 | 1,117,558 | 994,469 |
| Non-performing impaired loans | 12,963 | 7,619 | 1,921 | 1,150 |
| Performing impaired loans | 948 | 772 | 32 | 41 |
| **Loans prior to reserves** | **1,572,359** | **1,336,742** | **1,119,511** | **995,660** |
| Specific reserves | –5,022 | –3,787 | –903 | –645 |
| Collective reserves | –4,197 | –2,602 | –798 | –395 |
| **Reserves** | **–9,219** | **–6,389** | **–1,701** | **–1,040** |
| **Total** | **1,563,140** | **1,330,353** | **1,117,810** | **994,620** |

**Loans by category of borrower**

| **Group 2008** | Credit-institutions | Corporates | Property Management | Public Administration | Households | **Total** |
|---|---|---|---|---|---|---|
| Performing loans not impaired | 266,193 | 561,553 | 222,916 | 100,418 | 407,368 | **1,558,448** |
| Non-performing impaired loans | 320 | 5,166 | 4,235 | | 3,242 | **12,963** |
| Performing impaired loans | 6 | 269 | 659 | | 14 | **948** |
| **Loans prior to reserves** | **266,519** | **566,988** | **227,810** | **100,418** | **410,624** | **1,572,359** |
| Specific reserves | –156 | –2,698 | –1,811 | | –357 | **–5,022** |
| Collective reserves | | | | | | **–4,197** |
| **Reserves** | **–156** | **–2,698** | **–1,811** | | **–357** | **–9,219** |
| **Total** | **266,363** | **564,290** | **225,999** | **100,418** | **410,267** | **1,563,140** |
| **Group 2007** | | | | | | |
| Performing loans not impaired | 262,998 | 443,338 | 182,164 | 73,754 | 366,097 | **1,328,351** |
| Non-performing impaired loans | 46 | 2,947 | 2,863 | | 1,763 | **7,619** |
| Performing impaired loans | | 289 | 320 | | 163 | **772** |
| **Loans prior to reserves** | **263,044** | **446,574** | **185,347** | **73,754** | **368,023** | **1,336,742** |
| Specific reserves | –32 | –1,893 | –1,471 | | –391 | **–3,787** |
| Collective reserves | | | | | | **–2,602** |
| **Reserves** | **–32** | **–1,893** | **–1,471** | | **–391** | **–6,389** |
| **Total** | **263,012** | **444,681** | **183,876** | **73,754** | **367,632** | **1,330,353** |
| **Parent company 2008** | | | | | | |
| Performing loans not impaired | 348,904 | 407,935 | 106,869 | 18,401 | 235,449 | **1,117,558** |
| Non-performing impaired loans | 320 | 1,054 | 231 | | 316 | **1,921** |
| Performing impaired loans | | 17 | 12 | | 3 | **32** |
| **Loans prior to reserves** | **349,224** | **409,006** | **107,112** | **18,401** | **235,768** | **1,119,511** |
| Specific reserves | –151 | –577 | –172 | | –3 | **–903** |
| Collective reserves | | | | | | **–798** |
| **Reserves** | **–151** | **–577** | **–172** | | **–3** | **–1,701** |
| **Total** | **349,073** | **408,429** | **106,940** | **18,401** | **235,765** | **1,117,810** |
| **Parent company 2007** | | | | | | |
| Performing loans not impaired | 357,482 | 324,328 | 84,581 | 9,605 | 218,473 | **994,469** |
| Non-performing impaired loans | 21 | 700 | 255 | | 174 | **1,150** |
| Performing impaired loans | | 10 | 28 | | 3 | **41** |
| **Loans prior to reserves** | **357,503** | **325,038** | **84,864** | **9,605** | **218,650** | **995,660** |
| Specific reserves | –21 | –432 | –189 | | –3 | **–645** |
| Collective reserves | | | | | | **–395** |
| **Reserves** | **–21** | **–432** | **–189** | | **–3** | **–1,040** |
| **Total** | **357,482** | **324,606** | **84,675** | **9,605** | **218,647** | **994,620** |

Note 44 ctd. Loans and loan loss provisions

**Loans by geographical region[1)]**

| Group 2008 | The Nordic region | Germany | The Baltic region | Other | Total |
|---|---|---|---|---|---|
| Performing loans not impaired | 971,314 | 373,608 | 172,368 | 41,158 | **1,558,448** |
| Non-performing impaired loans | 2,420 | 4,913 | 5,374 | 256 | **12,963** |
| Performing impaired loans | 31 | 792 | 125 | | **948** |
| **Loans prior to reserves** | **973,765** | **379,313** | **177,867** | **41,414** | **1,572,359** |
| Specific reserves | –852 | –2,675 | –1,345 | –150 | **–5,022** |
| Collective reserves | | | | | **–4,197** |
| **Reserves** | **–852** | **–2,675** | **–1,345** | **–150** | **–9,219** |
| **Total** | **972,913** | **376,638** | **176,522** | **41,264** | **1,563,140** |
| **Group 2007** | | | | | |
| Performing loans not impaired | 847,945 | 296,263 | 140,042 | 44,101 | **1,328,351** |
| Non-performing impaired loans | 1,397 | 5,050 | 959 | 213 | **7,619** |
| Performing impaired loans | 14 | 726 | 18 | 14 | **772** |
| **Loans prior to reserves** | **849,356** | **302,039** | **141,019** | **44,328** | **1,336,742** |
| Specific reserves | –396 | –2,780 | –378 | –233 | **–3,787** |
| Collective reserves | | | | | **–2,602** |
| **Reserves** | **–396** | **–2,780** | **–378** | **–233** | **–6,389** |
| **Total** | **848,960** | **299,259** | **140,641** | **44,095** | **1,330,353** |
| **Parent company 2008** | | | | | |
| Performing loans not impaired | 1,067,270 | | | 50,288 | **1,117,558** |
| Non-performing impaired loans | 1,580 | | | 341 | **1,921** |
| Performing impaired loans | 31 | | | 1 | **32** |
| **Loans prior to reserves** | **1,068,881** | | | **50,630** | **1,119,511** |
| Specific reserves | –719 | | | –184 | **–903** |
| Collective reserves | | | | | **–798** |
| **Reserves** | **–719** | | | **–184** | **–1,701** |
| **Total** | **1,068,162** | | | **50,446** | **1,117,810** |
| **Parent company 2007** | | | | | |
| Performing loans not impaired | 955,906 | | | 38,563 | **994,469** |
| Non-performing impaired loans | 818 | | | 332 | **1,150** |
| Performing impaired loans | 27 | | | 14 | **41** |
| **Loans prior to reserves** | **956,751** | | | **38,909** | **995,660** |
| Specific reserves | –444 | | | –201 | **–645** |
| Collective reserves | | | | | **–395** |
| **Reserves** | **–444** | | | **–201** | **–1,040** |
| **Total** | **956,307** | | | **38,708** | **994,620** |

1) Breakdown based on where the business is carried out.

Note 44 ctd. Loans and loan loss provisions

| | Group | | Parent company | |
|---|---|---|---|---|
| **Loans against collateral** | 2008 | 2007 | 2008 | 2007 |
| Mortgage, real property | 630,639 | 518,765 | 349,283 | 297,668 |
| Securities and deposits | 22,068 | 17,313 | 18,386 | 13,744 |
| Public Administration | 100,418 | 73,353 | 18,402 | 9,606 |
| Banks | 177,766 | 163,583 | 283,281 | 250,219 |
| Unsecured loans | 296,944 | 263,760 | 170,611 | 196,089 |
| Other[1)] | 133,886 | 72,392 | 86,977 | 33,043 |
| **Loans** | **1,361,721** | **1,109,166** | **926,940** | **800,369** |
| Repos | 102,446 | 227,576 | 89,925 | 195,291 |
| Debt instruments classified as Loans | 108,192 | | 102,646 | |
| Reserves | –9,219 | –6,389 | –1,701 | –1,040 |
| **Total** | **1,563,140** | **1,330,353** | **1,117,810** | **994,620** |

1) Including floating charges, factoring, leasing, guarantees etc.

| **Loans restructured current year** | | | | |
|---|---|---|---|---|
| Book value of loans prior to restructuring | 3 | 10 | 3 | 10 |
| Book value of loans after restructuring | 3 | 10 | 3 | 10 |

| **Loans reclassified current year** | | | | |
|---|---|---|---|---|
| Book value of impaired loans which have regained normal status | 370 | 136 | 19 | |

| **Impaired loans** | | | | |
|---|---|---|---|---|
| Non-performing impaired loans[1)] | 12,963 | 7,619 | 1,921 | 1,150 |
| Performing loans | 948 | 772 | 32 | 41 |
| **Impaired loans gross** | **13,911** | **8,391** | **1,953** | **1,191** |
| Specific reserves | –5,022 | –3,787 | –903 | –645 |
| of which reserves for non-performing loans | –4,679 | –3,456 | –875 | –632 |
| of which reserves for performing loans | –343 | –331 | –28 | –13 |
| Collective reserves | –4,197 | –2,602 | –798 | –395 |
| **Impaired loans net** | **4,692** | **2,002** | **252** | **151** |
| Reserves not included in the above: | | | | |
| Reserves for off-balance sheet items | –251 | –209 | | –3 |
| **Total reserves** | **–9,470** | **–6,598** | **–1,701** | **–1,043** |

1) Loans past due by more than 60 days and with insufficient collateral.

| | | | | |
|---|---|---|---|---|
| Level of impaired loans | 0.35% | 0.18% | 0.05% | 0.03% |
| Reserve ratio for impaired loans | 66.3 | 76.1 | 87.1 | 87.3 |
| Non-performing loans not determined to be impaired (sufficient collateral) | 353 | 237 | 353 | 237 |

Loans past due but not determined to be impaired amounted to SEK 13,203m (past due up to 30 days) and SEK 4,495m (between 31 and 60 days). These loans represented 1.13 per cent of the total lending volume.

Note 44 ctd. Loans and loan loss provisions

**Provision and reversals of reserves**

| Specific loan loss reserves[1] | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Opening balance | –3,787 | –4,234 | –645 | –678 |
| Reversals for utilisation | 800 | 818 | 70 | 53 |
| Provisions | –1,718 | –653 | –347 | –51 |
| Reversals | 336 | 405 | 39 | 25 |
| Exchange rate differences | –653 | –123 | –20 | 6 |
| **Closing balance** | **–5,022** | **–3,787** | **–903** | **–645** |

1) Specific reserves for individually appraised loans.

| Collective loan loss reserves[2] | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Opening balance | –2,602 | –2,170 | –395 | –422 |
| Net provisions | –1,303 | –390 | –393 | 38 |
| Exchange rate differences | –292 | –42 | –10 | –11 |
| **Closing balance** | **–4,197** | **–2,602** | **–798** | **–395** |

2) Collective reserves for individually appraised loans, reserves for loans assessed on a portfolio basis and country risk reserves.

| Contingent liabilities reserves | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Opening balance | –209 | –215 | –3 | –5 |
| Net provisions | –56 | 8 | 3 | 2 |
| Exchange rate differences | 14 | –2 | | |
| **Closing balance** | **–251** | **–209** | | **–3** |
| **Total** | **–9,470** | **–6,598** | **–1,701** | **–1,043** |

**Credit exposure by industry***

| | Loans | | Contingent liabilities | | Derivative instruments[1] | | **Total** | |
|---|---|---|---|---|---|---|---|---|
| **Group** | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | **2008** | **2007** |
| **Banks** | **177,766** | **163,852** | **38,238** | **31,207** | **69,592** | **52,477** | **285,596** | **247,536** |
| Finance and insurance | 38,230 | 19,584 | 34,993 | 21,793 | 19,943 | 7,349 | **93,166** | **48,726** |
| Wholesale and retail | 54,951 | 43,995 | 30,815 | 26,311 | 933 | 263 | **86,699** | **70,569** |
| Transportation | 33,950 | 25,288 | 8,167 | 6,195 | 650 | 407 | **42,767** | **31,890** |
| Shipping | 27,829 | 14,184 | 9,559 | 7,237 | 824 | 122 | **38,212** | **21,543** |
| Business and household services | 94,199 | 69,074 | 48,050 | 45,771 | 6,373 | 2,130 | **148,622** | **116,975** |
| Construction | 12,337 | 10,097 | 9,740 | 9,567 | 315 | 30 | **22,392** | **19,694** |
| Manufacturing | 103,002 | 70,517 | 105,752 | 82,785 | 12,157 | 4,177 | **220,911** | **157,479** |
| Agriculture, forestry and fishing | 7,882 | 6,777 | 1,655 | 1,404 | 146 | 26 | **9,683** | **8,207** |
| Mining and quarrying | 9,966 | 4,837 | 8,295 | 5,243 | 1,701 | 391 | **19,962** | **10,471** |
| Electricity, gas and water suppply | 25,179 | 16,274 | 18,477 | 15,539 | 5,177 | 876 | **48,833** | **32,689** |
| Other | 37,554 | 39,033 | 11,654 | 11,125 | 1,223 | 2,136 | **50,431** | **52,294** |
| **Corporates** | **445,079** | **319,660** | **287,157** | **232,970** | **49,442** | **17,907** | **781,678** | **570,537** |
| Commercial | 143,303 | 115,655 | 22,454 | 20,470 | 3,617 | 719 | **169,375** | **136,844** |
| Multi-family | 84,507 | 71,610 | 6,320 | 3,184 | 2,136 | 378 | **92,962** | **75,172** |
| **Property Management** | **227,810** | **187,265** | **28,774** | **23,654** | **5,753** | **1,097** | **262,337** | **212,016** |
| **Public Administration** | **100,418** | **73,754** | **12,980** | **10,673** | **5,544** | **3,127** | **118,942** | **87,554** |
| Household mortgage | 349,885 | 310,301 | 20,763 | 20,189 | | | **370,648** | **330,490** |
| Other | 60,738 | 57,722 | 54,274 | 45,813 | 36 | 28 | **115,048** | **103,563** |
| **Households** | **410,623** | **368,023** | **75,037** | **66,002** | **36** | **28** | **485,696** | **434,053** |
| **Credit portfolio** | **1,361,696** | **1,112,554** | **442,186** | **364,506** | **130,367** | **74,636** | **1,934,249** | **1,551,696** |
| Credit institutions | | | | | | | 42,201 | 97,213 |
| General public | | | | | | | 60,245 | 130,363 |
| **Repos** | | | | | | | **102,446** | **227,576** |
| **Debt instruments** | | | | | | | **446,654** | **530,602** |
| **Total** | | | | | | | **2,483,349** | **2,309,874** |

1) Derivatives are reported after netting agreements have been taken into account. The exposure is calculated according to the market value method, i.e. positive market value and estimated amount for possible change in risk.
* Before provisions for credit losses.

## 45 Derivative instruments

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Interest-related | 133,221 | 44,162 | 135,415 | 41,173 |
| Currency-related | 114,373 | 30,320 | 108,258 | 29,189 |
| Equity-related | 3,247 | 10,544 | 3,087 | 9,329 |
| Other | 8,740 | 3,146 | 8,698 | 3,146 |
| **Positive closing values or nil value** | **259,581** | **88,172** | **255,458** | **82,837** |
| Interest-related | 123,630 | 41,528 | 121,768 | 40,009 |
| Currency-related | 112,195 | 34,382 | 105,470 | 32,926 |
| Equity-related | 2,858 | 5,390 | 2,088 | 7,061 |
| Other | 826 | 80 | 757 | 78 |
| **Negative closing values** | **239,509** | **81,380** | **230,083** | **80,074** |

| | Positive closing values or nil value | | Negative closing values | |
|---|---|---|---|---|
| **Group, 2008** | Nom. amount | Book value | Nom. amount | Book value |
| 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 |

| **Group, 2007** | | | | |
|---|---|---|---|---|
| Options | 372,906 | 3,556 | 330,804 | 2,523 |
| Futures | 1,094,557 | 1,284 | 1,125,054 | 1,079 |
| Swaps | 2,186,047 | 39,322 | 2,190,038 | 37,926 |
| **Interest-related** | **3,653,510** | **44,162** | **3,645,896** | **41,528** |
| of which, cleared | 3,383 | 12 | 176 | 1 |
| Options | 162,692 | 1,234 | 165,173 | 935 |
| Futures | 272,095 | 3,681 | 286,519 | 4,322 |
| Swaps | 2,982,614 | 25,405 | 2,988,163 | 29,125 |
| **Currency-related** | **3,417,401** | **30,320** | **3,439,855** | **34,382** |
| of which, cleared | 14,486 | 260 | 14,100 | 226 |
| Options | 7,099 | 7,959 | 14,769 | 4,533 |
| Futures | 5,119 | 794 | | 121 |
| Swaps | 17,286 | 1,791 | 17,286 | 736 |
| **Equity-related** | **29,504** | **10,544** | **32,055** | **5,390** |
| of which, cleared | 5,119 | 1,166 | | 388 |
| Options | | | 2,849 | 2 |
| Swaps | 44,280 | 3,146 | 44,280 | 78 |
| **Other** | **44,280** | **3,146** | **47,129** | **80** |
| **Total** | **7,144,695** | **88,172** | **7,164,935** | **81,380** |
| of which, cleared | 22,988 | 1,438 | 14,276 | 615 |

Note 45 ctd. Derivative instruments

| | Positive closing values or nil value | | Negative closing values | |
|---|---|---|---|---|
| **Parent company 2008** | Nom. amount | Book value | Nom. amount | Book value |
| 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 |

| **Parent company 2007** | | | | |
|---|---|---|---|---|
| Options | 357,293 | 3,000 | 317,808 | 4,026 |
| Futures | 1,088,485 | 1,148 | 1,121,992 | 1,071 |
| Swaps | 2,008,496 | 37,025 | 2,007,093 | 34,912 |
| **Interest-related** | **3,454,274** | **41,173** | **3,446,893** | **40,009** |
| of which, cleared | | | | |
| Options | 167,382 | 1,246 | 167,491 | 1,091 |
| Futures | 248,233 | 2,909 | 248,803 | 3,390 |
| Swaps | 3,045,820 | 25,034 | 3,049,559 | 28,445 |
| **Currency-related** | **3,461,435** | **29,189** | **3,465,853** | **32,926** |
| of which, cleared | | | | |
| Options | | 7,511 | | 6,203 |
| Futures | | 130 | | 121 |
| Swaps | 17,311 | 1,688 | 17,311 | 737 |
| **Equity-related** | **17,311** | **9,329** | **17,311** | **7,061** |
| of which, cleared | | | | |
| Swaps | 44,299 | 3,146 | 44,299 | 78 |
| **Other** | **44,299** | **3,146** | **44,299** | **78** |
| of which, cleared | | | | |
| **Total** | **6,977,319** | **82,837** | **6,974,356** | **80,074** |
| of which, cleared | | | | |

## 46 Fair value information

| | Group 2008 | | Group 2007 | |
|---|---|---|---|---|
| | Book value | Fair value | Book value | Fair value |
| Cash and cash balances with central banks | 44,852 | 44,852 | 96,871 | 96,871 |
| Loans to credit institutions | 266,363 | 267,222 | 263,012 | 262,368 |
| Loans to the public | 1,296,777 | 1,296,765 | 1,067,341 | 1,068,151 |
| *Securities held for trading* | *161,596* | *161,596* | *348,888* | *348,888* |
| *Derivatives held for trading* | *248,426* | *248,426* | *85,395* | *85,395* |
| *Derivatives used for hedging* | *11,155* | *11,155* | *2,777* | *2,777* |
| *Fair value changes of hedged items in a portfolio hedge* | *3,503* | *3,503* | *–641* | *–641* |
| *Financial assets – policyholders bearing the risk* | *114,425* | *114,425* | *135,485* | *135,485* |
| *Other financial assets designated at fair value* | *96,349* | *96,349* | *89,319* | *89,319* |
| Financial assets at fair value | 635,454 | 635,454 | 661,223 | 661,223 |
| Available-for-sale financial assets | 163,115 | 163,115 | 170,137 | 170,137 |
| Held-to-maturity investments | 1,997 | 1,997 | 1,798 | 1,823 |
| Assets held for sale | 852 | 852 | | |
| Investments in associates | 1,129 | 1,129 | 1,257 | 1,257 |
| *Intangible assets* | *19,395* | *19,395* | *16,894* | *16,894* |
| *Property and equipment* | *2,626* | *2,634* | *2,564* | *2,564* |
| *Investment properties* | *7,490* | *7,490* | *5,239* | *5,239* |
| Tangible and intagible assets | 29,511 | 29,519 | 24,697 | 24,697 |
| *Current tax assets* | *3,998* | *3,998* | *3,766* | *3,766* |
| *Deferred tax assets* | *2,836* | *2,836* | *845* | *845* |
| *Trade and client receivables* | *13,402* | *13,402* | *25,377* | *25,377* |
| *Other assets* | *50,416* | *50,416* | *28,138* | *28,138* |
| Other assets | 70,652 | 70,652 | 58,126 | 58,126 |
| **Total assets** | **2,510,702** | **2,511,557** | **2,344,462** | **2,344,653** |

| | | | | |
|---|---|---|---|---|
| Deposits by credit institutions | 429,425 | 430,091 | 421,348 | 421,361 |
| Deposits and borrowing from the public | 841,034 | 841,290 | 750,481 | 751,411 |
| *Liabilities to policyholders – investment contracts* | *115,110* | *115,106* | *135,937* | *135,937* |
| *Liabilities to policyholders – insurance contracts* | *95,960* | *95,960* | *89,979* | *89,979* |
| Liabilities to policyholders | 211,070 | 211,066 | 225,916 | 225,916 |
| Debt securities | 525,219 | 527,742 | 510,564 | 507,342 |
| *Trading derivatives* | *231,341* | *231,341* | *79,211* | *79,211* |
| *Derivatives used for hedging* | *8,168* | *8,168* | *2,169* | *2,169* |
| *Trading liabilities* | *54,411* | *54,411* | *135,421* | *135,421* |
| *Fair value changes of hedged items in portfolio hedge* | *1,613* | *1,613* | *–411* | *–411* |
| Financial liabilities at fair value | 295,533 | 295,533 | 216,390 | 216,390 |
| *Current tax liabilities* | *1,148* | *1,148* | *1,101* | *1,101* |
| *Deferred tax liabilities* | *9,810* | *9,810* | *9,403* | *9,403* |
| *Trade and client payables* | *9,498* | *9,498* | *33,940* | *33,940* |
| *Other liabilities* | *51,109* | *51,109* | *53,075* | *53,075* |
| Other liabilities | 71,565 | 71,565 | 97,519 | 97,519 |
| Provisions | 1,897 | 1,897 | 1,536 | 1,536 |
| Subordinated liabilities | 51,230 | 40,264 | 43,989 | 43,819 |
| **Total liabilities** | **2,426,973** | **2,419,448** | **2,267,743** | **2,265,294** |

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 2008 | Group companies Assets/ Liabilities | Interest | Associated companies Assets/ Liabilities | Interest | Total Assets/ Liabilities | Interest |
|---|---|---|---|---|---|---|
| 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 by 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** |
| | | | | | | |
| **Parent company 2007** | | | | | | |
| Loans to credit institutions | 166,009 | 5,852 | | | 166,009 | 5,852 |
| Loans to the public | 38,017 | 1,693 | 207 | | 38,224 | 1,693 |
| Bonds and other interest-bearing securities | 7,605 | 446 | | | 7,605 | 446 |
| Other assets | 5,390 | 7 | | | 5,390 | 7 |
| **Total** | **217,021** | **7,998** | **207** | | **217,228** | **7,998** |
| | | | | | | |
| Deposits by credit institutions | 63,803 | –2,788 | | | 63,803 | –2,788 |
| Deposits and borrowings from the public | 7,701 | –402 | 36 | | 7,737 | –402 |
| Issued securities | 578 | –4 | | | 578 | –4 |
| Other liabilities | 4,318 | | | | 4,318 | |
| **Total** | **76,400** | **–3,194** | **36** | | **76,436** | **–3,194** |

* For information about Top management, The Group Executive Committee and Other related parties see note 9c.

The parent company has sold four Strategic investments to SEB Stiftelsen, Skandinaviska Enskilda Bankens Pensionsstiftelse, in 2007 for SEK 224m and made a capital gain of SEK 21m.

The Group has administrative and capital management agreements with Gamla Livförsäkrings AB SEB Trygg Liv to conditions on the market.

## 48 Future minimum lease payments for operational leases*

| | Group 2008 | Group 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Year 2008 | | 1,261 | | 535 |
| Year 2009 | 1,659 | 1,090 | 564 | 444 |
| Year 2010 | 1,399 | 930 | 438 | 358 |
| Year 2011 | 979 | 782 | 357 | 357 |
| Year 2012 | 835 | 669 | 327 | 372 |
| Year 2013 and later | 2,855 | 2,180 | 1,681 | 1,678 |
| **Total** | **7,727** | **6,912** | **3,367** | **3,744** |

* Leases for premises and other operational leases.

## 49 Capital adequacy

| Calculation of capital base | Financial group of undertakings[1) 2008 | Financial group of undertakings[1) 2007 | Parent company 2008 | Parent company 2007 |
|---|---|---|---|---|
| Total equity according to balance sheet | 83,729 | 76,719 | 43,159 | 39,932 |
| Proposed dividend (excl repurchased shares) | | –4,442 | | –4,442 |
| Deductions for investments outside the financial group of undertakings | –76 | –81 | | |
| Other deductions outside the financial group of undertakings [2) | –2,878 | –2,975 | | |
| **Total equity in the capital adequacy** | **80,775** | **69,221** | **43,159** | **35,490** |
| Untaxed reserves | | | 15,577 | 13,692 |
| Tier I capital contribution | 12,371 | 10,907 | 10,005 | 8,562 |
| Adjustment for hedge contracts | –1,395 | 237 | –1,365 | 442 |
| Net provisioning amount for IRB-reported credit exposures | –1,133 | –235 | –599 | –476 |
| Unrealised value changes on available-for-sale financial assets | 3,062 | 572 | 2,585 | 258 |
| Goodwill [3) | –7,305 | –6,079 | –524 | –523 |
| Other intangible assets | –2,090 | –1,135 | –812 | –370 |
| Deferred tax assets | –1,822 | –786 | –1,338 | |
| **Tier I capital** | **82,463** | **72,702** | **66,688** | **57,075** |
| Dated subordinated debt | 21,552 | 18,670 | 20,665 | 17,808 |
| Deduction for remaining maturity | –2,242 | –1,414 | –1,530 | –1,018 |
| Perpetual subordinated debt | 14,421 | 14,256 | 16,787 | 16,601 |
| Net provisioning amount for IRB-reported credit exposures | –1,133 | –235 | –599 | –476 |
| Unrealised gains on available-for-sale financial assets | 1,221 | 451 | 1,022 | 140 |
| Deduction for investments outside the financial group of undertakings | –76 | –81 | | |
| **Tier II capital** | **33,743** | **31,647** | **36,345** | **33,055** |
| Deduction for investments in insurance companies [4) | –10,620 | –10,592 | | |
| Deduction for pension assets in excess of related liabilities | –863 | –784 | | |
| **Capital base** | **104,723** | **92,973** | **103,033** | **90,130** |

Note 49 ctd. Capital adequacy

| | Financial group of undertakings[1] | | Parent company | |
|---|---|---|---|---|
| **Calculation of capital requirements** | 2008 | 2007 | 2008 | 2007 |
| *Credit risk, IRB reported capital requirements* | | | | |
| Institutions | 4,472 | 4,506 | 2,776 | 2,936 |
| Corporates | 37,158 | 21,420 | 23,410 | 16,472 |
| Securitisations | 572 | 174 | 568 | 170 |
| Retail mortgages | 4,627 | 3,409 | 1,342 | 1,501 |
| Other exposure classes | 559 | | | |
| **Total for credit risk, IRB approach** | **47,388** | **29,509** | **28,096** | **21,079** |
| *Other Basel II reported capital requirements* | | | | |
| Credit risk, Standardised approach | 11,610 | 6,227 | 21,229 | 16,897 |
| Operational risk, Basic Indicator approach | | 3,723 | | 2,358 |
| Operational risk, Advanced Measurement approach | 3,080 | | 1,545 | |
| Foreign exchange rate risk | 570 | 580 | 567 | 543 |
| Trading book risks | 2,775 | 4,010 | 2,538 | 3,721 |
| **Total, reporting according to Basel II** | **65,423** | **44,049** | **53,975** | **44,598** |
| *Reporting according to Basel I* [5] | | | | |
| Credit risk | | 14,859 | | |
| Foreign exchange rate risk | | | | |
| Trading book risks | | 41 | | |
| **Total, reporting according to Basel I** | | **14,900** | | |
| *Summary* | | | | |
| Credit risk | 58,998 | 50,595 | 49,325 | 37,976 |
| Operational risk | 3,080 | 3,723 | 1,545 | 2,358 |
| Market risk | 3,345 | 4,631 | 3,105 | 4,264 |
| **Total before flooring rules** | **65,423** | **58,949** | **53,975** | **44,598** |
| *Adjustment for flooring rules* | | | | |
| Additional requirement according to transitional flooring[6] | 13,460 | 8,409 | | |
| **Total reported capital requirements** | **78,883** | **67,358** | **53,975** | **44,598** |
| **Expressed as Risk weighted assets** | **986,034** | **841,974** | **674,683** | **557,471** |
| **Calculation of capital ratios** | | | | |
| Tier I capital | 82,463 | 72,702 | 66,688 | 57,075 |
| Capital base | 104,723 | 92,973 | 103,033 | 90,130 |
| Total risk weighted amount for credit, market and operational risks | 986,034 | 841,974 | 674,683 | 557,471 |
| **Tier I capital ratio, %** | **8.36** | **8.63** | **9.88** | **10.24** |
| **Total capital ratio, %** | **10.62** | **11.04** | **15.27** | **16.17** |
| **Capital adequacy quotient (capital base/capital requirement)** | **1.33** | **1.38** | **1.91** | **2.02** |

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) 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.
4) Goodwill from acquisitions of insurance companies is included in the deduction for insurance investments.
5) In 2007 only Skandinaviska Enskilda Banken AB, SEB AG and SEB Gyllenberg Ab reported according to Basel II regulation. From 2008 the whole SEB Group reports according to Basel II.
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.

## 50 Assets and liabilities distributed by main currencies

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| SEK | 95,228 | 74,863 | 97,509 | 80,116 |
| EUR | 73,946 | 89,097 | 160,924 | 169,024 |
| USD | 58,845 | 56,607 | 43,959 | 58,433 |
| GBP | 12,595 | 1,480 | 13,843 | 2,097 |
| DKK | 20,321 | 32,747 | 18,056 | 32,678 |
| NOK | 1,995 | 1,503 | 7,311 | 7,539 |
| Other currencies | 3,433 | 6,715 | 7,471 | 7,595 |
| Loans to credit institutions | 266,363 | 263,012 | 349,073 | 357,482 |
| SEK | 497,655 | 506,232 | 467,353 | 469,018 |
| EUR | 576,714 | 381,721 | 153,187 | 63,198 |
| USD | 94,259 | 42,755 | 82,380 | 35,756 |
| GBP | 14,074 | 10,614 | 11,485 | 8,393 |
| DKK | 19,601 | 30,218 | 24,377 | 29,297 |
| NOK | 36,081 | 41,543 | 21,600 | 24,597 |
| Other currencies | 58,393 | 54,258 | 8,355 | 6,879 |
| Loans to the public | 1,296,777 | 1,067,341 | 768,737 | 637,138 |
| SEK | 306,266 | 242,930 | 266,482 | 132,636 |
| EUR | 268,787 | 281,411 | 94,426 | 142,348 |
| USD | 41,111 | 70,952 | 39,550 | 70,713 |
| GBP | 3,688 | 26,455 | 2,972 | 27,016 |
| DKK | 118,565 | 165,195 | 28,875 | 91,527 |
| NOK | 50,136 | 36,597 | 59,075 | 39,037 |
| Other currencies | 13,142 | 10,875 | 9,643 | 8,523 |
| Financial assets | 801,695 | 834,415 | 501,023 | 511,800 |
| SEK | 40,889 | 25,688 | 46,430 | 37,610 |
| EUR | 44,816 | 87,008 | 26,573 | 7,016 |
| USD | 10,355 | 6,945 | 9,324 | 3,844 |
| GBP | 744 | 680 | 460 | 159 |
| DKK | 18,544 | 16,849 | 2,609 | 798 |
| NOK | 11,768 | 15,372 | 3,699 | 860 |
| Other currencies | 18,751 | 27,152 | 572 | 2,612 |
| Other assets | 145,867 | 179,694 | 89,667 | 52,899 |
| **Total assets** | **2,510,702** | **2,344,462** | **1,708,500** | **1,559,319** |
| SEK | 940,038 | 849,713 | 877,774 | 719,380 |
| EUR | 964,263 | 839,237 | 435,110 | 381,586 |
| USD | 204,570 | 177,259 | 175,213 | 168,746 |
| GBP | 31,101 | 39,229 | 28,760 | 37,665 |
| DKK | 177,031 | 245,009 | 73,917 | 154,300 |
| NOK | 99,980 | 95,015 | 91,685 | 72,033 |
| Other currencies | 93,719 | 99,000 | 26,041 | 25,609 |
| **Total assets** | **2,510,702** | **2,344,462** | **1,708,500** | **1,559,319** |

Note 50 ctd. Assets and liabilities distributed by main currencies

| | Group | | Parent company | |
|---|---|---|---|---|
| **Liabilities, provisions and shareholders' equity** | 2008 | 2007 | 2008 | 2007 |
| SEK | 72,119 | 84,572 | 79,889 | 92,510 |
| EUR | 124,924 | 126,792 | 97,031 | 62,184 |
| USD | 148,466 | 92,219 | 148,397 | 95,788 |
| GBP | 8,718 | 8,481 | 9,118 | 8,995 |
| DKK | 33,026 | 54,410 | 33,820 | 55,676 |
| NOK | 24,249 | 31,824 | 24,815 | 33,084 |
| Other currencies | 17,923 | 23,050 | 17,035 | 19,462 |
| Deposits by credit institutions | 429,425 | 421,348 | 410,105 | 367,699 |
| | | | | |
| SEK | 297,598 | 292,463 | 293,308 | 288,838 |
| EUR | 378,330 | 295,172 | 67,323 | 36,810 |
| USD | 63,214 | 49,925 | 55,957 | 41,616 |
| GBP | 11,110 | 13,684 | 10,237 | 12,639 |
| DKK | 11,202 | 16,119 | 7,086 | 10,379 |
| NOK | 19,327 | 26,310 | 13,407 | 17,243 |
| Other currencies | 60,253 | 56,808 | 6,379 | 4,974 |
| Deposits and borrowing from the public | 841,034 | 750,481 | 453,697 | 412,499 |
| | | | | |
| SEK | 459,348 | 365,440 | 368,095 | 255,036 |
| EUR | 303,988 | 180,957 | 142,481 | 60,565 |
| USD | 104,709 | 209,008 | 103,472 | 208,745 |
| GBP | 7,909 | 19,449 | 1,907 | 3,841 |
| DKK | 106,544 | 143,119 | 19,191 | 76,577 |
| NOK | 39,661 | 28,381 | 40,070 | 28,845 |
| Other currencies | 9,663 | 6,516 | 6,543 | 8,523 |
| Financial liabilities | 1,031,822 | 952,870 | 681,759 | 642,132 |
| | | | | |
| SEK | 15,957 | 24,393 | 9,023 | 6,646 |
| EUR | 17,687 | 28,772 | 17,539 | 6,384 |
| USD | 18,861 | 3,231 | 17,090 | 4,717 |
| GBP | 413 | 3,772 | 335 | 4,031 |
| DKK | 7,575 | 26,449 | 464 | 4,914 |
| NOK | 3,073 | 5,787 | 8 | 2,424 |
| Other currencies | 9,896 | 6,651 | 3,986 | 5,879 |
| Other liabilities | 73,462 | 99,055 | 48,445 | 34,995 |
| | | | | |
| EUR | 26,290 | 22,180 | 25,352 | 21,364 |
| USD | 12,240 | 9,086 | 12,240 | 9,086 |
| GBP | 10,301 | 11,124 | 10,301 | 11,124 |
| NOK | 110 | 93 | 23 | |
| Other currencies | 2,289 | 1,506 | 2,283 | 1,472 |
| Subordinated liabilities | 51,230 | 43,989 | 50,199 | 43,046 |
| | | | | |
| SEK | 87,004 | 76,555 | 66,899 | 58,441 |
| EUR | –2,509 | –390 | –1,992 | 8 |
| USD | –2,309 | 47 | –2,309 | 47 |
| GBP | 373 | | 373 | |
| DKK | 145 | 119 | 3 | |
| NOK | 1,118 | 452 | 1,118 | 452 |
| Other currencies | –93 | –64 | 203 | |
| Shareholders' equity and untaxed reserves | 83,729 | 76,719 | 64,295 | 58,948 |
| | | | | |
| **Total liabilities and equity** | **2,510,702** | **2,344,462** | **1,708,500** | **1,559,319** |
| | | | | |
| SEK | 932,026 | 843,423 | 817,214 | 701,471 |
| EUR | 848,710 | 653,483 | 347,734 | 187,315 |
| USD | 345,181 | 363,516 | 334,847 | 359,999 |
| GBP | 38,824 | 56,510 | 32,271 | 40,630 |
| DKK | 158,492 | 240,216 | 60,564 | 147,546 |
| NOK | 87,538 | 92,847 | 79,441 | 82,048 |
| Other currencies | 99,931 | 94,467 | 36,429 | 40,310 |
| **Total liabilities and equity** | **2,510,702** | **2,344,462** | **1,708,500** | **1,559,319** |

## 51 Income statements – Life insurance operations

| | Group 2008 | 2007 |
|---|---|---|
| Premium income, net | 7,126 | 5,961 |
| Income investment contracts | | |
| Own fees including risk gain/loss | 951 | 1,029 |
| Commissions from fund companies | 952 | 1,113 |
| | 1,903 | 2,142 |
| Net investment income | –2,566 | 889 |
| Other operating income | 409 | 485 |
| **Total income, gross** | **6,872** | **9,477** |
| Claims paid, net | –9,330 | –7,918 |
| Change in insurance contract provisions | 5,718 | 2,371 |
| **Total income, net** | **3,260** | **3,930** |
| *Of which from other units within the SEB group* | *885* | *997* |
| Expenses for acquisition of investment and insurance contracts | | |
| Acquisition costs | –1,504 | –1,391 |
| Change in deferred acquisition costs | 288 | 190 |
| | –1,216 | –1,201 |
| Administrative expenses | –957 | –915 |
| Other operating expenses | –24 | –12 |
| **Total expenses** | **–2,197** | **–2,128** |
| **Operating profit** | **1,063** | **1,802** |

**Change in surplus values in life insurance operations**
*Traditional insurance in SEB Pension Denmark is not included*

| | 2008 | 2007 |
|---|---|---|
| Present value of new sales[1] | 1,588 | 1,773 |
| Return on existing policies | 1,465 | 1,327 |
| Realised surplus value in existing policies | –1,768 | –1,662 |
| Actual outcome compared to assumptions[2] | –8 | 25 |
| **Change in surplus values from ongoing business, gross** | **1,277** | **1,463** |
| Capitalisation of acquisition costs | –807 | –683 |
| Amortisation of capitalised acquisition costs | 519 | 493 |
| **Change in surplus values from ongoing business, net[3]** | **989** | **1,273** |
| Change in assumptions[4] | –139 | 53 |
| Financial effects due to short-term market fluctuations[5] | –3,826 | –62 |
| **Total change in surplus values[6]** | **–2,976** | **1,264** |

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 94 per cent of the surplus value):

| | 2008 | 2007 |
|---|---|---|
| Discount rate | 7.5% | 8.0% |
| Surrender of endowment insurance contracts: signed within 1 year / 2-4 years / 5 years / thereafter | 1% / 10% / 20% / 11% | 1% / 10% / 10% / 12% |
| Lapse rate of regular premiums, unit-linked | 11% | 10% |
| Growth in fund units | 5.5% | 6.0% |
| Inflation CPI / Inflation expenses | 2% / 3% | 2% / 3% |
| Expected return on solvency margin | 4% | 4% |
| Right to transfer policy, unit-linked | 1% | 1% |
| Mortality | According to the Group's experience | According to 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) During 2008 the major negative net effect was due to adjustments of the surrender rate and the lapse rate. The lower assumed growth in fund assets had a negative effect which was more than offset by a positive effect from a lower discount rate. In 2007 the major positive effect was caused by adjustments of the administrative costs per policy.
5) Assumed unit growth is 5.5 per cent gross (before fees and taxes). Actual growth results in positive or negative financial effects.
6) Calculated surplus values are not included in the SEB Group's consolidated accounts.

## 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 41 (34) funds, where it is the investment manager. The total value of those funds amounted to SEK 78,082m (83,368) of which SEB, for its customer's account, holds SEK 55,555m (59,695).

## 53 Assets held for sale

| | Group | |
|---|---|---|
| **Balance sheet** | 2008 | 2007 |
| Investment properties | 846 | |
| Other | 6 | |
| **Total** | **852** | |

The investment properties held for sale belongs to SEB AG in Germany and are planned to be sold mid-year 2009.

## 54 Subsequent events

The Board proposes to strengthen the capital base by SEK 15bn and not to pay any dividend for the financial year 2008. These measures will have a combined positive effect on the Group's capital base of SEK 19.5bn.

SEB has decided to reclassify Sek 52bn of its fixed-income securities as loans and receivables as of 1 January 2009. The reclassification includes SEK 3bn of assets held-for-trading and SEK 49bn of assets in the available-for-sale category.

# Additional information about the audited financial statements of the SEB Group and Skandinaviska Enskilda Banken as of and for the years ended December 31, 2008 and 2007

## Statements of changes in equity for the SEB Group and Skandinaviska Enskilda Banken

The references in footnote 1 to each of the statements of changes in equity as of December 31, 2008 and 2007 for the SEB Group and Skandinaviska Enskilda Banken to pages 20 and 21 are references to pages 20 and 21 of SEB's annual report for 2008. Such pages are unaudited and do not form part of the 2008 Financial Statements.

## Note 9c

The reference in Note 9c to the 2008 Financial Statements to pages 59 and 60 is a reference to pages 59 and 60 of SEB's annual report for 2008. Such pages are unaudited and do not form part of the 2008 Financial Statements.

## Note 22 and Note 23

The information quoted below appears on page 25 of SEB's annual report for 2008 and constitutes the information on such page that forms part of the 2008 Financial Statements, as provided in Note 22 and Note 23 to the 2008 Financial Statements.

### "Reclassification disclosure, fixed-income securities portfolios

Effective as of 1 July 2008, SEB decided to reclassify financial assets in the Held-for-Trading and Available-for-Sale categories as Loans and Receivables. Assets held for trading, no longer held for the purpose of selling in the near term, were reclassified based on the Group's view that the deterioration of the world's financial markets during the third quarter of 2008 represented the rare circumstance required for such a reclassification. The Group had the intention and ability to hold reclassified available for sale assets for the foreseeable future or until maturity.

The carrying amount of the reclassified assets, excluding accrued coupon interest, was SEK 95bn upon reclassification on 1 July and SEK 99bn as of 30 September. As of 31 December, the carrying amount was SEK 107bn. The changes in carrying amount between July and December are mainly due to currency effects.

The fair value of the reclassified assets, excluding accrued coupon interest, was SEK 95bn upon reclassification on 1 July and SEK 100bn on 31 December. Reclassification was not permitted during 2007.

The effects of the asset transfers, based on the fair values of the reclassified assets as of 1 July, are presented in the table below.

**Reclassification values**

| SEKm | Loans and receivables | Available for sale | Held for trading |
|---|---|---|---|
| Structured credits | 49,029 | –43,412 | –5,617 |
| Financial institutions | 40,458 | –35,333 | –5,125 |
| Covered bonds, other | 5,758 | –4,087 | –1,671 |
| | **95,245** | **–82,832** | **–12,413** |

The Group's estimate of the principal amounts (undiscounted cash flows) expected to be recovered from the reclassified financial assets is presented in the table below. The expected cash flows are to a large extent foreign currency-denominated, principally in euros (EUR 6bn) and US-dollar (USD 3.6bn). In addition to the principal amounts, SEB expects all interest payments to be paid in full. Of the SEK 95bn in financial assets reclassified as of July 1, SEK 89bn had floating rate and SEK 6bn had fixed rate coupons. The effective interest rate spreads for floating rate financial assets were between 0.25 and 1.90 per cent above interbank offered rates (based on the fair value of the reclassified instruments). The effective interest rates on fixed-coupon reclassified financial assets were between 3.0 and 6.0 per cent.

**Expected cash flows**

| SEKm | <1 year | 1–2 years | 2–5 years | >5 years |
|---|---|---|---|---|
| Structured credits | 3,628 | 3,789 | 12,330 | 32,027 |
| Financial institutions | | 4,913 | 32,331 | 4,463 |
| Covered bonds, other | | 40 | 4,110 | 1,724 |

The table below shows the Group's recognition of gains, losses, income and expenses in the income statement in respect of the reclassified financial assets. The interest income is gross and excludes portfolio funding costs. The effect from foreign exchange does not take into account the off-setting effect from financing the portfolio.

**Profit or loss effect**

| SEKm | 2008 | 2008 | 2007 |
|---|---|---|---|
| | After reclassification | Before reclassification | |
| Net interest income | 1,959 | 1,811 | 3,900 |
| Fair value change | | –800 | –1,344 |
| Foreign exchange | 13,699 | 8,176 | 837 |
| Impairment | – | – | – |

The accumulated fair value loss that the Group, upon reclassification, had recognised in the revaluation reserve in equity on Available-for-Sale assets amounted to SEK 1,967m.

If the Group had not reclassified financial assets during the year, fair value losses amounting to SEK 1,623m would have been recognised in profit or loss, of which SEK 460m in the third quarter and SEK 1,163m in the fourth quarter. SEK 5,252m would have been recognised in the revaluation reserve in equity, of which SEK 1,499m in the third quarter and SEK 3,753m in the fourth quarter."

## Auditors' report 2008

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 2008. 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 IFRSs 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 IFRSs 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 18 February, 2009

*PricewaterhouseCoopers AB*

*Peter Clemedtson*
Authorised Public Accountant
Partner in charge

*Peter Nyllinge*
Authorised Public Accountant

The annual accounts and consolidated accounts covered by this auditors' report are set out on pages F-2 – F-70 of this Prospectus.

# Audited financial statements – 2007/2006

# Income statements

## SEB Group

| SEKm | Note | 2007 | 2006 | Change, % |
|---|---|---|---|---|
| *Interest income* | | *86,035* | *66,137* | *30* |
| *Interest expense* | | *–70,037* | *–51,856* | *35* |
| Net interest income | 3 | 15,998 | 14,281 | 12 |
| *Fee and commission income* | | *21,400* | *19,945* | *7* |
| *Fee and commission expense* | | *–4,349* | *–3,799* | *14* |
| Net fee and commission income | 4 | 17,051 | 16,146 | 6 |
| *Gains (losses) on financial assets and liabilities held for trading, net* | | *3,256* | *4,098* | *–21* |
| *Gains (losses) on financial assets and liabilities designated at fair value, net* | | *–17* | *–62* | *–73* |
| Net financial income | 5 | 3,239 | 4,036 | –20 |
| *Premium income, net* | | *5,961* | *5,726* | *4* |
| *Income investment contracts* | | *1,067* | *873* | *22* |
| *Investment income net* | | *981* | *1,507* | *–35* |
| *Other insurance income* | | *471* | *383* | *23* |
| *Net insurance expenses* | | *–5,547* | *–5,828* | *–5* |
| Net life insurance income | 6 | 2,933 | 2,661 | 10 |
| *Dividends* | | *79* | *63* | *25* |
| *Profit and loss from investments in associates* | | *128* | *44* | *191* |
| *Gains less losses from investment securities* | | *653* | *1,038* | *–37* |
| *Other operating income* | | *359* | *478* | *–25* |
| Net other income | 7 | 1,219 | 1,623 | –25 |
| **Total operating income** | | **40,440** | **38,747** | **4** |
| Staff costs | 9 | –14,921 | –14,363 | 4 |
| Other expenses | 10 | –6,919 | –6,887 | 0 |
| Depreciation, amortisation and impairments of tangible and intangible assets | 11 | –1,354 | –1,287 | 5 |
| **Total operating expenses** | | **–23,194** | **–22,537** | **3** |
| Gains less losses from tangible and intangible assets | 12 | 788 | 70 | |
| Net credit losses incl changes in value of seized assets | 13 | –1,016 | –718 | 42 |
| **Operating profit** | | **17,018** | **15,562** | **9** |
| Income tax expense | 15 | –3,376 | –2,939 | 15 |
| **Net profit** | | **13,642** | **12,623** | **8** |
| Attributable to minority interests | | 24 | 18 | 33 |
| Attributable to equity holders | | 13,618 | 12,605 | 8 |
| **Net profit** | | **13,642** | **12,623** | **8** |
| Basic earnings per share, SEK | 16 | 19.97 | 18.72 | |
| Diluted earnings per share, SEK | 16 | 19.88 | 18.53 | |

# Balance sheets

## SEB Group

| 31, December, SEKm | Note | 2007 | 2006 | Change, % |
|---|---|---|---|---|
| Cash and cash balances with central banks | 19 | 96,871 | 11,314 | |
| Loans to credit institutions | 20 | 263,012 | 180,478 | 46 |
| Loans to the public | 21 | 1,067,341 | 950,861 | 12 |
| *Securities held for trading* | | *348,888* | *343,535* | *2* |
| *Derivatives held for trading* | | *85,395* | *65,212* | *31* |
| *Derivatives used for hedging* | | *2,777* | *2,660* | *4* |
| *Fair value changes of hedged items in a portfolio hedge* | | *–641* | *283* | |
| *Financial assets – policyholders bearing the risk* | | *135,485* | *120,524* | *12* |
| *Other financial assets designated at fair value* | | *89,319* | *82,074* | *9* |
| Financial assets at fair value | 22 | 661,223 | 614,288 | 8 |
| Available-for-sale financial assets | 23 | 170,137 | 116,630 | 46 |
| Held-to-maturity investments | 24 | 1,798 | 2,231 | –19 |
| Assets held for sale | 53 | | 2,189 | –100 |
| Investments in associates | 25 | 1,257 | 1,085 | 16 |
| *Intangible assets* | | *16,894* | *15,572* | *8* |
| *Property and equipment* | | *2,564* | *2,302* | *11* |
| *Investment properties* | | *5,239* | *5,040* | *4* |
| Tangible and intagible assets | 27 | 24,697 | 22,914 | 8 |
| *Current tax assets* | | *3,766* | *2,568* | *47* |
| *Deferred tax assets* | | *845* | *1,121* | *–25* |
| *Trade and client receivables* | | *25,377* | *11,277* | *125* |
| *Other assets* | | *28,138* | *17,485* | *61* |
| Other assets | 28 | 58,126 | 32,451 | 79 |
| **Total assets** | | **2,344,462** | **1,934,441** | **21** |
| | | | | |
| Deposits by credit institutions | 29 | 421,348 | 368,326 | 14 |
| Deposits and borrowing from the public | 30 | 750,481 | 643,849 | 17 |
| *Liabilities to policyholders – investment contracts* | | *135,937* | *120,127* | *13* |
| *Liabilities to policyholders – insurance contracts* | | *89,979* | *83,592* | *8* |
| Liabilities to policyholders | 31 | 225,916 | 203,719 | 11 |
| Debt securities | 32 | 510,564 | 394,357 | 29 |
| *Trading derivatives* | | *79,211* | *60,343* | *31* |
| *Derivatives used for hedging* | | *2,169* | *5,894* | *–63* |
| *Trading liabilities* | | *135,421* | *84,942* | *59* |
| *Fair value changes of hedged items in portfolio hedge* | | *–411* | *–147* | *180* |
| Financial liabilities at fair value | 33 | 216,390 | 151,032 | 43 |
| *Current tax liabilities* | | *1,101* | *1,036* | *6* |
| *Deferred tax liabilities* | | *9,403* | *9,099* | *3* |
| *Trade and client payables* | | *33,940* | *12,479* | *172* |
| *Other liabilities* | | *53,075* | *37,536* | *41* |
| Other liabilities | 34 | 97,519 | 60,150 | 62 |
| Provisions | 35 | 1,536 | 2,066 | –26 |
| Subordinated liabilities | 36 | 43,989 | 43,675 | 1 |
| **Total liabilities** | | **2,267,743** | **1,867,174** | **21** |
| | | | | |
| Minority interests | | 191 | 130 | 47 |
| *Revaluation reserves* | | *–278* | *772* | *–136* |
| *Share capital* | | *6,872* | *6,872* | |
| *Other reserves* | | *29,757* | *30,203* | *–1* |
| *Retained earnings* | | *40,177* | *29,290* | *37* |
| Shareholders' equity | | 76,528 | 67,137 | 14 |
| **Total equity** | | **76,719** | **67,267** | **14** |
| | | | | |
| **Total liabilities and equity** | | **2,344,462** | **1,934,441** | **21** |

# Statement of changes in equity

## SEB Group

| 31, December, SEKm | 2007 | 2006 | Change, % |
|---|---|---|---|
| Minority interests | 191 | 130 | 47 |
| Shareholders' equity | 76,528 | 67,137 | 14 |
| **Total equity** | **76,719** | **67,267** | **14** |

**Shareholders' equity**

| | | | |
|---|---|---|---|
| Reserve for cash flow hedges | 160 | 380 | –58 |
| Reserve for available-for-sale financial assets | –438 | 392 | |
| **Revaluation reserves** | **–278** | **772** | **–136** |
| Share capital (663,004,123 Series A shares; 24,152,508 Series C shares) | 6,872 | 6,872 | |
| Fund for cancelled shares | 174 | 174 | |
| Equity fund | 71 | 94 | –24 |
| Translation difference | –377 | –475 | –21 |
| Other restricted reserves | 29,889 | 30,410 | –2 |
| **Equity, restricted** | **36,629** | **37,075** | **–1** |
| Swap hedging of employee stock option programme | –269 | –303 | –11 |
| Eliminations of repurchased shares for employee stock option programme | –2,109 | –393 | |
| Eliminations of repurchased shares for improvement of the capital structure | | –2,022 | –100 |
| Profit brought forward | 28,937 | 19,403 | 49 |
| Net profit attibutable to equity holders | 13,618 | 12,605 | 8 |
| **Equity, non-restricted** | **40,177** | **29,290** | **37** |
| **Total** | **76,528** | **67,137** | **14** |

**Changes in equity**

| **2007** | Minority interests | Reserve for cash flow hedges | Reserve for afs financial assets | Share capital | Restricted reserves | Retained earnings | Total |
|---|---|---|---|---|---|---|---|
| Opening balance | 130 | 380 | 392 | 6,872 | 30,203 | 29,290 | **67,267** |
| Change in market value | | –206 | –614 | | | | **–820** |
| Recognised in income statement | | –14 | –216 | | | | **–230** |
| Translation difference | | | | | 98 | | **98** |
| Net income recognised directly in equity | | –220 | –830 | | 98 | | **–952** |
| Net profit | 24 | | | | | 13,618 | **13,642** |
| Total recognised income | 24 | –220 | –830 | | 98 | 13,618 | **12,690** |
| Dividend to shareholders[1] | | | | | | –4,123 | **–4,123** |
| Dividend, own holdings of shares[1] | | | | | | 44 | **44** |
| Neutralisation of PL impact and employee stock option programme | | | | | | –428 | **–428** |
| Eliminations of repurchased shares for employee stock option programme[2] | | | | | | 897 | **897** |
| Other changes | 37 | | | | –544 | 879 | **372** |
| **Closing balance** | **191** | **160** | **–438** | **6,872** | **29,757** | **40,177** | **76,719** |
| **2006** | | | | | | | |
| Opening balance | 112 | 882 | 481 | 6,872 | 28,882 | 19,567 | **56,796** |
| Change in market value | | –502 | –27 | | | | **–529** |
| Recognised in income statement | | | –62 | | | | **–62** |
| Translation difference | | | | | –184 | | **–184** |
| Net income recognised directly in equity | | –502 | –89 | | –184 | | **–775** |
| Net profit | 18 | | | | | 12,605 | **12,623** |
| Total recognised income | 18 | –502 | –89 | | –184 | 12,605 | **11,848** |
| Dividend to shareholders[1] | | | | | | –3,264 | **–3,264** |
| Dividend, own holdings of shares[1] | | | | | | 75 | **75** |
| Neutralisation of PL impact and employee stock option programme | | | | | | 580 | **580** |
| Eliminations of repurchased shares for employee stock option programme[2] | | | | | | 1,232 | **1,232** |
| Other changes | | | | | 1,505 | –1,505 | |
| **Closing balance** | **130** | **380** | **392** | **6,872** | **30,203** | **29,290** | **67,267** |

1) Dividend per A-share SEK 6.00 (4.75) and per C-share SEK 6.00 (4.75). Further information can be found in The SEB share on page 18.

2) As of 31 December 2007, SEB has repurchased 7.0, 6.2 and 6.2 million Series A shares for the long-term incentive programmes as decided at the Annual General Meetings in 2002, 2003 and 2004 respectively. 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. In 2006 3.1 million shares were sold in accordance with a decision at the AGM. As stock options have been exercised during 2005, 2006 and 2007 another 2.0, 6.5 and 5.2 million shares have been sold respectively. Thus, as of 31 December 2007 SEB owned 3.7 million Class A-shares with a market value of SEK 612m.

# Cash flow statements

## SEB Group

| SEKm | 2007 | 2006 | Change, % |
|---|---|---|---|
| Interest received | 83,430 | 64,759 | 29 |
| Interest paid | –66,407 | –49,484 | 34 |
| Commission received | 21,400 | 20,145 | 6 |
| Commission paid | –4,349 | –3,999 | 9 |
| Net received from financial transactions | 2,923 | 4,941 | –41 |
| Other income | 6,770 | 4,865 | 39 |
| Paid expenses | –22,921 | –23,010 | 0 |
| Taxes paid | –3,370 | –2,727 | 24 |
| Cash flow from the profit and loss statement | 17,476 | 15,490 | 13 |
| Increase (–)/decrease (+) in trading portfolios | –32,503 | –69,110 | –53 |
| Increase (+)/decrease (–) in issued short term securities | 72,454 | 10,581 | |
| Increase (–)/decrease (+) in lending to credit institutions | –45,995 | 17,745 | |
| Increase (–)/decrease (+) in lending to the public | –116,298 | –46,351 | 151 |
| Increase (+)/decrease (–) in liabilities to credit institutions | 52,274 | –33,559 | |
| Increase (+)/decrease (–) in deposits and borrowings from the public | 104,715 | 71,495 | 46 |
| Increase (–)/decrease (+) in insurance portfolios | 22,302 | 18,319 | 22 |
| Change in other balance sheet items | 10,348 | –1,587 | |
| **Cash flow from operating activities** | **84,773** | **–16,977** | |
| Sales of shares and bonds | 224 | 175 | 28 |
| Sales of intangible and tangible fixed assets | 1,431 | 449 | |
| Dividends | 57 | 38 | 50 |
| Investments in subsidiaries[2] | –657 | –17 | |
| Investments in shares and bonds | –375 | –42 | |
| Investments in intangible and tangible assets | –3,030 | –615 | |
| **Cash flow from investing activities** | **–2,350** | **–12** | |
| Issue of securities and new borrowings | 128,791 | 73,238 | 76 |
| Repayment of securities | –86,315 | –49,001 | 76 |
| Dividend paid | –4,079 | –3,189 | 28 |
| **Cash flow from financing activities** | **38,397** | **21,048** | **82** |
| **Net increase in cash and cash equivalents** | **120,820** | **4,059** | |

| | | | |
|---|---|---|---|
| Cash and cash equivalents at beginning of year | 73,751 | 70,796 | 4 |
| Exchange rate differencies in cash and cash equivalents | 414 | –1,104 | –138 |
| Net increase in cash and cash equivalents | 120,820 | 4,059 | |
| **Cash and cash equivalents at end of period[1]** | **194,985** | **73,751** | **164** |

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 | 102 | 113 |
| Loans from customers | 1,352 | 395 |
| Other assets | 248 | 56 |
| Due to customers | –1,439 | –307 |
| Other liabilities | –84 | –204 |
| Goodwill | 580 | 77 |
| **Total purchase consideration paid** | **759** | **130** |

| | | |
|---|---|---|
| Cost of acquisition | –759 | –130 |
| Less cash acquired | 102 | 113 |
| **Cash flow outflow on acquisition** | **–657** | **–17** |

# Income statements

In accordance with the Swedish Financial Supervisory Authority regulations

## Skandinaviska Enskilda Banken

| SEKm | Note | 2007 | 2006 | Change, % |
|---|---|---|---|---|
| Interest income | 3 | 43,913 | 32,316 | 36 |
| Leasing income | 3 | 6,154 | 877 | |
| Interest expense | 3 | –38,464 | –28,482 | 35 |
| Dividends | 7 | 3,925 | 1,407 | 179 |
| Fee and commission income | 4 | 8,455 | 8,374 | 1 |
| Fee and commission expense | 4 | –1,331 | –1,211 | 10 |
| Net financial income | 5 | 2,490 | 3,515 | –29 |
| Other income | 7 | 658 | 2,108 | –69 |
| **Total operating income** | | **25,800** | **18,904** | **36** |
| Administrative expenses | 8 | –12,589 | –13,073 | –4 |
| Depreciation, amortisation and impairments of tangible and intangible assets | 11 | –4,847 | –399 | |
| **Total operating expenses** | | **–17,436** | **–13,472** | **29** |
| **Profit before credit losses** | | **8,364** | **5,432** | **54** |
| Net credit losses | 13 | –24 | –134 | –82 |
| Impairment of financial assets | 7 | –106 | –100 | 6 |
| **Operating profit** | | **8,234** | **5,198** | **58** |
| Appropriations | 14 | –158 | –345 | –54 |
| Tax for the year | 15 | –546 | –1,158 | –53 |
| Other taxes | 15 | –45 | 467 | –110 |
| **Net profit** | | **7,485** | **4,162** | **80** |

The subsidiaries SEB BoLån and SEB Finans merged with the Parent company in 2007.

# Balance sheets

## Skandinaviska Enskilda Banken

| 31, December, SEKm | Note | 2007 | 2006 | Change, % |
|---|---|---|---|---|
| Cash and cash balances with central banks | 19 | 1,758 | 1,828 | –4 |
| Loans and receivables to credit institutions | 20 | 357,482 | 361,615 | –1 |
| Loans and receivables to the public | 21 | 637,138 | 336,562 | 89 |
| *Securities held for trading* | | *285,036* | *287,545* | *–1* |
| *Derivatives held for trading* | | *80,966* | *63,001* | *29* |
| *Derivatives used for hedging* | | *1,871* | *1,290* | *45* |
| *Other financial assets designated at fair value* | | *112* | *160* | *–30* |
| Financial assets at fair value | 22 | 367,985 | 351,996 | 5 |
| Available-for-sale financial assets | 23 | 62,085 | 22,411 | 177 |
| Held-to-maturity investments | 24 | 3,348 | 3,824 | –12 |
| Investments in associates | 25 | 1,063 | 1,059 | 0 |
| Shares in subsidiaries | 26 | 51,936 | 55,306 | –6 |
| *Intangible assets* | | *892* | *634* | *41* |
| *Property and equipment* | | *34,605* | *14,763* | *134* |
| Tangible and intagible assets | 27 | 35,497 | 15,397 | 131 |
| *Current tax assets* | | *1,813* | *1,485* | *22* |
| *Deferred tax assets* | | | *35* | *–100* |
| *Trade and client receivables* | | *23,625* | *9,694* | *144* |
| *Other assets* | | *15,589* | *10,837* | *44* |
| Other assets | 28 | 41,027 | 22,051 | 86 |
| **Total assets** | | **1,559,319** | **1,172,049** | **33** |
| | | | | |
| Deposits by credit institutions | 29 | 367,699 | 334,116 | 10 |
| Deposits and borrowing from the public | 30 | 412,499 | 390,085 | 6 |
| Debt securities | 32 | 408,002 | 173,956 | 135 |
| *Trading derivatives* | | *78,408* | *60,693* | *29* |
| *Derivatives used for hedging* | | *1,666* | *1,386* | *20* |
| *Trading liabilities* | | *121,687* | *79,730* | *53* |
| Financial liabilities at fair value | 33 | 201,761 | 141,809 | 42 |
| *Current tax liabilities* | | *46* | *226* | *–80* |
| *Deferred tax liabilities* | | | *473* | *–100* |
| *Trade and client payables* | | *32,369* | *10,900* | *197* |
| *Other liabilities* | | *34,678* | *29,466* | *18* |
| Other liabilities | 34 | 67,093 | 41,065 | 63 |
| Provisions | 35 | 271 | 416 | –35 |
| Subordinated liabilities | 36 | 43,046 | 42,700 | 1 |
| **Total liabilities** | | **1,500,371** | **1,124,147** | **33** |
| | | | | |
| **Untaxed reserves** | 37 | **19,016** | **12,089** | **57** |
| | | | | |
| *Revaluation reserves* | | *–218* | *579* | *–138* |
| *Share capital* | | *6,872* | *6,872* | |
| *Other reserves* | | *12,260* | *12,804* | *–4* |
| *Retained earnings* | | *21,018* | *15,558* | *35* |
| **Shareholders' equity** | | **39,932** | **35,813** | **12** |
| | | | | |
| **Total liabilities, untaxed reserves and shareholders' equity** | | **1,559,319** | **1,172,049** | **33** |

# Statement of changes in equity

## Skandinaviska Enskilda Banken

| 31, December, SEKm | 2007 | 2006 | Change, % |
|---|---|---|---|
| Reserve for cash flow hedges | 190 | 367 | –48 |
| Reserve for available-for-sale financial assets | –408 | 212 | |
| **Revaluation reserves** | **–218** | **579** | **–138** |
| Share capital (663,004,123 Series A shares; 24,152,508 Series C shares) | 6,872 | 6,872 | |
| Reserve fund and other restricted reserves | 12,086 | 12,086 | |
| Fund for cancelled shares | 174 | 174 | |
| Reserve for unrealised gains | | 544 | –100 |
| **Equity, restricted** | **19,132** | **19,676** | **–3** |
| Group contributions | 1,119 | 2,260 | –50 |
| Tax on Group contributions | –313 | –633 | –51 |
| Swap hedging of employee stock option programme | –269 | –303 | –11 |
| Eliminations of repurchased shares for employee stock option programme | –2,109 | –393 | |
| Eliminations of repurchased shares for improvement of the capital structure | | –2,022 | –100 |
| Translation differencies | –71 | –26 | 173 |
| Profit brought forward | 15,176 | 12,513 | 21 |
| Net profit for the year | 7,485 | 4,162 | 80 |
| **Equity, non-restricted** | **21,018** | **15,558** | **35** |
| **Total** | **39,932** | **35,813** | **12** |

**Changes in equity**

| **2007** | Reserve for cash flow hedges | Reserve for afs financial assets | Share capital | Restricted reserves | Retained earnings | **Total** |
|---|---|---|---|---|---|---|
| Opening balance | 367 | 212 | 6,872 | 12,804 | 15,558 | **35,813** |
| Change in market value | –163 | –653 | | | | **–816** |
| Recognised in income statement | –14 | 33 | | | | **19** |
| Translation difference | | | | | –36 | **–36** |
| Net income recognised directly in equity | –177 | –620 | | | –36 | **–833** |
| Net profit | | | | | 7,485 | **7,485** |
| Total recognised income | –177 | –620 | | | 7,449 | **6,652** |
| Effect of merger of SEB BoLån and SEB Finans | | | | | 399 | **399** |
| Dividend to shareholders[1)] | | | | | –4,123 | **–4,123** |
| Dividend, own holdings of shares[1)] | | | | | 44 | **44** |
| Group contributions net after tax[2)] | | | | | 806 | **806** |
| Neutralisation of PL impact and employee stock option programme | | | | | –428 | **–428** |
| Eliminations of repurchased shares for employee stock option programme[3)] | | | | | 897 | **897** |
| Other changes | | | | –544 | 416 | **–128** |
| **Closing balance** | **190** | **–408** | **6,872** | **12,260** | **21,018** | **39,932** |

| **2006** | Reserve for cash flow hedges | Reserve for afs financial assets | Share capital | Restricted reserves | Retained earnings | **Total** |
|---|---|---|---|---|---|---|
| Opening balance | 818 | 191 | 6,872 | 12,260 | 10,696 | **30,837** |
| Change in market value | –451 | 45 | | | | **–406** |
| Recognised in income statement | | –24 | | | | **–24** |
| Translation difference | | | | | –37 | **–37** |
| Net income recognised directly in equity | –451 | 21 | | | –37 | **–467** |
| Net profit | | | | | 4,162 | **4,162** |
| Total recognised income | –451 | 21 | | | 4,125 | **3,695** |
| Effect of merger of SEB IT and Enskilda Securities | | | | | 1,031 | **1,031** |
| Dividend to shareholders[1)] | | | | | –3,264 | **–3,264** |
| Dividend, own holdings of shares[1)] | | | | | 75 | **75** |
| Group contributions net after tax[2)] | | | | | 1,627 | **1,627** |
| Neutralisation of PL impact and employee stock option programme | | | | | 580 | **580** |
| Eliminations of repurchased shares for employee stock option programme[3)] | | | | | 1,232 | **1,232** |
| Other changes | | | | 544 | –544 | |
| **Closing balance** | **367** | **212** | **6,872** | **12,804** | **15,558** | **35,813** |

1) Dividend per A-share SEK 6.00 (4.75) and per C-share SEK 6.00 (4.75). Further information can be found in The SEB share on page 18.
2) In accordance with the opinion of the emergency group of the Swedish Financial Accounting Standards Council, Group contributions are reported in the parent company directly under Shareholders' equity.
3) As of 31 December 2007, SEB has repurchased 7.0, 6.2 and 6.2 million Series A shares for the long-term incentive programmes as decided at the Annual General Meetings in 2002, 2003 and 2004 respectively. 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. In 2006 3.1 million shares were sold in accordance with a decision at the AGM. As stock options have been exercised during 2005, 2006 and 2007 another 2.0, 6.5 and 5.2 million shares have been sold respectively. Thus, as of 31 December 2007 SEB owned 3.7 million Class A-shares with a market value of SEK 612m.

# Cash flow statements

## Skandinaviska Enskilda Banken

| SEKm | 2007 | 2006 | Change, % |
|---|---|---|---|
| Interest received | 56,602 | 32,436 | 75 |
| Interest paid | –43,397 | –27,692 | 57 |
| Commission received | 8,285 | 8,357 | –1 |
| Commission paid | –1,538 | –1,120 | 37 |
| Net received from financial transactions | 2,437 | 3,782 | –36 |
| Other income | 2,411 | 2,866 | –16 |
| Paid expenses | –12,568 | –13,667 | –8 |
| Taxes paid | –2,401 | –1,038 | 131 |
| Cash flow from the profit and loss statement | 9,831 | 3,924 | 151 |
| | | | |
| Increase (–)/decrease (+) in trading portfolios | 2,338 | –32,945 | –107 |
| Increase (+)/decrease (–) in issued short term securities | 84,144 | 27,713 | |
| Increase (–)/decrease (+) in lending to credit institutions | –87,515 | –18,537 | |
| Increase (–)/decrease (+) in lending to the public | –56,939 | –41,796 | 36 |
| Increase (+)/decrease (–) in liabilities to credit institutions | 35,327 | –13,138 | |
| Increase (+)/decrease (–) in deposits and borrowings from the public | 23,373 | 64,407 | –64 |
| Change in other balance sheet items | 6,627 | 9,411 | –30 |
| **Cash flow from operating activities** | **17,186** | **–961** | |
| | | | |
| Sales of shares and bonds | 221 | 617 | –64 |
| Dividends and Group contributions | 5,018 | 3,646 | 38 |
| Investments in subsidiaries/Merger of subsidiaries | 3,264 | 1,975 | 65 |
| Investments/divestments in shares and bonds | 472 | –337 | |
| Investments in intangible and tangible assets | –24,946 | –693 | |
| **Cash flow from investment activities** | **–15,971** | **5,208** | |
| | | | |
| Issue of securities and new borrowings | 68,425 | 31,867 | 115 |
| Repayment of securities | –15,007 | –26,099 | –42 |
| Dividend paid | –4,078 | –3,189 | 28 |
| **Cash flow from financing activities** | **49,340** | **2,579** | |
| | | | |
| **Net increase in cash and cash equivalents** | **50,555** | **6,826** | |

| | | | |
|---|---|---|---|
| Cash and cash equivalents at beginning of year | 89,198 | 82,666 | 8 |
| Exchange rate differencies in cash and cash equivalents | 14 | –294 | –105 |
| Net increase in cash and cash equivalents | 50,555 | 6,826 | |
| **Cash and cash equivalents at end of period[1)]** | **139,767** | **89,198** | **57** |

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

### Currency codes

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| BRL | Brazilian reales | EUR | Euro | ISK | Icelandic kronor | NOK | Norwegian kroner | THB | Thai baht |
| CHF | Swiss francs | GBP | British pounds | JPY | Japanese yen | PLN | Polish zloty | USD | U.S. dollars |
| DKK | Danish kroner | HKD | Hong Kong dollar | LTL | Lithuanian litas | SEK | Swedish kronor | | |
| EEK | Estonian kroon | INR | Indian rupees | LVL | Latvian lats | SGD | Singapore dollars | | |

### 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 2007 were approved for publication by the Board of Directors on 6 March and will be presented for adoption at the 2008 Annual General Meeting.

SEKm, unless otherwise stated.

## 1 Accounting policies

SIGNIFICANT ACCOUNTING POLICIES FOR THE GROUP

**Basis of presentation**
The Group's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards IFRS/IAS endorsed by the European Commission. In addition, provided in the Act (1995:1559) on annual accounts of credit institutions and securities companies (AACS), the accounting regulations of the Financial Supervisory Board ("FSA 2006:16") and Recommendation RR 30 (2006) of the Swedish Financial Accounting Standards Council (SFASC), have been applied.

The consolidated accounts are based on amortised cost, except for the fair value valuation of available-for-sale financial assets, financial assets and liabilities valued at fair value through profit or loss including derivatives.

***The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2007***
IFRS 7 "Financial instruments: disclosures" and the amendments to IAS 1 "Presentation of Financial Statements – capital disclosures" introduces new disclosure requirements related to financial instruments but have no impact on the classification and valuation of financial instruments. The Group made an early adoption of IFRS 7 in the 2006 financial statement.
IFRIC 8 "Scope of IFRS 2" requires the entity to establish whether the identifiable consideration of issued equity instruments is less than the fair value of the equity instruments and fall within the scope of IFRS 2. This interpretation does not have an impact on the Group's financial statements.
IFRIC 9 "Reassessment of embedded derivatives" requires reassessment of embedded derivatives when a change in the terms of the contract significantly modifies cash flows associated with the embedded derivative, the host contract or both. This interpretation does not have an impact on the Group's financial statements.
IFRIC 10 "Interim financial reporting and impairment" prohibits an impairment loss on goodwill, investment in equity instruments and in financial assets carried at cost recognised in an interim period to be reversed in subsequent reporting date. This interpretation does not have an impact on the Group's financial statement.

***The Group has chosen to early adopt during 2007***
IFRIC 11 "Group and treasury share transactions" provides guidance whether share-based payments involving treasury shares or involving group entities should be treated as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group entities. This interpretation does not have an impact on the Group's financial statements.

***Interpretation effective 2007 but not relevant to the Group***
IFRIC 7 "Applying the restatement approach under IAS 29" Financial reporting in hyperinflationary economics

***Standards, amendments and interpretations not yet effective and have not been early adopted by the Group***
IAS 1 (Amendment) "Presentation of financial statements" (effective January 2009 but still subject to endorsement by the European Union). The changes apply particularly to the presentation and names of the financial statements. Consequently the Group's financial statements will change by the introduction of this standard.
IAS 27 (Amendment) "Consolidated and separate financial statements" (effective July 2009 but still subject to endorsement by the European Union). States that minority share of result shall be reported regardless if negative. Transactions with minority owners shall be reported in equity and if parent company loses control the remaining part shall be fair valued. The amendment will influence future transactions only.
IFRS 2 (Amendment) "Share-based payments – vesting conditions and cancellations" (effective January 2009 but still subject to endorsement by the European Union). The amendment 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 impact on the Group.
IFRS 3 (Amendment) "Business combinations" (effective July 2009 but still subject to endorsement by the European Union). 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 8 "Operating segments" (effective and will be applied by the Group from January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the US standard SFAS 131. The standard requires a management approach where

segments are presented according to internal reporting. The standard is not expected to have a material impact on the Group's segment reporting.
IFRIC 13 "Customer loyalty program" (effective July 2008) 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 will not have a material effect on the Group's financial statements
IFRIC 14, "IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction" (effective January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a minimum funding requirement. The interpretation is not expected to have any impact on the Group accounts.

***Standard and interpretation issued that are neither effective nor relevant to the Group***
IAS 23 (Amendment) "Borrowing costs" (effective January 2009). The amendment requires capitalisation of borrowing costs for qualifying assets that currently is not relevant to the Group.
IFRIC 12 "Service concession" (effective January 2008). Applies to contractual arrangements whereby a private entity participates in the development, financing, operation and maintenance of infrastructure for public sector services. IFRIC 12 is not relevant to the Group's operations.

**Consolidation**
The consolidated accounts comprise the parent company and its subsidiaries including Special Purpose Entities ("SPE"). Subsidiaries are companies, over which the parent company has control, implying that they have the power of governing the financial and operating policies of an 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. For SPE's, consolidation also takes place if the Parent Company or subsidiary does not have more than 50 percent of the votes but bears the economic risks and receives the economic benefits in another manner. Companies in which the Parent Company or its subsidiary hold more than 50 percent 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 its acquisition, which is the date at which the parent company gains control over the subsidiary and the subsidiary is included in the consolidated accounts until the date at which control over the company ceases to exist.

The consolidated accounts are prepared in accordance with the purchase method. The cost of an acquisition is measured as the fair value of the assets provided as compensation, the fair value of any equity instruments issued, and the fair value of liabilities incurred or assumed, plus costs directly attributable to the acquisition. The identifiable assets acquired and the liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at 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. These units may not be larger than the equivalent of one segment, that is, one business segment or one geographical segment, as determined in the segment reporting of the Group.

The useful life of each individual intangible asset is determined; however 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.

The consolidated accounts also include associated companies, which are companies over which the Group has a significant influence. By significant influence is meant 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 deemed to exist if the Group, directly or indirectly, holds between 20 and 50 per cent of the voting rights of an entity. A company in which the Group holds fewer than 20 percent of votes can also be classified as an associated company if the Group is represented in the Board of Directors and participates in work related to the company's strategic issues and issues affecting guidelines.

According to the main principle, associated companies are consolidated in accordance with the equity method. 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.

The equity method implies that participations in associated companies are initially reported at acquisition cost. The carrying amount of the participations is thereafter adjusted to the Group's share of the change in the value of the net assets of the associated companies. The Group's share of the results of the associated companies is included in profit or loss.

Dilution gains and losses in associates are recognised in the income statement.

**Segment reporting**
A segment is a business segment or a geographical segment. A business segment is a distinguishable component, in terms of accounting, of an entity engaged in providing an individual product or service or a group of related products or services, and that is subject to risks and returns differing from those of other business segments. A geographical segment from a reporting point of view is a distinguishable component of an entity engaged in providing products or services in a particular economic environment and that is subject to risks and returns differing from those applicable to other economic environments. The Group has defined business segments as primary segments and geographical segments as secondary segments.

**Foreign currency translation**
The consolidated financial statements are presented in Swedish kronor (SEK), which is the presentation currency of the Group.

When a foreign currency transaction is initially recognised, the amount is translated into the functional currency at the spot exchange rate on the date of the transaction. 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 directly in equity.

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 equity.

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 equity. When a foreign operation is partially disposed of or sold, exchange differences recorded in equity are recognised in the income statement as part of the gain or loss on the sale.

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**
***Classification***
Financial assets are classified in the following four categories at initial recognition:
– Financial assets at fair value through profit or loss
– Loans and receivables
– Held-to-maturity investments
– Available-for-sale financial assets

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.

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

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. Equity instruments cannot be classified as held to maturity as their life is indefinite.

Financial assets are designated in the available for sale category when intended to be held for an indefinite time and may be sold in response to specific needs for liquidity or anticipation of changes in equity price or those financial assets that have not been classified as financial assets measured at fair value through profit or loss, as loans and receivables or as investments held to maturity.

***Measurement***

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.

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.

The valuation of financial assets after initial recognition is governed by their classification.

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 and held-to-maturity investments are measured at amortised cost using the effective interest method.

Available for sale financial assets are measured at fair value. Gains and losses arising from changes in fair value are reported directly in the fair value revaluation reserve in equity until the financial asset with which they are associated is sold or impaired. In the case of sale or impairment of a financial asset, the accumulated gains and 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.

**Financial liabilities**

***Classification***

Financial liabilities are classified in two categories:
– Financial liabilities at fair value through profit or loss
– Financial liabilities.

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 negative replacement value of derivatives.

The category financial liabilities primarily include the Group's short-term and long-term borrowings.

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

***Measurement***

Financial liabilities are measured at fair value on initial recognition. In the case of financial liabilities not included in the category 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 included in the calculation of fair value.

After initial recognition, financial liabilities measured at fair value through profit or loss, are measured and reported in a manner equivalent to the measurement and reporting of financial assets measured at fair value through profit or loss. Financial liabilities are, after initial recognition, measured on an ongoing basis 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 so called Day 1 profit, is amortised over the life of the transaction, recognised when realised through settlement or released to income if variables used to calculate fair value is based on market observable prices or rates.

**Derivative financial instruments**

Derivatives are initially recognised at fair value on trade date and subsequently measured at fair value. Derivatives are recognised as assets when replacement value is positive and as liabilities when replacement value is negative.

***Embedded derivatives***

Embedded derivatives are separated from the host contract and accounted for as derivatives not included in hedge relationships. Embedded derivatives are not embedded when their economic characteristics and risks are closely related to those of the host contract and the host contract is not carried at fair value.

Certain combined instruments, i.e. contracts that contain one or more embedded derivatives, are classified as financial asset or financial liability at fair value through profit or loss. The designation implies that the entire combined instrument is valued at fair value and that changes in fair value are recognised on an ongoing basis in profit or loss.

***Hedge accounting***

Hedge accounting is applied to derivatives used to reduce risks such as interest rate risks and currency risks in other financial instruments. 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 the derivatives used are expected to be and are highly effective when assessed retrospectively in offsetting changes in fair values or cash flows of hedged item and that the likelihood of forecasted transactions to take place is highly probable.

The Group designates derivatives as either:
– hedges of the fair value of recognised assets or liabilities of firm commitments (fair value 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).

*Fair value hedge*

Fair value hedge is the hedging of exposure to changes in the fair value of an asset or a liability, or an identifiable component of such asset or liability, which is attributable to a certain risk that could affect the profit or loss. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement together with changes in the fair value of the hedged item 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.

Fair value hedges are discontinued in the following situations:
– The hedging instrument expires or is sold, terminated or exercised
– The hedging relationship no longer meets the criteria for hedge accounting
– The hedging relationship is discontinued.

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 directly against equity. 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 directly against equity are recognised in profit or loss in the same period as interest income and interest expense from the hedged asset or liability.

Cash flow hedges are discontinued in the same situations as listed above regarding the termination of fair value hedges. 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*
The hedging of a net investment in a foreign operation refers to the hedge of equity in a foreign subsidiary against foreign exchange fluctuations. This type of hedge is accounted for similarly to cash flow hedges. Gains or losses on the hedge instrument attributable to the effective portion of the hedge are recognised in equity whilst the ineffective portion is recognised directly in profit or loss. Gains or losses accumulated in equity are included in profit or loss at the disposal of the foreign operation.

**Interest income and interest expenses**
The effective interest 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 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 includes fees and points to be received and paid that are an integral part of the effective interest, 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.

**Commission income 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 method.

Commission income and fees from asset management and advisory services are reported in accordance with the stipulations of the respective agreements. 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**
Repurchase agreements are generally treated as collateralised financing transactions. Market values of the securities received or delivered are monitored on a daily basis to require or deliver additional collateral. In repurchase transactions, the asset continues to be reported on the selling party's balance sheet and the payment received is reported as a deposit or borrowing. The sold instrument is reported as pledged assets. The buying party reports the payment as an outstanding loan to the selling party. The difference in amounts between the spot and the forward payments is allocated as interest over the life of the instrument.

**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.

On each balance sheet date the Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only 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 pertaining the issuer or obligor,
– the borrower is granted a concession as a consequence of financial difficulty, the nature of 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,
– it is probable that the borrower will go bankrupt or undergo some other kind of financial reconstruction,
– deterioration in the value of collateral and
– downgrading by official rating institute.

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 carrying amount 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.

***Financial assets measured at amortised cost***
An impairment of a 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.

In addition to an individual impairment test, a collective assessment is made of the value of receivables that have not been deemed to be impaired on an individual basis. Receivables with similar credit risk characteristics are grouped together and assessed collectively for impairment. The Group's internal risk classification system constitutes one of the components forming the basis for determining the total amount of the collective provision.

For certain homogeneous groups of individually insignificant credits (credit card claims, for example), provision models have been established on the basis of historical credit losses and the status of these claims. Collective impairment provisions are also established for credits to borrowers in countries with transfer obstacles, general problems in the banking system in question or similar circumstances.

***Financial assets measured at acquisition cost***
The 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.

***Available for sale financial assets***
If an impairment loss is recognised in an available for sale financial instrument, the accumulated loss that has been recognised directly in equity is reported in 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.

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.

***Renegotiated loans***
Renegotiated loans are no longer considered to be past due unless further renegotiations.

**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 at the earliest convenience.

**Tangible fixed assets**
Tangible fixed assets, with the exception of investment properties held in insurance operations, are reported at historical 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 5 years.

Tangible fixed assets are tested for impairment whenever there is 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. In addition, 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 5 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 asset is determined if there is indication of a reduction in the value of the asset. An impairment loss is recognised if the recoverable amount exceeds the recoverable amount of the asset.

**Provisions**
A provision is established when the Group has a present obligation as a result of past events. Conditions for the establishment of a provision are that the amount can be estimated in a reliable manner and that it is more likely than not that an outflow of resources will be required to settle the obligation. Provisions are evaluated at each balance sheet date and are adjusted as necessary.

Provisions are valued at the present value of the amount expected to be required in order to settle the obligation. The applied discount rate before tax reflects the current market assessment of the time-dependent value of the funds or the risks to which the provision refers. The increase of the provision over the course of time is recorded as an interest expense.

**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. 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 programme 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 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 directly in equity is also reported directly in equity. 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 28 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 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 re-insurers 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 life insurance contracts within the Danish subsidiary, SEB Pension, include a discretionary participation feature. This feature entitles the policyholder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses. These contracts are reported applying the same principles as those established for the reporting of insurance contracts. The amounts referring to the guaranteed element and to the discretionary participation feature are reported as liabilities to policyholders.

## CRITICAL JUDGMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

**Consolidated accounts**
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.

**Important assumptions**
Assumptions have been made that affect the reported amounts of assets and liabilities as regards financial instruments, buildings held for investment purposes in the insurance operations, the write-down requirements for goodwill and financial assets, reporting of tax assets, and actuarial calculations. The assumptions that have been made are described in the respective notes.

SIGNIFICANT ACCOUNTING POLICIES OF THE PARENT COMPANY

The annual report of the parent company has been prepared in accordance with the Act (1995:1559) on annual accounts of credit institutions and securities companies ("AACS"), the accounting regulations of the Financial Supervisory Board ("FSA 2006:16") and recommendation RR 32 (2006) of the Swedish Financial Accounting Standards Council ("SFASC").

The parent company applies so-called "legally restricted IAS", which means that international accounting standards are applied to the extent permitted under Swedish accounting legislation. As the Swedish standards have not been fully adjusted to IFRS, 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 AACS are not in conformity with IFRS. Credit institutions and securities companies applying international accounting standards (IFRS/IAS) endorsed by the European Commission in their consolidated accounts are provided the option to deviate from the presentation format for the balance sheet as stipulated in AACS, but may not deviate from the AACS stipulated profit and loss account. The parent company has chosen to utilize this option, implying that the presentation format of the balance sheet is, in all material aspects, the same in both the Group and the parent company.

**Definition of the Group**
The AACS and IAS 27 have different definitions of a group. According to the AACS, companies are not reported as parent companies and subsidiaries if there is no ownership interest. According to IAS 27, it is sufficient that there is controlling influence. In other words, no share in the ownership of the company is required. There is a definition in AACS which determines when a company is the parent company of a group and is; therefore, liable to prepare consolidated accounts, but it is IAS 27 which stipulates the companies to be included in the consolidated accounts. For SEB, this means that the consolidated accounts comprise a different group of companies than those constituting a group according to AACS.

**Holdings in subsidiaries and associated companies**
Participations in subsidiaries and associated companies shall be reported in accordance with the cost method. Dividends received are reported as income to the extent that they emanate from profits earned after the acquisition. Dividends in excess of such profits reduce the reported value of the participation. If the value of the participations is lower than their acquisition cost on balance sheet date, a write-down to the lower value will be made if such decrease in value is deemed permanent.

The parent company has chosen to apply hedge accounting to the foreign exchange risk in participations held in foreign subsidiaries and to the exchange risk in accrued profits in these subsidiaries. For this purpose hedging of the fair values is applied, which means that the value of the participations and the loans serving as hedge instruments are translated taking into consideration the hedged risk. Participations in subsidiaries subject to hedge accounting are, consequently, reported at a value differing from their acquisition cost.

**Segment reporting**
The parent company need not present segment information. However, information shall be disclosed regarding income per business area and geographical market.

**Financial assets and financial liabilities designated at fair value through profit or loss (Fair Value Option)**
It is only possible to designate financial assets and financial liabilities as measured at fair value through profit or loss in those cases permitted by AACS. Therefore, it is not possible for the parent company to fully apply the Fair Value Option. For example, it is not possible to designate liabilities as measured at fair value through profit or loss, except for those held for trading purposes or which constitute derivatives.

**Leasing**
According to RR 32, leasing contracts which are classified as finance leases in the consolidated accounts may be accounted for as operating leases in legal entities. The parent company has chosen to utilize this option.

**Pensions**
The Act on safeguarding of pension commitments and the guidance from the FSA include regulations the application of which results in accounting treatment as regards defined benefit plans differing from the treatment stipulated in IAS 19. Compliance with the Act on safeguarding of pension commitments is a condition for fiscal deductibility. In view of this, RR 32 states that it is not mandatory that the regulations in IAS 19 regarding defined benefit pension plans be applied in the legal entity. The parent company, whose obligations are covered by pension funds, has chosen to utilize this possibility. Imputed pension costs are, therefore, reported as personnel costs in the profit and loss account and reversed in appropriations. The parent company compensates itself for pensions paid from the pension funds, provided the financial position of the funds so permits. Paid pensions and compensation from the pension funds are recorded among appropriations.

**Group contributions**
Group contributions paid or received for the purpose of minimising the Group's taxes are reported in the parent company as a decrease/increase in non-restricted equity, after adjustment for estimated tax.

## 2 Segment reporting

BUSINESS SEGMENTS IN SEB GROUP

| Income statement, 2007 | Merchant Banking | Retail Banking | Wealth Management | Life[1] | Other incl. eliminations[2] | Group |
|---|---|---|---|---|---|---|
| *Interest income* | *58,714* | *41,621* | *3,609* | | *–17,909* | *86,035* |
| *Interest expense* | *–53,174* | *–31,733* | *–2,766* | *–28* | *17,664* | *–70,037* |
| Net interest income | 5,540 | 9,888 | 843 | –28 | –245 | 15,998 |
| *Fee and commission income* | *6,960* | *8,708* | *5,767* | | *–35* | *21,400* |
| *Fee and commission expense* | *–1,070* | *–2,434* | *–1,690* | | *845* | *–4,349* |
| Net fee and commission income | 5,890 | 6,274 | 4,077 | | 810 | 17,051 |
| Net financial income | 2,285 | 812 | 79 | | 63 | 3,239 |
| Net life insurance income | | | | 3,958 | –1,025 | 2,933 |
| Net other income | 784 | 248 | 86 | | 101 | 1,219 |
| **Total operating income** | **14,499** | **17,222** | **5,085** | **3,930** | **–296** | **40,440** |
| of which internally generated | –6,350 | –2,031 | –864 | 1,113 | 8,132 | |
| Staff costs | –4,217 | –5,169 | –1,475 | –1,055 | –3,005 | –14,921 |
| Other expenses | –3,432 | –4,314 | –902 | –525 | 2,254 | –6,919 |
| Depreciation, amortisation and impairments of tangible and intangible assets | –82 | –435 | –63 | –548 | –226 | –1,354 |
| **Total operating expenses** | **–7,731** | **–9,918** | **–2,440** | **–2,128** | **–977** | **–23,194** |
| Gains less losses from tangible and intangible assets | 2 | 5 | –1 | | 782 | 788 |
| Net credit losses incl. changes in value of seized assets | –323 | –718 | –7 | | 32 | –1,016 |
| **Operating profit** | **6,447** | **6,591** | **2,637** | **1,802** | **–459** | **17,018** |

| Income statement, 2006 | Merchant Banking | Retail Banking | Wealth Management | Life[1] | Other incl. eliminations[2] | Group |
|---|---|---|---|---|---|---|
| *Interest income* | *70,306* | *32,300* | *2,318* | *–15* | *–38,772* | *66,137* |
| *Interest expense* | *–65,497* | *–23,786* | *–1,674* | | *39,101* | *–51,856* |
| Net interest income | 4,809 | 8,514 | 644 | –15 | 329 | 14,281 |
| *Fee and commission income* | *6,933* | *7,893* | *4,728* | | *591* | *20,145* |
| *Fee and commission expense* | *–1,059* | *–2,141* | *–892* | | *93* | *–3,999* |
| Net fee and commission income | 5,874 | 5,752 | 3,836 | | 684 | 16,146 |
| Net financial income | 3,676 | 614 | 55 | | –309 | 4,036 |
| Net life insurance income | | | | 3,471 | –810 | 2,661 |
| Net other income | 779 | 235 | 60 | | 549 | 1,623 |
| **Total operating income** | **15,138** | **15,115** | **4,595** | **3,456** | **443** | **38,747** |
| of which internally generated | 1,783 | –1,429 | –505 | 827 | -–676 | |
| Staff costs | –4,082 | –4,885 | –1,440 | –1,008 | –2,948 | –14,363 |
| Other expenses | –3,227 | –4,203 | –801 | –474 | 1,818 | –6,887 |
| Depreciation, amortisation and impairments of tangible and intangible assets | –89 | –440 | –51 | –454 | –253 | –1,287 |
| **Total operating expenses** | **–7,398** | **–9,528** | **–2,292** | **–1,936** | **–1,383** | **–22,537** |
| Gains less losses from tangible and intangible assets | –2 | 45 | 29 | | –2 | 70 |
| Net credit losses incl. changes in value of seized assets | –320 | –412 | 25 | | –11 | –718 |
| **Operating profit** | **7,418** | **5,220** | **2,357** | **1,520** | **–953** | **15,562** |

1) Business result in Life amounted to SEK 3,075m (3,175), of which change in surplus values was net SEK 1,273m (1,655).
2) Profit and losses from associated companies accounted for under the equity method are recognised in Net other income by SEK 128m (44). The aggregated investments are SEK 424m (415).

| Balance sheets, 2007-12-31 | Merchant Banking | Retail Banking | Wealth Management | Life | Other incl. eliminations | Group |
|---|---|---|---|---|---|---|
| Assets | 1,381,950 | 725,780 | 86,938 | 244,497 | –94,703 | 2,344,462 |
| Liabilities | 1,341,347 | 672,217 | 78,983 | 236,112 | –60,916 | 2,267,743 |
| Investments | 364 | 539 | 62 | 1,042 | 841 | 2,848 |

| Balance sheets, 2006-12-31 | Merchant Banking | Retail Banking | Wealth Management | Life | Other incl. eliminations | Group |
|---|---|---|---|---|---|---|
| Assets | 1,259,559 | 622,899 | 75,230 | 215,738 | –238,985 | 1,934,441 |
| Liabilities | 1,219,326 | 594,607 | 68,210 | 207,778 | –222,747 | 1,867,174 |
| Investments | 125 | 564 | 43 | 432 | 243 | 1,407 |

Note 2 ctd. Segment reporting

GEOGRAPHICAL SEGMENTS IN SEB GROUP

| | 2007 | | | 2006 | | |
|---|---|---|---|---|---|---|
| | Gross Income* | Assets | Investments | Gross Income* | Assets | Investments |
| Sweden | 65,900 | 1,512,209 | 1,164 | 49,625 | 1,124,026 | 319 |
| Norway | 10,474 | 145,624 | 28 | 8,463 | 98,308 | |
| Denmark | 10,209 | 280,562 | 478 | 7,837 | 245,811 | 448 |
| Finland | 2,782 | 20,815 | 24 | 1,956 | 19,987 | 13 |
| Estonia | 3,336 | 52,023 | 61 | 2,341 | 41,147 | 34 |
| Latvia | 3,124 | 47,356 | 92 | 2,127 | 37,158 | 69 |
| Lithuania | 4,308 | 77,220 | 151 | 2,820 | 55,778 | 206 |
| Germany | 25,801 | 575,581 | 227 | 23,872 | 461,957 | 149 |
| Other countries | 22,948 | 369,283 | 623 | 17,968 | 242,633 | 169 |
| Group eliminations | –34,056 | –736,211 | | –22,407 | –392,364 | |
| **Total** | **114,826** | **2,344,462** | **2,848** | **94,602** | **1,934,441** | **1,407** |

*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.

BUSINESS SEGMENTS IN PARENT COMPANY

| **2007** | Merchant Banking | Retail Banking | Wealth Management | Life | Other incl. eliminations | Parent company |
|---|---|---|---|---|---|---|
| Gross income* | 32,162 | 10,608 | 1,723 | 106 | 20,996 | 65,595 |
| Assets | 970,143 | 314,625 | 11,056 | 2 | 263,493 | 1,559,319 |
| Investments | 141 | 73 | 14 | | 58 | 286 |
| **2006** | | | | | | |
| Gross income* | 22,490 | 3,401 | 1,710 | 95 | 20,901 | 48,597 |
| Assets | 794,441 | 51,584 | 5,259 | | 320,765 | 1,172,049 |
| Investments | 43 | 15 | | | 2 | 60 |

GEOGRAPHICAL SEGMENTS IN PARENT COMPANY

| | 2007 | | | 2006 | | |
|---|---|---|---|---|---|---|
| | Gross Income* | Assets | Investments | Gross Income* | Assets | Investments |
| Sweden | 43,360 | 1,248,095 | 286 | 32,421 | 889,631 | 60 |
| Norway | 3,796 | 61,879 | | 1,944 | 47,879 | |
| Denmark | 5,147 | 167,731 | | 3,972 | 138,367 | |
| Finland | 946 | 3,692 | | 853 | 7,171 | |
| Other countries | 12,346 | 77,922 | | 9,407 | 89,001 | |
| **Total** | **65,595** | **1,559,319** | **286** | **48,597** | **1,172,049** | **60** |

*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.

**Primary segment – 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. 2006 years figures have been restated accordingly.

**Secondary segment – Geographical segment**
The split is based on the location of the entity.

**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 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Loans to credit institutions | 10,865 | 8,548 | 4,963 | 12,105 |
| Loans to the public | 53,770 | 42,090 | 25,521 | 10,959 |
| Interest-bearing securities[1)] | 18,127 | 11,929 | 11,686 | 6,814 |
| Other interest income | 3,273 | 3,570 | 1,743 | 2,438 |
| **Interest income[2)]** | **86,035** | **66,137** | **43,913** | **32,316** |
| Deposits by credit institutions | –17,287 | –13,313 | –5,174 | –12,766 |
| Deposits and borrowing from the public | –26,760 | –18,472 | –9,639 | –5,147 |
| Interest-bearing securities | –20,668 | –14,771 | –19,289 | –7,151 |
| Subordinated liabilities | –2,075 | –2,111 | –2,011 | –2,003 |
| Other interest costs | –3,247 | –3,189 | –2,351 | –1,415 |
| **Interest expense** | **–70,037** | **–51,856** | **–38,464** | **–28,482** |
| **Total** | **15,998** | **14,281** | **5,449** | **3,834** |
| 1) Of which, measured at fair value. | 18,007 | 11,167 | 11,427 | 6,424 |
| 2) Including interest on impaired loans. | 107 | 56 | | |

**Net income from leases[1)]**

| | Parent company 2007 | Parent company 2006 |
|---|---|---|
| Income from leases | 6,154 | 877 |
| Depreciation of leased equipment | –4,735 | –302 |
| **Total** | **1,419** | **575** |

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 2007 | Parent company 2006 |
|---|---|---|
| Interest income | 43,913 | 32,316 |
| Income from leases | 6,154 | 877 |
| Interest expense | –38,464 | –28,482 |
| Depreciation of leased equipment | –4,735 | –302 |
| **Total** | **6,868** | **4,409** |

## 4 Net fee and commission income

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Issue of securities | 335 | 290 | 1,192 | 1,155 |
| Secondary market shares[1)] | 3,153 | 3,100 | 572 | 785 |
| Secondary market other | 598 | 531 | 569 | 534 |
| Custody and mutual funds | 7,165 | 6,184 | 2,454 | 2,159 |
| Securities commissions | 11,251 | 10,105 | 4,787 | 4,633 |
| Payments | 1,808 | 1,787 | 1,116 | 1,123 |
| Card fees | 4,093 | 3,730 | 163 | 156 |
| Payment commissions | 5,901 | 5,517 | 1,279 | 1,279 |
| Lending | 1,055 | 946 | 718 | 537 |
| Deposits | 89 | 124 | 67 | 67 |
| Advisory | 1,473 | 1,742 | 378 | 551 |
| Guarantees | 264 | 278 | 152 | 180 |
| Derivatives | 363 | 384 | 305 | 280 |
| Other | 1,004 | 849 | 769 | 847 |
| Other commissions | 4,248 | 4,323 | 2,389 | 2,462 |
| **Fee and commission income** | **21,400** | **19,945** | **8,455** | **8,374** |
| Securities commissions[1)] | –902 | –698 | –260 | –174 |
| Payment commissions | –2,373 | –2,150 | –520 | –490 |
| Other commissions | –1,074 | –951 | –551 | –547 |
| **Fee and commission expense** | **–4,349** | **–3,799** | **–1,331** | **–1,211** |
| **Total** | **17,051** | **16,146** | **7,124** | **7,163** |

1) Group adjusted for gross fees for lending in 2006, SEK 200m.

## 5 Net financial income

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Gains (losses) on financial assets and liabilities held for trading, net | 3,256 | 4,098 | 2,490 | 3,515 |
| Gains (losses) on financial assets and liabilities designated at fair value, net | –17 | –62 | | |
| **Total** | **3,239** | **4,036** | **2,490** | **3,515** |

**Gains (losses) on financial assets and liabilities held for trading, net**

| | | | | |
|---|---|---|---|---|
| Equity instruments and related derivatives | 569 | 392 | 587 | 189 |
| Debt instruments and related derivatives | –100 | 1,437 | –104 | 1,557 |
| Currency related | 2,787 | 2,269 | 2,007 | 1,769 |
| **Total** | **3,256** | **4,098** | **2,490** | **3,515** |

**Gains (losses) on financial assets and liabilities designated at fair value, net**

| | | | | |
|---|---|---|---|---|
| Equity instruments and related derivatives | –49 | –50 | | |
| Debt instruments and related derivatives | –1 | –13 | | |
| Currency related | 33 | 1 | | |
| **Total**[1] | **–17** | **–62** | | |
| 1) Of which measured at fair value with valuation techniques based on assumptions that are not supported by prices from observable current market transactions in the same instrument and not based on observable market data. | | –69 | | |

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 | |
|---|---|---|
| | 2007 | 2006 |
| Premium income, net | 5,961 | 5,726 |
| Income investment contracts | 1,067 | 873 |
| Investment income net | 981 | 1,507 |
| Other insurance income | 471 | 383 |
| Net insurance expenses | –5,547 | –5,828 |
| **Total** | **2,933** | **2,661** |

**Investment income, net**

| | | |
|---|---|---|
| Direct yield[1] | 4,427 | 3,896 |
| Change in value on investments at fair value, net | –2,813 | –1,849 |
| Foreign exchange gains (losses) | –419 | –240 |
| | 1,195 | 1,807 |
| Expenses for asset management services | –108 | –96 |
| Policyholders tax | –106 | –204 |
| **Total** | **981** | **1,507** |

1) Net interest income, dividends received and operating surplus from properties.

**Net insurance expenses**

| | | |
|---|---|---|
| Claims paid, net | –7,918 | –8,054 |
| Change in insurance contract provisions | 2,371 | 2,226 |
| **Total** | **–5,547** | **–5,828** |

## 7 Net other income

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Dividends | 79 | 63 | **3,925** | **1,407** |
| Impairment of financial assets | 1 | 7 | **–106** | **–100** |
| Investments in associates | 128 | 44 | | |
| Gains less losses from investment securities | 653 | 1,038 | 377 | 496 |
| Gains less losses from tangible assets[1] | | | –939 | 4 |
| Other income | 358 | 471 | 1,220 | 1,608 |
| **Total** | **1,219** | **1,623** | **658** | **2,108** |

1) See note 13 for the Group.

**Dividends**

| | | | | |
|---|---|---|---|---|
| Available-for-sale investments | 79 | 61 | 26 | 21 |
| Investments in associates | | 2 | 57 | 38 |
| Shares in subsidiaries | | | 3,842 | 1,348 |
| **Total** | **79** | **63** | **3,925** | **1,407** |

**Impairment of financial assets**

| | | | | |
|---|---|---|---|---|
| Impairments | | | –106 | –100 |
| Reversals | 1 | 7 | | |
| **Total** | **1** | **7** | **–106** | **–100** |

**Investments in associates[1]**

| | | | | |
|---|---|---|---|---|
| NCSD Holding (former VPC) | 89 | –15 | | |
| BGC Holding | 26 | 56 | | |
| Other | 13 | 3 | | |
| **Total** | **128** | **44** | | |

1) Recognised through the equity method.

**Gains less losses from investment securities**

| | | | | |
|---|---|---|---|---|
| Available for sale financial assets – Equity instruments | 638 | 942 | 377 | 496 |
| Available for sale financial assets – Debt instruments | 791 | 168 | | |
| Loans | 1 | 17 | | |
| Capital gains | 1,430 | 1,127 | 377 | 496 |
| Available for sale financial assets – Equity instruments | –45 | –5 | | |
| Available for sale financial assets – Debt instuments | –641 | –74 | | |
| Loans | –91 | –10 | | |
| Capital losses | –777 | –89 | | |
| **Total** | **653** | **1,038** | **377** | **496** |

**Other income**

| | | | | |
|---|---|---|---|---|
| Fair value adjustment in hedge accounting | –132 | 124 | –26 | 6 |
| Operating result from non-life insurance, run off | –12 | 7 | | |
| Other income[1] | 502 | 340 | 1,246 | 1,602 |
| **Total** | **358** | **471** | **1,220** | **1,608** |

1) Realised gains from financial instruments where fair value previously could not be measured, SEK 55m.

**Fair value adjustment in hedge accounting**

| | | | | |
|---|---|---|---|---|
| Fair value changes of the hedged items attributable to the hedged risk | –1,363 | –178 | –854 | 727 |
| Fair value changes of the hedging derivatives | 907 | 82 | 842 | –732 |
| Fair value hedges – ineffective portion | –456 | –96 | –12 | –5 |
| Fair value changes of the hedging derivatives | –14 | 11 | –14 | 11 |
| Cash-flow hedges – ineffective portion | –14 | 11 | –14 | 11 |
| Fair value changes of the hedged items | –691 | –2,218 | | |
| Fair value changes of the hedging derivatives | 1,029 | 2,427 | | |
| Fair value portfolio hedge of interest rate risk – ineffective portion | 338 | 209 | | |
| **Total** | **–132** | **124** | **–26** | **6** |

Note 7 ctd. Net other income

**Fair value 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.

**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 2008 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 53,260m (53,350) and currency forwards to an amount of SEK 349m (369) was designated as hedges of net investments in foreign operations. No ineffectiveness has been recognised from these hedges.

## 8 Administrative expenses

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Staff costs | –14,921 | –14,363 | –8,611 | –8,409 |
| Other expenses | –6,919 | –6,887 | –3,978 | –4,664 |
| **Total** | **–21,840** | **–21,250** | **–12,589** | **–13,073** |

## 9 Staff costs

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Salaries and remuneration | –10,808 | –10,246 | –5,576 | –5,170 |
| Payroll overhead | –2,615 | –2,631 | –1,646 | –1,724 |
| Employee stock option programme | –71 | –397 | –71 | –397 |
| **Payroll related costs** | **–13,494** | **–13,274** | **–7,293** | **–7,291** |
| Imputed pension costs | | | –362 | –345 |
| Pension premiums paid | | | –447 | –396 |
| Benefit retirement plans | 369 | 388 | | |
| Contribution retirement plans | –733 | –703 | | |
| **Pension related costs[1]** | **–364** | **–315** | **–809** | **–741** |
| **Other staff costs[2]** | **–1,063** | **–774** | **–509** | **–377** |
| **Total** | **–14,921** | **–14,363** | **–8,611** | **–8,409** |

1) Pension costs in the Group are accounted for according to IAS 19, Employee benefits. 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 393m (327) for early retirement have been charged to the pension funds of the Bank.
2) Includes costs for redundancies with SEK 281m (71) for the Group and SEK 115m (16) for the Parent company.

## 9 a Salaries and other remunerations per category

| | Group | | | Parent company* | | |
|---|---|---|---|---|---|---|
| **2007** | Executives[1] | Other | **Total** | Executives[1] | Other | **Total** |
| Sweden | –34 | –5,038 | **–5,072** | –19 | –4,300 | **–4,319** |
| Norway | –33 | –827 | **–860** | | –190 | **–190** |
| Denmark | –14 | –756 | **–770** | | –321 | **–321** |
| Finland | –24 | –257 | **–281** | | –158 | **–158** |
| Estonia | –7 | –273 | **–280** | | | |
| Latvia | –13 | –244 | **–257** | | –19 | **–19** |
| Lithuania | –30 | –311 | **–341** | | | |
| Germany | –267 | –1,842 | **–2,109** | | –98 | **–98** |
| Poland | –6 | –27 | **–33** | | –15 | **–15** |
| Ukraine | –3 | –26 | **–29** | | | |
| China | | –5 | **–5** | | –5 | **–5** |
| Great Britain | | –337 | **–337** | | –337 | **–337** |
| France | | –11 | **–11** | | –11 | **–11** |
| Ireland | –2 | –10 | **–12** | | | |
| Luxembourg | –12 | –182 | **–194** | | | |
| Russia | –3 | –21 | **–24** | | | |
| Singapore | | –58 | **–58** | | –50 | **–50** |
| United States | –11 | –113 | **–124** | | –53 | **–53** |
| Other[2] | | –11 | **–11** | | | |
| **Total** | **–459** | **–10,349** | **–10,808** | **–19** | **–5,557** | **–5,576** |

Note 9 a ctd. Salaries and other remunerations per category

| | Group | | | Parent company* | | |
|---|---|---|---|---|---|---|
| **2006** | Executives[1)] | Other | **Total** | Executives[1)] | Other | **Total** |
| Sweden | –33 | –4,547 | **–4,580** | –17 | –3 873 | **–3,890** |
| Norway | –57 | –937 | **–994** | | –161 | **–161** |
| Denmark | –21 | –721 | **–742** | | –254 | **–254** |
| Finland | –13 | –260 | **–273** | | –157 | **–157** |
| Estonia | –7 | –212 | **–219** | | | |
| Latvia | –8 | –195 | **–203** | | –5 | **–5** |
| Lithuania | –18 | –240 | **–258** | | | |
| Germany | –244 | –1,829 | **–2,073** | | –112 | **–112** |
| Poland | –3 | –16 | **–19** | | –5 | **–5** |
| Ukraine | –3 | –24 | **–27** | | | |
| China | | –5 | **–5** | | –5 | **–5** |
| Great Britain | –1 | –469 | **–470** | | –466 | **–466** |
| France | | –9 | **–9** | | –9 | **–9** |
| Ireland | –1 | –8 | **–9** | | | |
| Luxembourg | –9 | –151 | **–160** | | | |
| Russia | –1 | –13 | **–14** | | | |
| Singapore | | –61 | **–61** | | –51 | **–51** |
| United States | –8 | –109 | **–117** | | –55 | **–55** |
| Other[2)] | | –13 | **–13** | | | |
| **Total** | **–427** | **–9,819** | **–10,246** | **–17** | **–5,153** | **–5,170** |

1) Comprises current and previous 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 101 (102) of which 19 (15) female. Total number of Board members and their substitutes was 207 (208) of which 47 (47) 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) Other includes Switzerland and Brazil.

* SEB Finans and SEB BoLån mergerd with Parent company in 2007 and SEB IT and Enskilda Securities merged with the Parent company in 2006.

**Loans to Executives**

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Managing Directors and Deputy Managing Directors[1)] | 134 | 114 | 2 | |
| Boards of Directors[2)] | 208 | 178 | 47 | 25 |
| **Total** | **342** | **292** | **49** | **25** |

1) Comprises current President in the Parent company and Managing Directors and Deputy Managing Directors in subsidiaries. Total number of executives was 101 (102) of which female 19 (15).
2) Comprises current Board members and their substitutes in the Parent company and subsidiaries. Total number of persons was 207 (208) of which female 47 (47).

**Pension commitments to Executives**

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Pension disbursements made | 53 | 80 | 16 | 18 |
| Change in commitments | 58 | 51 | 7 | 9 |
| Commitments at year-end | 1,678 | 1,589 | 775 | 741 |

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 115 (116) persons.

## 9b Retirement benefit obligations

DEFINED BENEFIT PLANS IN SEB GROUP

| Net amount recognised in the Balance sheet | 2007 Sweden[1] | 2007 Foreign[1] | 2007 **Group[1]** | 2006 Sweden[1] | 2006 Foreign[1] | 2006 **Group[1]** |
|---|---|---|---|---|---|---|
| Defined benefit obligation at the beginning of the year | 14,312 | 5,016 | **19,328** | 13,233 | 4,958 | **18,191** |
| Acquisitions and reclassification | | –55 | **–55** | | 16 | **16** |
| Service costs | 347 | 99 | **446** | 296 | 110 | **406** |
| Interest costs | 523 | 222 | **745** | 483 | 205 | **688** |
| Benefits paid | –779 | –242 | **–1,021** | –709 | –213 | **–922** |
| Exchange differences | | 228 | **228** | | –184 | **–184** |
| Unrecognised actuarial gains/losses | 2,076 | –508 | **1,568** | 1,009 | 124 | **1,133** |
| **Defined benefit obligation at the end of the year** | **16,479** | **4,760** | **21,239** | **14,312** | **5,016** | **19,328** |
| Fair value of plan assets at the beginning of the year | 17,579 | 4,472 | **22,051** | 16,533 | 4,193 | **20,726** |
| Acquisitions and reclassification | | –77 | **–77** | | | |
| Calculated return on plan assets | 1,317 | 260 | **1,577** | 1,240 | 263 | **1,503** |
| Benefits paid/contributions | –782 | –216 | **–998** | –709 | 170 | **–539** |
| Exchange differences | | 205 | **205** | | –158 | **–158** |
| Unrecognised actuarial gains/losses | –1,123 | –116 | **–1,239** | 515 | 4 | **519** |
| **Fair value of plan assets at the end of the year** | **16,991** | **4,528** | **21,519** | **17,579** | **4,472** | **22,051** |
| **Funded status** | **512** | **–232** | **280** | **3,267** | **–544** | **2,723** |
| Unrecognised actuarial gains/losses on liabilities | 5,989 | 348 | **6,337** | 3,914 | 856 | **4,770** |
| Unrecognised actuarial gains/losses on assets | –2,162 | 2 | **–2,160** | –3,285 | –114 | **–3,399** |
| Exchange differences | | 11 | **11** | | –6 | **–6** |
| **Net amount recognised in the Balance sheet** | **4,339** | **129** | **4,468** | **3,896** | **192** | **4,088** |
| of which recognised as assets | 4,373 | 192 | **4,565** | 3,908 | 238 | **4,146** |
| of which recognised as liabilities | 34 | 63 | **97** | 12 | 46 | **58** |
| **Movements in the net assets or net liabilities** | | | | | | |
| Defined benefit obligation at the beginning of the year | 3,896 | 192 | **4,088** | 3,441 | –118 | **3,323** |
| Acquisitions and reclassification | | –24 | **–24** | | 16 | **16** |
| Total expense as below | 446 | –77 | **369** | 455 | –67 | **388** |
| Pension paid | 779 | 242 | **1,021** | 709 | 213 | **922** |
| Pension compensation | –782 | –216 | **–998** | –709 | 170 | **–539** |
| Exchange differences | | 12 | **12** | | –22 | **–22** |
| **Amounts recognised in Balance sheet** | **4,339** | **129** | **4,468** | **3,896** | **192** | **4,088** |

The actual return on plan assets was SEK 175m (1,755) in Sweden and SEK 113m (267) in foreign plans. The allocation of total plan assets in Sweden is 78 per cent (76) shares and 22 (24) interest-bearing, in foreign plans 24 (25) shares and 76 (75) interest-bearing.

The pension plan assets include SEB shares with a fair value of SEK 903m (1,092) and buildings occupied by the company with a value of SEK 792m (792).

| Amounts recognised in the Profit and loss | 2007 Sweden | 2007 Foreign | 2007 Group | 2006 Sweden | 2006 Foreign | 2006 Group |
|---|---|---|---|---|---|---|
| Service costs | –347 | –99 | **–446** | –296 | –110 | **–406** |
| Interest costs | –523 | –222 | **–745** | –483 | –205 | **–688** |
| Return on plan assets | 1,317 | 260 | **1,577** | 1,240 | 263 | **1,503** |
| Actuarial gains/losses | –1 | –16 | **–17** | –6 | –15 | **–21** |
| **Total included in staff costs** | **446** | **–77** | **369** | **455** | **–67** | **388** |

| Principal actuarial assumptions used, % | 2007 Sweden | 2007 Foreign | 2007 Group | 2006 Sweden | 2006 Foreign | 2006 Group |
|---|---|---|---|---|---|---|
| Discount rate | 3.8% | 5.5% | | 3.8% | 4.3% | |
| Inflation rate | 2.0% | 2.0% | | 2.0% | 1.5% | |
| Expected rate of salary increase | 3.5% | 3.0% | | 3.5% | 2.3% | |
| 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% | 6.0% | |

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

| Net amount recognised in the Profit and loss | 2007 Sweden | 2007 Foreign | 2007 **Group** | 2006 Sweden | 2006 Foreign | 2006 **Group** |
|---|---|---|---|---|---|---|
| Expense in Staff costs | –487 | –246 | **–733** | –467 | –236 | **–703** |

Note 9b ctd. Retirement benefit obligations

DEFINED BENEFIT PLANS IN SKANDINAVISKA ENSKILDA BANKEN

| | Parent company | |
|---|---|---|
| **Net amount recognised in the Balance sheet** | 2007 | 2006 |
| Defined benefit obligation at the beginning of the year | 11,204 | 10,275 |
| Imputed pensions costs | 362 | 345 |
| Interest costs and other changes | 700 | 964 |
| Early retirement | 393 | 327 |
| Pension disbursements | –782 | –707 |
| **Defined benefit obligation at the end of the year** | **11,877** | **11,204** |
| | | |
| Fair value of plan assets at the beginning of the year | 17,343 | 15,767 |
| Return in pension foundations | 171 | 2,283 |
| Benefits paid | –782 | –707 |
| **Fair value of plan assets at the end of the year** | **16,732** | **17,343** |

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 13,125m (11,383) and to a smaller extent interest related SEK 2,593m (2,674). The assets include SEB shares of SEK 890m (1,085) and buildings occupied by the company of SEK 792m (792). The return on assets was 1 per cent (11) before pension compensation.

| **Amounts recognised in the Profit and loss** | | |
|---|---|---|
| Imputed pension costs | –362 | –345 |
| **Total included in staff costs** | **–362** | **–345** |
| | | |
| Recovery of imputed pension costs | 362 | 345 |
| Pension disbursements | –782 | –707 |
| Compensation from pension foundations | 782 | 707 |
| **Total included in appropriations** | **362** | **345** |

**Net pension costs for defined benefit plans**

| **Principal actuarial assumptions used, %** | | |
|---|---|---|
| Gross interest rate | 3.5% | 3.0% |
| Interest rate after tax | 3.0% | 2.5% |

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** | 2007 | 2006 |
| Expense in Staff costs | –447 | –396 |

**Pension foundations**

| | Pension commitments | | Market value of asset | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| SEB-Stiftelsen, Skandinaviska Enskilda Bankens Pensionsstiftelse | 11,877 | 11,204 | 16,732 | 17,343 |
| SEB Kort AB:s Pensionsstiftelse | 260 | 235 | 260 | 236 |
| **Total** | **12,137** | **11,439** | **16,992** | **17,579** |

SEB Kort AB:s Pensionstiftelse merged its assets with SEB-Stiftelsen, Skandinaviska Enskilda Bankens Pensionstiftelse during 2007 but kept its dedicated share of the assets.

**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 very 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

**Compensation to the top mangement, SEK**

| 2007 | Base salary | Variable salaries | Remunerations[1)] | Benefits and other[2)] | Total |
|---|---|---|---|---|---|
| Chairman of the Board, Marcus Wallenberg | | | 2,600,000 | | **2,600,000** |
| Other members of the Board | | | 5,470,000 | | **5,470,000** |
| President, Annika Falkengren | 7,000,000 | 4,000,000 | | 1,106,016 | **12,106,016** |
| **Total** | **7,000,000** | **4,000,000** | **8,070,000** | **1,106,016** | **20,176,016** |
| **2006** | | | | | |
| Chairman of the Board, Marcus Wallenberg | | | 2,600,000 | | **2,600,000** |
| Other members of the Board | | | 5,470,000 | | **5,470,000** |
| President, Annika Falkengren | 6,170,000 | 2,778,750 | | 1,048,069 | **9,996,819** |
| **Total** | **6,170,000** | **2,778,750** | **8,070,000** | **1,048,069** | **18,066,819** |

1) As decided at AGM.
2) Includes benefits for homeservice, company car and vacation payments, which in 2006 was included in base salary.

The principles for compensation of the President and the other members of the Group Executive Committee were prepared by the Board and the Remuneration and Human Resources Committee of the Board and approved by the Annual General Meeting 2007. For more information, see page 48.

**Short Term Incentive**

Short term incentive for the Group Executive Committee are based on Group and divisional financial criteria, such as operating result, costs and other varying quantitative criteria. In addition to that there are individual qualitative criteria measured discretionary. All short term incentives to the Group Executive Committee members are maximised to a percentage of base salary.

**Long Term Incentive programme**

From 1999 to 2004, employee stock options have been used as the vehicle for SEB's long term incentive programmes. For 2005, the Annual General Meeting decided on a programme with a new performance based structure in the form of performance shares. For more information, see note 9d on page 80.

Performance shares and employee stock options cannot be sold nor pledged, which means that they do not have any market value. However, the calculated value for the 2007 programme at the time of the allotment was SEK 86 per performance share. The calculated value for allotted performance shares to the President is SEK 3,499,942 (2,849,990) and to the GEC excluding the President SEK 10,800,052 (10,255,765). The allotted performance shares that can be exercised will depend on the development of two predetermined performance criteria of equal importance, the real increase in earnings per share, 50 per cent, and the total shareholder return compared to SEB´s competitors, 50 per cent.

**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 variable salary 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 two that are defined contribution-based. Pension is payable from the age of 60 at the rate of maximum 70 per cent of pensionable income up to the age of 65 and at maximum 65 per cent thereafter. Pensionable income consists of base salary plus 50 per cent of the average variable salary during the last three years.

Termination of employment by the Bank is subject to a maximum 12-month period of notice and entitles to a severance pay of maximum 24 months' salary. The Bank has the right to make deductions from such severance pay of any cash payments that the Executive may receive from another employer or through his/her own business.

Note 9c ctd. Compensation to the top management and the Group Executive Committee

**Compensation to the Group Executive Committe, SEK[1)]**

| | Base salary | Variable salaries | Benefits | **Total** |
|---|---|---|---|---|
| 2007 | 24,322,542 | 11,812,813 | 1,456,857 | **37,592,212** |
| 2006 | 24,530,107 | 16,152,859 | 2,201,993 | **42,884,959** |

1) Group Executive Committee excluding the President. The persons partly differ between the years but in average seven persons are included.

**Pension costs (service costs and interest costs)**

| | President, Annika Falkengren | GEC[1)] | **Total** |
|---|---|---|---|
| 2007 | 6,608,517 | 14,058,447 | **20,666,964** |
| 2006 | 4,091,930 | 15,426,555 | **19,518,485** |

1) Group Executive Committee excluding the President. The persons partly differ between the years but in average seven persons are included.

**Outstanding number of Employee stock options/Performance shares to the President and the Group Executive Committtee**

| | 2007 | | | 2006 | | |
|---|---|---|---|---|---|---|
| | President | GEC[1)] | **Total** | President | GEC[1)] | **Total** |
| 2001: Employee stock options | 79,412 | 91,177 | **170,589** | 79,412 | 124,001 | **203,413** |
| 2002: Employee stock options | 191,177 | 127,661 | **318,838** | 191,177 | 164,720 | **355,897** |
| 2003: Employee stock options | 132,353 | 172,911 | **305,264** | 132,353 | 216,220 | **348,573** |
| 2004: Employee stock options | | | | 132,353 | 322,877 | **455,230** |
| 2005: Performance shares | 62,000 | 107,200 | **169,200** | 62,000 | 161,100 | **223,100** |
| 2006: Performance shares | 43,846 | 134,562 | **178,408** | 43,846 | 157,781 | **201,627** |
| 2007: Performance shares | 40,697 | 125,582 | **166,279** | | | |
| **Total** | **549,485** | **759,093** | **1,308,578** | **641,141** | **1,146,699** | **1,787,840** |

1) Group Executive Committee excluding the President. The persons partly differ between the years but in average seven persons are included.

**Related party disclosures***

| | Group | |
|---|---|---|
| **Loans to conditions on the market** | 2007 | 2006 |
| The Board and the Group Executive Committee | 84,806,739 | 41,234,852 |
| Other related parties | 8,600,000 | 2,208,218 |
| **Total** | **93,406,739** | **43,442,800** |

* For information about related parties such as Group companies and Associated companies see note 47.

## 9d Share-based payments

| Long term incemtive programs | 2007 Performance shares | 2007 Employee stock options | 2006 Performance shares | 2006 Employee stock options |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 3,117,679 | 12,819,189 | 1,781,400 | 21,137,906 |
| Granted | 1,264,040 | | 1,477,327 | |
| Forfeited | –248,514 | –120,675[1] | –141,048 | –343,673 |
| Exercised | | –8,015,742[2] | | –7,975,044 |
| **Outstanding at the end of the year** | **4,133,205** | **4,682,772** | **3,117,679** | **12,819,189** |
| of which exercisable | | 4,682,772 | | 7,224,509 |

1) Weighted average exercise price SEK 45.30 (83.82).
2) Weighted average exercise price SEK 113.70 (97.30) and weighted average share price at exercise SEK 221.30 (185.70).

**Total Long-term incentive programme**

| | Original no of holders[2] | No of issued | No of outstanding 2007 | No of outstanding 2006 | A-share per option/share | Exercise price | Validity | First date of exercise |
|---|---|---|---|---|---|---|---|---|
| 2000: Employee stock options | 368 | 4,816,456 | | 254,554 | 1 | 91.5 | 2000–2007 | 03-03-01 |
| 2001: Employee stock options | 874 | 6,613,791 | 1,045,790 | 1,858,166 | 1 | 118 | 2001–2008 | 04-03-05 |
| 2002: Employee stock options | 1,029 | 6,790,613 | 1,725,769 | 2,306,220 | 1 | 106.2 | 2002–2009 | 05-03-07 |
| 2003: Employee stock options | 792 | 6,200,000 | 1,911,213 | 2,805,569 | 1 | 81.3 | 2003–2010 | 06-02-27 |
| 2004: Employee stock options | 799 | 6,200,000 | | 5,594,680 | 1 | 120 | 2004–2011 | 07-04-02 |
| 2005: Performance shares | 537 | 1,789,100 | 1,556,762 | 1,684,534 | 1 | 10 | 2005–2012 | 2008[1] |
| 2006: Performance shares | 513 | 1,477,327 | 1,360,636 | 1,433,145 | 1 | 10 | 2006–2013 | 2009[1] |
| 2007: Performance shares | 509 | 1,264,040 | 1,215,807 | | 1 | 10 | 2007–2014 | 2010[1] |
| **Total** | | **35,151,327** | **8,815,977** | **15,936,868** | | | | |

1) The fifth banking day falling after the Annual accounts for the financial year 2007, 2008 and 2009 respectively are made public.
2) In total 1,697 individuals have participated in all programmes.

**Long-term incentive programme**
The first long-term incentive programme was installed 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 are settled with SEB Series A shares. The 2000 programme matured in 2007. According to the terms and conditions for the year 2004 programme, the value of each option for the option holders is limited to SEK 100. The Bank should prematurely terminate the programme if the market price (based on the closing listed price on the Nordic Exchange) for the SEB class A-shares during the exercise period (2 April – 1 April 2011) is equal to or above the limit market price of SEK 220. Such premature termination was made in April 2007.

The Long Term Incentive programmes issued during 2005–2007 have a new structure compared with the programmes from 1999–2004. These programmes are based on performance shares. The maximum term and vesting 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, the real increase in earnings per share, 50 per cent, and the total shareholder return compared to SEB's competitors, 50 per cent. The expected vesting is 40 per cent of the preliminary allotted performance shares. After the vesting period the performance share holder is compensated for the dividend by recalculating the number of A-shares that the performance share entitles on an annual basis during the exercise period after the Annual General Meeting has been held each year. 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 2007 to SEK 86 (65) (based upon an average closing price of one SEB Series A share during the period 9 February – 22 February, 2007, SEK 233.20 (176.30)) which is also an approximation of the closing price at grant. Other inputs to the options pricing model are; exercise price SEK 10 (10); volatility 31 (33) (based on historical values); expected dividend approximately 2.6 (3.25) per cent; risk free interest rate 3.81 (3.16) and expected early exercise of 3 (3) per cent. In the value of the option the expected outcome of earnings per share and total shareholders return compared to SEB's competitors are taken into account. Since earnings per share is a non-market condition, changes to the expected outcome under the vesting period, if any, influence the costs accounted for under that period. Further details of the outstanding programmes are found in the table above.

## 9e Sick leave rate

**Sick leave rate by gender and age group in parent company, %**

| | Long term sick leave | | | Total sick leave | | |
|---|---|---|---|---|---|---|
| **2007** | Men | Women | Total | Men | Women | Total |
| –29 years | 0.2 | 1.4 | 0.9 | 1.8 | 3.8 | 2.9 |
| 30–49 years | 0.7 | 2.7 | 1.7 | 1.9 | 4.6 | 3.3 |
| 50–years | 1.6 | 5.3 | 3.5 | 3.1 | 7.5 | 5.3 |
| **Total** | **0.9** | **3.4** | **2.2** | **2.2** | **5.4** | **3.9** |
| **2006** | | | | | | |
| –29 years | 0.0 | 1.0 | 0.6 | 1.5 | 3.4 | 2.5 |
| 30–49 years | 0.9 | 3.2 | 2.1 | 2.2 | 5.2 | 3.7 |
| 50–years | 2.2 | 5.0 | 3.6 | 3.6 | 7.3 | 5.5 |
| **Total** | **1.3** | **3.5** | **2.4** | **2.5** | **5.6** | **4.1** |

## 9f Number of employees

**Average number of full time equivalents**

| | Group | | Parent company* | |
|---|---|---|---|---|
| **Division/supportfunction** | 2007 | 2006 | 2007 | 2006 |
| Merchant Banking | 2,327 | 2,538 | 1,560 | 1,705 |
| Retail Banking | 10,763 | 10,664 | 3,008 | 3,341 |
| Welth Management | 1,251 | 1,300 | 517 | 554 |
| Life | 1,206 | 1,282 | 4 | 4 |
| New Markets | 458 | 545 | 3 | |
| Group Operations | 1,419 | 1,493 | 843 | 790 |
| Group IT | 1,354 | 1,319 | 1,334 | 1,047 |
| Group Staff and Group Treasury | 728 | 531 | 702 | 605 |
| **Total** | **19,506** | **19,672** | **7,971** | **8,046** |
| Number of hours worked | | | 13,917,681 | 13,913,143 |

**Average number of employees**

| | Group | | | Parent company* | | |
|---|---|---|---|---|---|---|
| **2007** | Men | Women | **Total** | Men | Women | **Total** |
| Sweden | 4,168 | 4,781 | **8,949** | 3,579 | 4,054 | **7,633** |
| Norway | 290 | 279 | **569** | 91 | 55 | **146** |
| Denmark | 426 | 367 | **793** | 125 | 75 | **200** |
| Finland | 153 | 174 | **327** | 80 | 75 | **155** |
| Estonia | 387 | 1,369 | **1,756** | | | |
| Latvia | 447 | 1,309 | **1,756** | 38 | 76 | **114** |
| Lithuania | 554 | 1,375 | **1,929** | | | |
| Germany | 1,853 | 1,830 | **3,683** | 108 | 19 | **127** |
| Poland | 38 | 22 | **60** | 16 | 13 | **29** |
| Ukraine | 308 | 596 | **904** | | | |
| China | 8 | 8 | **16** | 8 | 8 | **16** |
| Great Britain | 125 | 79 | **204** | 124 | 78 | **202** |
| France | 4 | 17 | **21** | 3 | 16 | **19** |
| Ireland | 7 | 14 | **21** | | | |
| Luxembourg | 105 | 110 | **215** | | | |
| Russia | 45 | 116 | **161** | 1 | | **1** |
| Singapore | 35 | 52 | **87** | 28 | 50 | **78** |
| United States | 42 | 18 | **60** | | | |
| Other[1] | 9 | 3 | **12** | 2 | | **2** |
| **Total** | **9,004** | **12,519** | **21,523** | **4,203** | **4,519** | **8,722** |
| **2006** | | | | | | |
| Sweden | 4,239 | 4,976 | **9,215** | 3,190 | 3,983 | **7,173** |
| Norway | 290 | 252 | **542** | 89 | 49 | **138** |
| Denmark | 432 | 383 | **815** | 95 | 57 | **152** |
| Finland | 147 | 166 | **313** | 59 | 56 | **115** |
| Estonia | 387 | 1,265 | **1,652** | | | |
| Latvia | 445 | 1,128 | **1,573** | 20 | 32 | **52** |
| Lithuania | 512 | 1,221 | **1,733** | | | |
| Germany | 1,874 | 1,831 | **3,705** | 58 | 11 | **69** |
| Poland | 26 | 16 | **42** | 5 | 5 | **10** |
| Ukraine | 151 | 246 | **397** | | | |
| China | 5 | 5 | **10** | 5 | 5 | **10** |
| Great Britain | 130 | 82 | **212** | 111 | 70 | **181** |
| France | 6 | 15 | **21** | 4 | 14 | **18** |
| Ireland | 7 | 11 | **18** | | | |
| Luxembourg | 106 | 101 | **207** | | | |
| Russia | 20 | 57 | **77** | 2 | | **2** |
| Singapore | 36 | 49 | **85** | 29 | 48 | **77** |
| United States | 43 | 16 | **59** | | | |
| Other[1] | 9 | 4 | **13** | 2 | 1 | **3** |
| **Total** | **8,865** | **11,824** | **20,689** | **3,669** | **4,331** | **8,000** |

1) Switzerland and Brazil.
* SEB BoLån and SEB Finans merged with the Parent company in 2007.

## 10 Other expenses

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Costs for premises[1] | –1,532 | –1,572 | –740 | –896 |
| Data costs | –2,321 | –1,848 | –1,234 | –1,611 |
| Stationery | –183 | –186 | –52 | –22 |
| Travel and entertainment | –526 | –503 | –292 | –278 |
| Postage | –256 | –440 | –248 | –233 |
| Consultants | –797 | –678 | –477 | –433 |
| Marketing | –783 | –784 | –259 | –340 |
| Information services | –362 | –319 | –264 | –231 |
| Other operating costs | –159 | –557 | –412 | –620 |
| **Total** | **–6,919** | **–6,887** | **–3,978** | **–4,664** |
| 1) Of which rental costs. | –1,026 | –1,269 | –490 | –639 |

**Fees and expense allowances to appointed auditors and audit firms [1, 2]**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| PricewaterhouseCoopers | –46 | –46 | –9 | –10 |
| BDO | –2 | –3 | –1 | –1 |
| **Audit assignments** | **–48** | **–49** | **–10** | **–11** |
| PricewaterhouseCoopers | –18 | –10 | –6 | –1 |
| BDO | –1 | | | |
| **Other assignments** | **–19** | **–10** | **–6** | **–1** |
| **Total** | **–67** | **–59** | **–16** | **–12** |

1) The audit has been performed in a mutual process with the internal audit team of SEB. The cost for internal audit is SEK 117m (121).
2) The parent company includes the foreign branches.

## 11 Depreciation, amortisation and impairments of tangible and intangible assets

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Depreciation tangible assets | –628 | –689 | –4,819 | –382 |
| Amortisation intangible assets | –223 | –191 | –28 | –17 |
| Amortisation of deferred acquisition costs | –494 | –404 | | |
| Impairment tangible assets | –9 | –3 | | |
| **Total** | **–1,354** | **–1,287** | **–4,847** | **–399** |

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 five years. Properties are depreciated according to plan.

## 12 Gains less losses from tangible and intangible assets

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Properties[1] | 791 | 92 | 3 | 3 |
| Other tangible assets | 5 | 5 | 3 | 1 |
| **Capital gains** | **796** | **97** | **6** | **4** |
| Properties | | –18 | | |
| Other tangible assets | –8 | –9 | –945 | |
| **Capital losses** | **–8** | **–27** | **–945** | |
| **Total** | **788** | **70** | **–939** | **4** |

1) Includes gain of SEK 785m on sale of properties in the Baltics in 2007.

## 13 Net credit losses incl changes in value of seized assets

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Net credit losses | –1,021 | –703 | –24 | –134 |
| Change in value of seized assets | 5 | –15 | | |
| **Total** | **–1,016** | **–718** | **–24** | **–134** |

**Net credit losses (Impairments)**

| | | | | |
|---|---|---|---|---|
| Provisions: | | | | |
| Net collective provisions | –390 | –108 | 38 | –138 |
| Specific provisions | –653 | –888 | –51 | –46 |
| Reversal of specific provisions no longer required | 405 | 544 | 25 | 36 |
| Net provisions for contingent liabilities | 8 | 31 | | |
| **Net provisions** | **–630** | **–421** | **12** | **–148** |
| Write-offs: | | | | |
| Total write-offs | –1,395 | –1,308 | –160 | –265 |
| Reversal of specific provisions utilized for write-offs | 711 | 704 | 53 | 182 |
| Write-offs not previously provided for | –684 | –604 | –107 | –83 |
| Recovered from previous write-offs | 293 | 322 | 71 | 97 |
| **Net write-offs** | **–391** | **–282** | **–36** | **14** |
| **Total** | **–1,021** | **–703** | **–24** | **–134** |

**Change in value of seized assets**

| | | | | |
|---|---|---|---|---|
| Properties taken over | | | | |
| Other assets taken over | 5 | 4 | | |
| **Realised change in value** | **5** | **4** | | |
| Properties taken over | 4 | –14 | | |
| Other assets taken over | –4 | –5 | | |
| **Unrealised change in value** | | **–19** | | |
| **Total** | **5** | **–15** | | |

## 14 Appropriations

| | Parent company | |
|---|---|---|
| | 2007 | 2006 |
| Recovery of imputed pension premiums | 362 | 345 |
| Compensation from pension funds, pension disbursements | 782 | 708 |
| Pension disbursements | –782 | –710 |
| **Pension compensation** | **362** | **343** |
| Appropriations to/utilisation of untaxed reserves | | |
| Accelerated tax depreciation | –520 | –688 |
| **Appropriations** | **–520** | **–688** |
| **Total** | **–158** | **–345** |

## 15 Income tax expense

| | Group | | Parent company | |
|---|---|---|---|---|
| **Major components of tax expense** | 2007 | 2006 | 2007 | 2006 |
| Current tax | –2,491 | –2,342 | –755 | –667 |
| Deferred tax | –804 | –1,234 | 209 | –491 |
| Tax for current year | –3,295 | –3,576 | –546 | –1,158 |
| Current tax for previous years | –81 | 637 | –45 | 467 |
| **Income tax expense** | **–3,376** | **–2,939** | **–591** | **–691** |

**Relationship between tax expenses and accounting profit**

| | | | | |
|---|---|---|---|---|
| Net profit | 13,642 | 12,623 | 7,485 | 4,162 |
| Income tax expense | 3,376 | 2,939 | 591 | 691 |
| **Accounting profit before tax** | **17,018** | **15,562** | **8,076** | **4,853** |
| Current tax at Swedish statutory rate of 28 per cent | –4,765 | –4,357 | –2,261 | –1,356 |
| Tax effect relating to other tax rates in other jurisdictions | 196 | –47 | | |
| Tax effect relating to not tax deductible expenses | –474 | –475 | –285 | –546 |
| Tax effect relating to non taxable income | 1,593 | 1,072 | 1,791 | 672 |
| Tax effect relating to a previously recognised tax loss, tax credit or temporary difference | 830 | 1,390 | | 563 |
| Tax effect relating to a previously unrecognised tax loss, tax credit or temporary difference | 129 | 75 | | |
| **Current tax** | **–2,491** | **–2,342** | **–755** | **–667** |
| Tax effect relating to origin and reversal of tax losses, tax credits and temporary differences | –830 | –1,390 | 209 | –491 |
| Tax effect relating to changes in tax rates or the imposition of new taxes | –161 | –11 | | |
| Tax effect relating to a previously unrecognised tax loss, tax credit or temporary difference | 224 | 158 | | |
| Tax effect relating to impairment or reversal of previous impairments of a deferred tax asset | –37 | 9 | | |
| **Deferred tax** | **–804** | **–1,234** | **209** | **–491** |
| **Current tax for previous years** | **–81** | **637** | **–45** | **467** |
| **Income tax expense** | **–3,376** | **–2,939** | **–591** | **–691** |

In 2007 the income tax rate in Denmark was reduced from 28 per cent to 25. The decision was taken in the second quarter of 2007 with retroactive effect from the beginning of 2007. Also in Germany the income tax rate was reduced from approximately 40 per cent to approximately 32. The decision was taken in third quarter with effect from January 2008.

See also note 28 for current and deferred tax assets and note 34 for current and deferred tax liabilities.

**Deferred tax income and expense recognised in income statement**

| | | | | |
|---|---|---|---|---|
| Accelerated tax depreciation | –351 | –332 | | |
| Pension plan assets, net | –146 | –140 | | |
| Unrealised profits in financial assets at fair value | 211 | –662 | | |
| Other temporary differences | –518 | –100 | 209 | –491 |
| **Total** | **–804** | **–1,234** | **209** | **–491** |

## 16 Earnings per share

| | Group | |
|---|---|---|
| | 2007 | 2006 |
| Net profit attributable to equity holders, SEKm | 13,618 | 12,605 |
| Weighted average number of shares, millions | 682 | 673 |
| Basic earnings per share, SEK | 19.97 | 18.72 |

| | | |
|---|---|---|
| Net profit attributable to equity holders, SEKm | 13,618 | 12,605 |
| Weighted average number of diluted shares, millions | 685 | 680 |
| Diluted earnings per share, SEK | 19.88 | 18.53 |

## 17 Risk disclosure

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 34–41 of the Report of the directors), which also forms part of the financial statements. The Group manages the liquidity risk and financing based on the possibility of a negative deviation from an expected financial outcome.

**17a Liquidity risk**

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 include 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 2007

| **Financial liabilities (contractual maturity dates)** | < 3 months | 3 < 12 months | 1 < 5 years | 5 years < | **Total** |
|---|---|---|---|---|---|
| Deposits by credit institutions | 379,588 | 16,778 | 7,466 | 17,516 | **421,348** |
| Deposits and borrowing from the public | 638,359 | 30,897 | 24,929 | 56,296 | **750,481** |
| Liabilities to policyholders | | | | 135,937 | **135,937** |
| Debt securities | 136,173 | 166,214 | 200,781 | 7,396 | **510,564** |
| Financial liabilities at fair value | 135,421 | | | | **135,421** |
| Trade and client payables | 33,940 | | | | **33,940** |
| Subordinated liabilities | 288 | | 1,273 | 42,428 | **43,989** |
| **Total** | **1,323,769** | **213,889** | **234,449** | **259,573** | **2,031,680** |
| **Other liabilities (non-financial)** | **5,567** | **1,101** | | **89,979** | **96,647** |
| **Off-balance sheet items** | | | | | |
| Loan commitments | 295,590 | | | | **295,590** |
| Acceptances and other financial facilitites | 66,984 | | | | **66,984** |
| Operating lease commitments | | 1,261 | 3,584 | 2,067 | **6,912** |
| **Total** | **362,574** | **1,261** | **3,584** | **2,067** | **369,486** |
| **Total liabilities and off-balance sheet items** | **1,691,910** | **216,251** | **238,033** | **351,619** | **2,497,813** |
| **Total financial assets (contractual maturity dates)**[1)] | **1,042,451** | **139,317** | **404,026** | **560,684** | **2,146,478** |
| **Derivatives** | | | | | |
| Currency-related | 696,561 | 174,008 | 34,215 | 113 | **904,897** |
| Interest-related | 18,895 | 32,405 | 92,645 | 14,545 | **158,490** |
| **Total derivative outflows** | **715,456** | **206,413** | **126,860** | **14,658** | **1,063,387** |
| **Total derivative inflows** | **715,007** | **206,057** | **125,249** | **14,558** | **1,060,871** |

GROUP'S CASH LIQUIDITY 2006

| **Financial liabilities (contractual maturity dates)** | < 3 months | 3 < 12 months | 1 < 5 years | 5 years < | **Total** |
|---|---|---|---|---|---|
| Deposits by credit institutions | 328,076 | 18,283 | 7,395 | 14,572 | **368,326** |
| Deposits and borrowing from the public | 553,233 | 19,037 | 29,989 | 41,590 | **643,849** |
| Liabilities to policyholders | | | | 120,127 | **120,127** |
| Debt securities | 74,722 | 139,856 | 169,682 | 10,097 | **394,357** |
| Financial liabilities at fair value | 84,942 | | | | **84,942** |
| Trade and client payables | 12,479 | | | | **12,479** |
| Subordinated liabilities | 226 | | 4,957 | 38,492 | **43,675** |
| **Total** | **1,053,678** | **177,176** | **212,023** | **224,878** | **1,667,755** |
| **Other liabilities (non-financial)** | **2,876** | **1,036** | | **83,592** | **87,504** |
| **Off-balance sheet items** | | | | | |
| Loan commitments | 263,239 | | | | **263,239** |
| Acceptances and other financial facilitites | 60,156 | | | | **60,156** |
| Operating lease commitments | | 1,298 | 3,753 | 2,234 | **7,285** |
| **Total** | **323,395** | **1,298** | **3,753** | **2,234** | **330,680** |
| **Total liabilities and off-balance sheet items** | **1,379,949** | **179,510** | **215,776** | **310,704** | **2,085,939** |
| **Total financial assets (contractual maturity dates)**[1)] | **716,400** | **105,312** | **289,940** | **484,457** | **1,596,109** |

Note 17 ctd. Risk disclosure

PARENT COMPANY'S CASH LIQUIDITY 2007

| Financial liabilities (contractual maturity dates) | < 3 months | 3 < 12 months | 1 < 5 years | 5 years < | Total |
|---|---|---|---|---|---|
| Deposits by credit institutions | 344,805 | 18,483 | 902 | 3,509 | **367,699** |
| Deposits and borrowing from the public | 384,956 | 6,777 | 2,709 | 18,057 | **412,499** |
| Debt securities | 129,144 | 152,881 | 123,235 | 2,742 | **408,002** |
| Financial liabilities at fair value | 121,687 | | | | **121,687** |
| Trade and client payables | 32,369 | | | | **32,369** |
| Subordinated liabilities | 300 | | 1,273 | 41,473 | **43,046** |
| **Total** | **1,013,261** | **178,141** | **128,119** | **65,781** | **1,385,302** |
| **Other liabilities (non-financial)** | **128** | **46** | | | **174** |
| **Off-balance sheet items** | | | | | |
| Loan commitments | 186,479 | | | | **186,479** |
| Acceptances and other financial facilitites | 50,909 | | | | **50,909** |
| Operating lease commitments | | 535 | 1,516 | 1,693 | **3,744** |
| **Total** | **237,388** | **535** | **1,516** | **1,693** | **241,132** |
| **Total liabilities and off-balance sheet items** | **1,250,777** | **178,722** | **129,635** | **67,474** | **1,626,608** |
| **Total financial assets (contractual maturity dates)[1)]** | **785,606** | **74,700** | **350,309** | **80,875** | **1,291,490** |
| **Derivatives** | | | | | |
| Currency-related | 624,825 | 113,641 | 22,373 | 108 | **760,947** |
| Interest-related | 12,840 | 30,412 | 91,899 | 12,840 | **147,991** |
| **Total derivative outflows** | **637,665** | **144,053** | **114,272** | **12,948** | **908,938** |
| **Total derivative inflows** | **637,148** | **144,065** | **112,389** | **13,129** | **906,731** |

PARENT COMPANY'S CASH LIQUIDITY 2006

| Financial liabilities (contractual maturity dates) | < 3 months | 3 < 12 months | 1 < 5 years | 5 years < | Total |
|---|---|---|---|---|---|
| Deposits by credit institutions | 313,982 | 16,736 | 213 | 3,185 | **334,116** |
| Deposits and borrowing from the public | 365,211 | 5,703 | 4,103 | 15,068 | **390,085** |
| Debt securities | 59,006 | 68,365 | 45,630 | 955 | **173,956** |
| Financial liabilities at fair value | 79,730 | | | | **79,730** |
| Trade and client payables | 10,900 | | | | **10,900** |
| Subordinated liabilities | 422 | | 1,355 | 40,923 | **42,700** |
| **Total** | **829,251** | **90,804** | **51,301** | **60,131** | **1,031,487** |
| **Other liabilities (non-financial)** | **1,171** | **225** | | | **1,396** |
| **Off-balance sheet items** | | | | | |
| Loan commitments | 164,392 | | | | **164,392** |
| Acceptances and other financial facilitites | 55,721 | | | | **55,721** |
| Operating lease commitments | | 647 | 1,667 | 2,082 | **4,396** |
| **Total** | **220,113** | **647** | **1,667** | **2,082** | **224,509** |
| **Total liabilities and off-balance sheet items** | **1,050,535** | **91,676** | **52,968** | **62,213** | **1,257,392** |
| **Total financial assets (contractual maturity dates)[1)]** | **651,668** | **44,249** | **233,174** | **66,365** | **995,456** |

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** | 2007 | 2006 | 2007 | 2006 |
| Financial assets at fair value[1)] | 525,738 | 493,764 | 367,985 | 351,996 |
| Available-for-sale financial assets | 170,137 | 116,630 | 62,085 | 22,411 |
| Investments in associates[2)] | 833 | 690 | 815 | 690 |
| **Total** | **696,708** | **611,084** | **430,885** | **375,097** |
| | | | | |
| **Financial liabilities at fair value** | | | | |
| Financial lialibilities at fair value | 216,390 | 151,032 | 201,761 | 141,809 |
| Debt securities[3)] | 26,512 | 6,873 | 20,145 | 6,873 |
| **Total** | **242,902** | **157,905** | **221,906** | **148,682** |

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** | | | | |
|---|---|---|---|---|
| Quoted market prices | 114,965 | 82,964 | 72,563 | 47,228 |
| Valuation techniques – market observable input | 581,393 | 527,668 | 358,021 | 327,417 |
| Equities carried at cost | 350 | 452 | 301 | 452 |
| **Total** | **696,708** | **611,084** | **430,885** | **375,097** |
| | | | | |
| **Fair value measurement – liabilities** | | | | |
| Quoted market prices | 53,270 | 28,771 | 51,366 | 28,594 |
| Valuation techniques – market observable input | 189,632 | 129,134 | 170,540 | 120,088 |
| **Total** | **242,902** | **157,905** | **221,906** | **148,682** |

**Quoted market prices**
For financial instruments traded in active markets fair values are based on quoted market prices or dealer price quotations.

**Valuation techniques with market observable input**
Valuation techniques are used to estimate fair values incorporating 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.

*Fixed income securities portfolios:* As a consequense of increased credit spreads in the fixed income securities portfolio and the subsequent decrease in market activity the Group has identified additional external sources for market quotes and continued to fair value the portfolio using market observable input. To a limited extent reference instruments with substantially the same underlying risk and structure are used to estimate fair value. The valuation technique together with the judgement involved in evaluating and reviewing third party quotes and establishing reference instruments are developed to ensure that the fair values recognised on the balance sheet and the changes in fair values recorded in the income statement and in equity reflect the underlying economics. Credit spread risk is the risk that the credit spread premium embedded in the price of a security changes and thus impacts the price of the instrument independently of changes in the so called risk free interest rate. The fixed income securities portfolio has an inherent credit spread sensitivity of 25,6 MSEK that will affect the profit and loss and 13,3 MSEK that will affect equity if the credit spreads change one basis point (0,01%).

*Derivatives:* SEB uses widely recognised valuation techniques demonstrated to provide reliable fair values of financial derivative instruments, such as forwards, options and swaps, with use of market observable inputs.

**Valuation techniques with non-market observable input**
The Group has no assets nor liabilities where the bank applies a valuation technique without incorporating market input.

## 19 Cash and cash balances with central banks

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Cash | 5,020 | 4,184 | 1,550 | 1,430 |
| Balances with foreign Central Banks | 91,851 | 7,130 | 208 | 398 |
| **Total** | **96,871** | **11,314** | **1,758** | **1,828** |

## 20 Loans to credit institutions

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Remaining maturity | | | | |
| – payable on demand | 98,114 | 62,437 | 138,009 | 87,366 |
| – maximum 3 months | 130,843 | 88,317 | 103,601 | 102,177 |
| – more than 3 months but maximum 1 year | 11,246 | 5,773 | 9,825 | 15,626 |
| – more than 1 year but maximum 5 years | 11,836 | 15,196 | 93,709 | 143,242 |
| – more than 5 years | 9,619 | 7,616 | 10,564 | 12,317 |
| Accrued interest | 1,354 | 1,139 | 1,774 | 887 |
| **Total** | **263,012** | **180,478** | **357,482** | **361,615** |
| of which repos | 97,213 | 82,867 | 82,249 | 77,281 |
| | | | | |
| Average remaining maturity (years) | 0.58 | 0.76 | 1.14 | 1.60 |

## 21 Loans to the public

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Remaining maturity | | | | |
| – payable on demand | 133,161 | 152,061 | 111,480 | 55,048 |
| – maximum 3 months | 191,477 | 199,393 | 139,903 | 111,843 |
| – more than 3 months but maximum 1 year | 111,056 | 94,501 | 63,062 | 27,138 |
| – more than 1 year but maximum 5 years | 345,684 | 257,114 | 256,600 | 89,932 |
| – more than 5 years | 280,951 | 243,574 | 62,531 | 49,168 |
| Accrued interest | 5,012 | 4,218 | 3,562 | 3,433 |
| **Total** | **1,067,341** | **950,861** | **637,138** | **336,562** |
| of which repos | 130,363 | 112,425 | 120,744 | 112,210 |
| Average remaining maturity (years) | 3.71 | 3.48 | 2.28 | 2.38 |

**Financial leases**

| | | |
|---|---|---|
| Book value | 73,104 | 62,761 |
| Gross investment | 89,151 | 77,728 |
| Present value of minimum lease payment receivables | 74,075 | 63,673 |
| Unearned finance income | 16,047 | 14,967 |
| Reserve for impaired uncollectable minimum lease payments | –50 | –105 |

| | Group, 2007 | | | Group, 2006 | | |
|---|---|---|---|---|---|---|
| | Book value | Gross investment | Present value | Book value | Gross investment | Present value |
| Remaining maturity | | | | | | |
| – maximum 1 year | 5,668 | 5,342 | 5,903 | 5,678 | 6,784 | 5,712 |
| – more than 1 year but maximum 5 years | 35,274 | 43,861 | 38,153 | 29,455 | 35,353 | 29,854 |
| – more than 5 years | 32,162 | 39,948 | 30,019 | 27,628 | 35,591 | 28,107 |
| **Total** | **73,104** | **89,151** | **74,075** | **62,761** | **77,728** | **63,673** |

The largest lease engagement amounts to 5.4 billion SEK (5.5).

## 22 Financial assets at fair value

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Securities held for trading | 348,888 | 343,535 | 285,036 | 287,545 |
| Derivatives held for trading | 85,395 | 65,212 | 80,966 | 63,001 |
| Derivatives used for hedging | 2,777 | 2,660 | 1,871 | 1,290 |
| Fair value changes of hedged items in a portfolio hedge | –641 | 283 | | |
| Financial assets – policyholders bearing the risk | 135,485 | 120,524 | | |
| Insurance assets designated at fair value | 88,020 | 80,629 | | |
| Other financial assets designated at fair value | 1,299 | 1,445 | 112 | 160 |
| **Financial assets at fair value** | **661,223** | **614,288** | **367,985** | **351,996** |

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**

| | | | | |
|---|---|---|---|---|
| Equity instruments | 55,843 | 31,637 | 43,472 | 22,634 |
| Eligible debt instruments[1] | 84,888 | 108,900 | 33,641 | 51,424 |
| Other debt instruments[1] | 205,002 | 200,342 | 205,538 | 211,255 |
| Accrued interest | 3,155 | 2,656 | 2,385 | 2,232 |
| **Total** | **348,888** | **343,535** | **285,036** | **287,545** |

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** | 2007 | 2006 | 2007 | 2006 |
| Positive replacement values of interest-related derivatives | 41,259 | 38,634 | 39,302 | 37,399 |
| Positive replacement values of currency-related derivatives | 30,085 | 25,053 | 29,189 | 24,187 |
| Positive replacement values of equity-related derivatives | 10,722 | 1,525 | 9,329 | 1,415 |
| Positive replacement values of other derivatives | 3,329 | | 3,146 | |
| **Total** | **85,395** | **65,212** | **80,966** | **63,001** |
| **Derivatives used for hedging** | | | | |
| Fair value hedges | 1,036 | 1,506 | 947 | 877 |
| Cash flow hedges | 893 | 413 | 924 | 413 |
| Portfolio hedges for interest rate risk | 848 | 741 | | |
| **Total** | **2,777** | **2,660** | **1,871** | **1,290** |
| **Insurance assets designated at fair value** | | | | |
| Equity instruments | 20,889 | 18,010 | | |
| Other debt instruments[1] | 66,315 | 61,932 | | |
| Accrued interest | 816 | 687 | | |
| **Total** | **88,020** | **80,629** | | |

1) See note 41 for maturity and note 42 for issuers.

| **Other financial assets designated at fair value** | | | | |
|---|---|---|---|---|
| Equity instruments | 997 | 704 | 112 | 160 |
| Eligible debt instruments[1] | 20 | 42 | | |
| Other debt instruments[1] | 282 | 699 | | |
| **Total** | **1,299** | **1,445** | **112** | **160** |

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 policyholder 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. The fair values on those liabilities, designated at fair value to profit or loss, have not been affected by changes in credit risk. See also note 31.

## 23 Available-for-sale financial assets

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Equity instruments at cost | 289 | 439 | 289 | 439 |
| Equity instruments at fair value | 1,484 | 1,838 | 853 | 879 |
| Eligible debt instruments[1] | 113,230 | 84,085 | 7,780 | 5,907 |
| Other debt instruments[1] | 53,732 | 29,078 | 52,779 | 14,818 |
| Seized shares | 39 | 42 | 13 | 14 |
| Accrued interest | 1,363 | 1,148 | 371 | 354 |
| **Total** | **170,137** | **116,630** | **62,085** | **22,411** |

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 | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Eligible debt instruments[1] | 1 | 1 | | |
| Other debt instruments[1] | 1,770 | 2,207 | 3,322 | 3,820 |
| Accrued interest | 27 | 23 | 26 | 4 |
| **Total** | **1,798** | **2,231** | **3,348** | **3,824** |

1) See note 41 for maturity and note 42 for issuers.

## 25 Investments in associates

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Strategic investments | 424 | 395 | 248 | 369 |
| Venture capital holdings | 833 | 690 | 815 | 690 |
| **Total** | **1,257** | **1,085** | **1,063** | **1,059** |

| Strategic investments | Assets | Liabilities | Revenues | Profit or loss | Book value | Ownership, % |
|---|---|---|---|---|---|---|
| Bankomatcentralen AB, Stockholm | 1 | | | | 0 | 22 |
| Bankpension AB, Stockholm | | | | | 10 | 40 |
| BDB Bankernas Depå AB, Stockholm | | | | | 7 | 20 |
| BGC Holding AB, Stockholm | 247 | 85 | 836 | 53 | 4 | 33 |
| Föreningen Bankhälsan i Stockholm, Stockholm | | | | | 4 | 33 |
| Privatgirot AB, Stockholm | 0 | 0 | 127 | 2 | 0 | 24 |
| SSI Search Ltd, Sutton | 10 | 9 | 4 | 1 | 17 | 50 |
| Upplysningscentralen UC AB, Stockholm | 210 | 203 | 356 | 17 | 0 | 27 |
| NCSD Holding AB, Stockholm (former VPC) | 1,614 | 582 | 840 | 217 | 206 | 25 |
| **Parent company holdings** | | | | | **248** | |
| **Holdings of subsidiaries** | | | | | **34** | |
| **Group adjustments** | | | | | **142** | |
| **Group holdings** | | | | | **424** | |

| | 2007 | | 2006 | |
|---|---|---|---|---|
| **Venture capital holdings** | Book value | Ownership, % | Book value | Ownership, % |
| 3nine AB, Stockholm | 20 | 27 | 19 | 27 |
| Airsonett AB, Ängelholm | 15 | 16 | | |
| Ascade Holding AB, Stockholm | 51 | 42 | 46 | 41 |
| Askembla Growth Fund KB, Stockholm | 140 | 25 | 115 | 25 |
| Capres A/S, Copenhagen | 26 | 23 | 18 | 22 |
| Cobolt AB, Stockholm | 37 | 40 | 37 | 40 |
| Crossroad Loyalty Solutions AB, Gothenburg | 13 | 30 | 13 | 30 |
| Datainnovation i Lund AB, Lund | 23 | 42 | 18 | 39 |
| Emers Holdings AB, Huddinge | 40 | 23 | 39 | 19 |
| Exdex Förvaltning AB, Stockholm (former InDex Diagnostics AB) | 13 | 25 | 23 | 25 |
| Fält Communications AB, Umeå | 23 | 46 | 23 | 46 |
| InDex Pharmaceuticals AB, Stockholm | 15 | 45 | 15 | 45 |
| KMW Energi AB, Norrtälje | 28 | 27 | | |
| Matrix AB, Stockholm | 21 | 48 | 16 | 47 |
| Neoventa Holding AB, Gothenburg | 51 | 30 | 45 | 33 |
| NuEvolution A/S, Copenhagen | 29 | 40 | 34 | 46 |
| Oligovation AB, Uppsala | | | 0 | 35 |
| Phaseln AB, Stockholm | 44 | 43 | 34 | 42 |
| Prodacapo AB, Örnsköldsvik | 16 | 16 | 16 | 16 |
| ProstaLund AB, Lund | 32 | 30 | 65 | 31 |
| Quickcool AB, Lund | 5 | 9 | | |
| Sanos Bioscience A/S, Herlev | 41 | 30 | 34 | 28 |
| Scandinova Systems AB, Uppsala | 22 | 29 | 16 | 26 |
| Scibase AB, Stockholm | 40 | 28 | 22 | 27 |
| Signal Processing Devices Sweden AB, Linköping | 16 | 34 | | |
| Tail-f Systems AB, Stockholm | 27 | 39 | 17 | 32 |
| Time Care AB, Stockholm | 23 | 42 | 21 | 38 |
| Zealcore Embedded Solutions, Västerås | 4 | 16 | 4 | 16 |
| **Parent company holdings** | **815** | | **690** | |
| **Group adjustments** | **18** | | | |
| **Group holdings** | **833** | | **690** | |

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 | |
|---|---|---|
| | 2007 | 2006 |
| Swedish subsidiaries | 15,670 | 25,696 |
| Foreign subsidiaries | 36,266 | 29,610 |
| **Total** | **51,936** | **55,306** |
| of which holdings in credit institutions | 37,167 | 40,655 |

| | 2007 | | | 2006 | | |
|---|---|---|---|---|---|---|
| **Swedish subsidiaries** | Book value | Dividend | Ownership, % | Book value | Dividend | Ownership, % |
| Aktiv Placering AB, Stockholm | 38 | | | 38 | | 100 |
| Enskilda Juridik AB, Stockholm | | | | 0 | | 100 |
| Enskilda Kapitalförvaltning SEB AB, Stockholm | 0 | | 100 | 0 | | 100 |
| Försäkringsaktiebolaget Skandinaviska Enskilda Captive, Stockholm | 100 | | 100 | 100 | | 100 |
| Parkeringshuset Lasarettet HGB KB, Stockholm | 0 | | | | | |
| PM Leasing AB, Stockholm | 0 | | 100 | | | |
| Repono Holding AB, Stockholm | 5,406 | | 100 | 5,407 | | 100 |
| SEB AB, Stockholm | 6,076 | 1,050 | 100 | 6,076 | | 100 |
| SEB Baltic Holding AB, Stockholm | 13 | | 100 | 13 | | 100 |
| SEB BoLån AB, Stockholm | | | | 9,881 | | 100 |
| SEB Fastighetsservice AB, Stockholm | | | | 0 | | 100 |
| SEB Finans AB, Stockholm | | | | 145 | | 100 |
| SEB Fonder AB, Stockholm | 642 | | 100 | 642 | | 100 |
| SEB Förvaltnings AB, Stockholm | 5 | | 100 | 5 | | 100 |
| SEB Internal Supplier AB, Stockholm | 12 | | 100 | 12 | | 100 |
| SEB Kort AB, Stockholm | 2,260 | 787 | 100 | 2,260 | | 100 |
| SEB Portföljförvaltning AB, Stockholm | 1,115 | 60 | 100 | 1,115 | 30 | 100 |
| SEB Strategic Investments AB, Stockholm | 1 | | 100 | 1 | | 100 |
| Skandic Projektor AB, Stockholm | 1 | | 100 | | | |
| Skandinaviska Kreditaktiebolaget, Stockholm | 0 | | 100 | 0 | | 100 |
| Team SEB AB, Stockholm | 1 | | 100 | 1 | | 100 |
| **Total** | **15,670** | **1,897** | | **25,696** | **30** | |
| **Foreign subsidiaries** | | | | | | |
| FinansSkandic Leasing (SEA) Pte Ltd, Singapore | | | 100 | | | 100 |
| Interscan Servicos de Consultoria Ltda, São Paulo | | | 100 | | | 100 |
| Möller Bilfinans AS, Oslo | 57 | | 51 | | | |
| Njord AS, Oslo | | | 100 | | | |
| OJSB Factorial Bank, Kharkiv | 760 | | 98 | | | |
| OJSC SEB Bank, Kiev | 318 | | 100 | 270 | | 100 |
| SEB AG, Frankfurt am Main | 20,007 | 425 | 100 | 19,292 | 770 | 100 |
| SEB Asset Management America Inc, Stamford | 20 | | 100 | 23 | | 100 |
| SEB Asset Management Fondmæglerselskab A/S, Copenhagen | | 115 | 100 | 128 | | 100 |
| SEB Asset Management Norge AS, Oslo | 12 | | 100 | 11 | | 100 |
| SEB Asset Management S.A., Luxembourg | 5 | 52 | 100 | | | |
| SEB Bank JSC, St Petersburg (former PetroEnergobank) | 123 | | 100 | 126 | | 100 |
| SEB Eesti Ühispank, AS, Tallinn | 1,540 | | 100 | 1,348 | | 100 |
| SEB Enskilda ASA, Oslo | 687 | 447 | 100 | 522 | | 100 |
| SEB Enskilda Inc., New York | 13 | | 100 | 18 | | 100 |
| SEB Ensklida Corporate Finance Oy Ab, Helsinki | 5 | | 65 | | | |
| SEB Fund Service S.A., Luxembourg | 49 | | 100 | 22 | | 100 |
| SEB Gyllenberg Asset Management Ab, Helsinki (former SEB Gyllenberg Ab) | 514 | 84 | 100 | 492 | 51 | 100 |
| SEB Gyllenberg Fondbolag Ab, Helsinki | 18 | | 100 | | | |
| SEB Gyllenberg Private Bank Ab, Helsinki | 66 | | 100 | | | |
| SEB Hong Kong Trade Services Ltd, Hong Kong | | | 100 | | | 100 |
| SEB IT Partner Estonia OÜ, Tallinn | | | 65 | | | 65 |
| SEB Latvijas Unibanka, AS, Riga[1)] | 697 | | 100 | 617 | | 100 |
| SEB Leasing Oy, Helsinki | 4,019 | | 100 | | | |
| SEB NET S.L., Barcelona | | | 100 | | | 100 |
| SEB Privatbanken ASA, Oslo | 1,383 | 331 | 100 | 1,281 | 34 | 100 |
| SEB Strategic Investments.B.V., Amsterdam | | | | 1 | | 100 |
| SEB TFI SA (Towarzystwo Funduszy Inwestycyjnych), Warsaw | 36 | 173 | 100 | 24 | 31 | 100 |
| SEB Vilniaus Bankas, AB, Vilnius[1)] | 2,003 | | 100 | 1,777 | | 100 |
| Skandinaviska Enskilda Banken South East Asia Ltd, Singapore | | | | | 68 | 100 |
| Skandinaviska Enskilda Banken A/S, Copenhagen | 1,913 | 94 | 100 | 1,662 | | 100 |
| Skandinaviska Enskilda Banken Corporation, New York | 113 | | 100 | 121 | | 100 |
| Skandinaviska Enskilda Banken S.A., Luxembourg | 1,299 | 160 | 100 | 1,218 | 153 | 100 |
| Skandinaviska Enskilda Ltd, London | 609 | 64 | 100 | 657 | 211 | 100 |
| **Total** | **36,266** | **1,945** | | **29,610** | **1,318** | |

Information about the corporate registration numbers and numbers of shares of the subsidiaries is available upon request.

1) In 2006 SEB initiated a compulsory redemption process for the remaining shares.

Osprey and Three Crowns, which according to AACS were not regarded as subsidiaries since an ownership was lacking, were accounted for as special purpose entities (SPE:s) before they were dissolved in 2007.

## 27 Tangible and intangible assets

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Goodwill | 12,419 | 11,668 | 523 | 523 |
| Deferred acquisition costs | 3,027 | 2,845 | | |
| Other Intangible assets | 1,448 | 1,059 | 369 | 111 |
| **Intangible assets** | **16,894** | **15,572** | **892** | **634** |
| Office, IT and other tangible assets | 1,398 | 1,411 | 278 | 202 |
| Equipment leased to clients[1] | | | 34,325 | 14,552 |
| Properties for own operations | 1,143 | 805 | 2 | 9 |
| Properties taken over for protection of claims | 23 | 86 | | |
| **Property and equipment** | **2,564** | **2,302** | **34,605** | **14,763** |
| Investment properties recognised at cost | 201 | 629 | | |
| Investment properties recognised at fair value through profit and loss | 5,038 | 4,411 | | |
| **Investment properties** | **5,239** | **5,040** | | |
| **Total** | **24,697** | **22,914** | **35,497** | **15,397** |

1) Equipment leased to clients are recognised as financial leases and presented as loans in the Group.

**Goodwill**

| | | | | |
|---|---|---|---|---|
| Opening balance | 11,668 | 11,773 | 523 | |
| Acquisitions during the year | 538 | 80 | | 523 |
| Reclassifications | –55 | –18 | | |
| Exchange rate differences | 268 | –167 | | |
| **Total** | **12,419** | **11,668** | **523** | **523** |

**Deferred acquisition costs**

| | | |
|---|---|---|
| Opening balance | 2,845 | 2,334 |
| Capitalisation of acquisition costs | 683 | 911 |
| Amortisation of acquisition costs | –494 | –404 |
| Reclassifications | –15 | 9 |
| Exchange rate differences | 8 | –5 |
| **Total** | **3,027** | **2,845** |

**Goodwill and intangible assets with indefinite lives**

Cash generating units with significant carrying amounts of goodwill and intangible assets with indefinite lives are SEB Kort with SEK 1,202m (1,122) in goodwill and SEK 120m (119) in intangible assets with indefinite lives and Enskilda Securities with SEK 865m (904) in goodwill. Goodwill in connection with the Trygg Hansa acquisition, SEK 5,721m (5,721), generates cash flows in Retail Banking Sweden, SEB Asset Management Sweden and SEB Trygg Liv Sweden. The goodwill has been allocated to these units for impairment testing. The carrying amounts of goodwill for Retail Banking Sweden is SEK 775m, SEB Asset Management Sweden SEK 2,769m and SEB Trygg Liv Sweden SEK 2,021m.

The impairment tests for the entities specified above have been based on their value in use with forecasted cash flows for a period of five years. The cash flows are determined based on historical performance and market trends for key assumptions such as growth and cost/income ratio. The growth rates used after five years are principally the expected long-term inflation rate, SEB Kort 2 per cent and Enskilda Securities 4 per cent and for the Trygg Hansa goodwill 3,5 per cent in average. The discount rate used for SEB Kort is 9 per cent, Enskilda Securites 8 percent and the Trygg Hansa goodwill 9 per cent. The assumptions here specified are for impairment test purposes only. 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.

**Acquisitions 2007**

During 2007 one minor acquisition was made, Factorial Bank, Ukraine. The purchase price was SEK 759m and goodwill was SEK 580m.

**Acquisitions 2006**

During 2006 only two minor acquisitions were made, PetroEnergoBank, Russia and PrimeManagement, Denmark. The purchase price was SEK 130m and goodwill was SEK 80m.

**Investment property**

The fair value model is used for valuation of investment property held in the insurance business. The cost model is used for other investment properties. Investment property recognised at fair value through profit and loss is owned by SEB Pension in Denmark. The valuation of the portfolio is done by independent valuers with experience in the market. The investment property valued at costs is held in Germany and the Baltic countries. The valuation is done at costs due to uncertain market conditions. The best possible estimation is that the market value would be close to the book value. The depreciation is done by the straight line method and is ranging over 20 to 50 years depending on classification as building or improvements to the building.

Note 27 ctd. Tangible and intangible assets

| | Group | | Parent company | |
|---|---|---|---|---|
| **Other intangible assets** | 2007 | 2006 | 2007 | 2006 |
| Opening balance | 2,906 | 2,810 | 217 | 157 |
| Acquisitions during the year | 561 | 201 | 286 | 60 |
| Group adjustment | 14 | | | |
| Reclassifications | –5 | | | |
| Sales during the year | –45 | –11 | | |
| Exchange rate differences | 115 | –94 | | |
| **Acquisition value** | **3,546** | **2,906** | **503** | **217** |
| | | | | |
| Opening balance | –1,847 | –1,721 | –106 | –89 |
| Current year's depreciations | –223 | –191 | –28 | –17 |
| Group adjustment | –2 | | | |
| Reclassifications | 5 | | | |
| Accumulated depreciations on current year's sales | 43 | 6 | | |
| Exchange rate differences | –74 | 59 | | |
| **Accumulated depreciations** | **–2,098** | **–1,847** | **–134** | **–106** |
| | | | | |
| **Total** | **1,448** | **1,059** | **369** | **111** |
| | | | | |
| **Office, IT and other tangible assets** | | | | |
| Opening balance | 7,116 | 7,132 | 2,467 | 1,993 |
| Acquisitions during the year | 591 | 620 | 179 | 114 |
| Group adjustment/Merger | 48 | 5 | 17 | 360 |
| Reclassifications | –4 | 24 | | |
| Sales during the year | –540 | –511 | | |
| Exchange rate differences | 156 | –154 | –20 | |
| **Acquisition value** | **7,367** | **7,116** | **2,643** | **2,467** |
| | | | | |
| Opening balance | –5,705 | –5,669 | –2,265 | –1,917 |
| Current year's depreciations | –577 | –619 | –85 | –79 |
| Current year's impairments | –1 | | | |
| Group adjustment/Merger | –18 | –2 | –15 | –270 |
| Reclassifications | 3 | –18 | | |
| Accumulated depreciations on current year's sales | 464 | 484 | | |
| Exchange rate differences | –135 | 119 | | 1 |
| **Accumulated depreciations** | **–5,969** | **–5,705** | **–2,365** | **–2,265** |
| | | | | |
| **Total** | **1,398** | **1,411** | **278** | **202** |
| | | | | |
| **Equipment leased to clients**[1] | | | | |
| Opening balance | | | 16,459 | 16,557 |
| Acquisitions during the year | | | 8,967 | –98 |
| Merger of SEB Finans | | | 28,354 | |
| Sales during the year | | | –7,679 | |
| **Acquisition value** | | | **46,101** | **16,459** |
| | | | | |
| Opening balance | | | –1,907 | –1,605 |
| Current year's depreciations | | | –4,734 | –302 |
| Merger of SEB Finans | | | –9,661 | |
| Accumulated depreciations on current year's sales | | | 4,526 | |
| **Accumulated depreciations** | | | **–11,776** | **–1,907** |
| | | | | |
| **Total** | | | **34,325** | **14,552** |

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** | 2007 | 2006 | 2007 | 2006 |
| Opening balance | 1,248 | 2,310 | 10 | 8 |
| Acquisitions during the year | 115 | 59 | | 2 |
| Appreciations during the year | 79 | | | |
| Group adjustment | 225 | 8 | | |
| Reclassifications | | –860 | | |
| Sales during the year | –40 | –189 | –7 | |
| Exchange rate differences | 26 | –80 | | |
| **Acquisition value** | **1,653** | **1,248** | **3** | **10** |
| Opening balance | –443 | –585 | –1 | –1 |
| Current year's depreciations | –35 | –42 | | |
| Current year's impairments | –10 | | | |
| Group adjustment | –8 | –1 | | |
| Reclassifications | –5 | 110 | | |
| Accumulated depreciations on current year's sales | 10 | 54 | | |
| Exchange rate differences | –19 | 21 | | |
| **Accumulated depreciations** | **–510** | **–443** | **–1** | **–1** |
| **Total** | **1,143** | **805** | **2** | **9** |
| Tax value, real properties | 2 | 5 | 2 | 5 |
| of which, buildings | 1 | 3 | 1 | 3 |

Tax value refers only to properties in Sweden.

| **Properties taken over for protection of claims** | | |
|---|---|---|
| Opening balance | 86 | 119 |
| Acquisitions during the year | 4 | 3 |
| Current year's impairments | | –15 |
| Sales during the year | –69 | –17 |
| Exchange rate differences | 2 | –4 |
| **Total** | **23** | **86** |

| **Net operating earnings from properties taken over for protection of claims** | | |
|---|---|---|
| External income | 3 | 3 |
| Operating costs | –2 | –2 |
| **Total** | **1** | **1** |

| **Investment properties recognised at cost** | | |
|---|---|---|
| Opening balance | 871 | 1,206 |
| Acquisitions during the year | 2 | 2 |
| Reclassifications | –4 | –210 |
| Sales during the year | –497 | –89 |
| Exchange rate differences | 29 | –38 |
| **Acquisition value** | **401** | **871** |
| Opening balance | –242 | –281 |
| Current year's depreciations | –16 | –28 |
| Current year's impairments | | –3 |
| Reclassifications | 1 | 29 |
| Accumulated depreciations on current year's sales | 67 | 31 |
| Exchange rate differences | –10 | 10 |
| **Accumulated depreciations** | **–200** | **–242** |
| **Total** | **201** | **629** |

| **Investment properties recognised at fair value through profit and loss** | | |
|---|---|---|
| Opening balance | 4,411 | 4,046 |
| Acquisitions during the year | 354 | 428 |
| Reclassifications | 3 | |
| Revaluation at fair value | 97 | 222 |
| Sales during the year | –36 | –137 |
| Exchange rate differences | 209 | –148 |
| **Total** | **5,038** | **4,411** |

| **Net operating earnings from investment properties** | | |
|---|---|---|
| External income | 317 | 287 |
| Operating costs[1)] | –97 | –107 |
| **Total** | **220** | **180** |

1) Direct operating expenses arising from investment property that did not generate rental income amounts to SEK 5m (7).

## 28 Other assets

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Current tax assets | 3,766 | 2,568 | 1,813 | 1,485 |
| Deferred tax assets | 845 | 1,121 | | 35 |
| Trade and client receivables | 25,377 | 11,277 | 23,625 | 9,694 |
| Other assets | 28,138 | 17,485 | 15,589 | 10,837 |
| **Other assets** | **58,126** | **32,451** | **41,027** | **22,051** |

**Current tax assets**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Other | 3,766 | 2,568 | 1,813 | 1,485 |
| **Recognised in profit and loss** | **3,766** | **2,568** | **1,813** | **1,485** |
| **Total** | **3,766** | **2,568** | **1,813** | **1,485** |

**Deferred tax assets**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Unrealised losses in financial assets at fair value | | 18 | | |
| Tax losses carry forwards | 612 | 544 | | |
| Other temporary differences[1)] | 54 | 579 | | 35 |
| **Recognised in profit and loss** | **666** | **1,141** | | **35** |
| Unrealised losses in available-for-sale financial assets | 179 | –20 | | |
| **Recognised in Shareholders' equity** | **179** | **–20** | | |
| **Total** | **845** | **1,121** | | **35** |

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 4,895m (3,661). 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 993 m (578).

**Trade and client receivables**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Trade receivables | 535 | 463 | | |
| Client receivables | 24,842 | 10,814 | 23,625 | 9,694 |
| **Total** | **25,377** | **11,277** | **23,625** | **9,694** |

**Other assets**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Pension plan assets, net | 4,565 | 4,146 | | |
| Reinsurers share of insurance provisions | 565 | 670 | | |
| Accrued interest income | 104 | 88 | | |
| Other accrued income | 1,722 | 1,600 | 1,771 | 820 |
| Prepaid expenses | 592 | 436 | | |
| Other | 20,590 | 10,545 | 13,818 | 10,017 |
| **Total** | **28,138** | **17,485** | **15,589** | **10,837** |

## 29 Deposits by credit institutions

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Remaining maturity | | | | |
| – payable on demand | 114,001 | 113,978 | 103,644 | 126,836 |
| – maximum 3 months | 262,593 | 211,752 | 238,867 | 185,401 |
| – more than 3 months but maximum 1 year | 16,778 | 18,283 | 18,483 | 16,736 |
| – more than 1 year but maximum 5 years | 7,466 | 7,395 | 902 | 213 |
| – more than 5 years | 17,516 | 14,572 | 3,509 | 3,185 |
| Accrued interest | 2,994 | 2,346 | 2,294 | 1,745 |
| **Total** | **421,348** | **368,326** | **367,699** | **334,116** |
| of which repos | 70,988 | 59,467 | 68,371 | 61,909 |
| Average remaining maturity (years) | 0.58 | 0.56 | 0.22 | 0.20 |

## 30 Deposits and borrowing from the public

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Deposits | 647,075 | 575,315 | 318,171 | 300,749 |
| Borrowing | 100,737 | 66,443 | 93,060 | 88,378 |
| Accrued interest | 2,669 | 2,091 | 1,268 | 958 |
| **Total** | **750,481** | **643,849** | **412,499** | **390,085** |

**Deposits**[1)]

| | | | | |
|---|---|---|---|---|
| Remaining maturity | | | | |
| – payable on demand | 410,695 | 382,215 | 318,171 | 300,749 |
| – maximum 3 months | 147,447 | 122,093 | | |
| – more than 3 months but maximum 1 year | 25,375 | 14,138 | | |
| – more than 1 year but maximum 5 years | 21,330 | 26,861 | | |
| – more than 5 years | 42,228 | 30,008 | | |
| **Total** | **647,075** | **575,315** | **318,171** | **300,749** |

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.

| | | | | |
|---|---|---|---|---|
| Average remaining maturity (years) | 0.80 | 0.70 | | |

**Borrowing**

| | | | | |
|---|---|---|---|---|
| Remaining maturity | | | | |
| – payable on demand | 28,812 | 15,865 | 15,859 | 24,494 |
| – maximum 3 months | 48,736 | 30,969 | 49,658 | 39,010 |
| – more than 3 months but maximum 1 year | 5,522 | 4,899 | 6,777 | 5,703 |
| – more than 1 year but maximum 5 years | 3,599 | 3,128 | 2,709 | 4,103 |
| – more than 5 years | 14,068 | 11,582 | 18,057 | 15,068 |
| **Total** | **100,737** | **66,443** | **93,060** | **88,378** |
| of which repos | 38,680 | 37,500 | 36,076 | 37,494 |
| Average remaining maturity (years) | 1.60 | 1.99 | 2.14 | 1.94 |

## 31 Liabilities to policyholders

| | Group | |
|---|---|---|
| | 2007 | 2006 |
| Liabilities to policyholders – investment contracts[1)] | 135,937 | 120,127 |
| Liabilities to policyholders – insurance contracts | 89,979 | 83,592 |
| **Total** | **225,916** | **203,719** |

1) Designated at fair value through profit and loss.

**Liabilities to policyholders – investment contracts***

| | | |
|---|---|---|
| Opening balance | 120,127 | 96,178 |
| Transfer of portfolios through divestments | | –706 |
| Reclassification from insurance contracts | 1,913 | 117 |
| Change in investment contract provisions[1)] | 13,343 | 24,833 |
| Exchange rate differences | 554 | –295 |
| **Total** | **135,937** | **120,127** |

1) Includes mainly premiums received during the year, change in value of investment funds less payments to policyholders and deduction of fees and policyholders tax.

* Insurance provisions where the policyholders are carrying the risk.

**Liabilities to policyholders – insurance contracts**

| | | |
|---|---|---|
| Opening balance | 83,592 | 89,185 |
| Transfer of portfolios through acquisitions/divestments | 7,474 | –241 |
| Reclassification to Investment contracts | –1,913 | –117 |
| Reclassification to Reinsurers' share | | 16 |
| Change in collective bonus provisions | –326 | 411 |
| Change in other insurance contract provisions[1)] | –2,364 | –2,613 |
| Exchange rate differences | 3,516 | –3,049 |
| **Total** | **89,979** | **83,592** |

1) Include mainly premiums received during the year, allocated guaranteed interest less payments to policyholders and deduction of fees and policyholders tax.

## 32 Debt securities

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Bond loans | 301,414 | 259,191 | 200,880 | 54,767 |
| Other issued securities | 202,085 | 129,631 | 201,950 | 117,521 |
| Accrued interest | 7,065 | 5,535 | 5,172 | 1,668 |
| **Total** | **510,564** | **394,357** | **408,002** | **173,956** |

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 26,512m (6,873), as at fair value through profit or loss, since they contain embedded derivatives. The corresponding amounts for the Parent company are SEK 20,145m (6,873). 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. Fair value on these financial liabilities has not been affected by changes in credit risk. This has been concluded by evaluating the bank's rating which has been stable. The Group's contractual liability is SEK 24,863m and for the Parent company SEK 18,729m.

**Bond loans**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Remaining maturity | | | | |
| – maximum 1 year | 100,230 | 86,315 | 81,895 | 15,007 |
| – more than 1 years but maximum 5 years | 194,643 | 162,779 | 117,097 | 38,805 |
| – more than 5 years but maximum 10 years | 6,035 | 7,501 | 1,342 | 571 |
| – more than 10 years | 506 | 2,596 | 546 | 384 |
| **Total** | **301,414** | **259,191** | **200,880** | **54,767** |
| Average remaining maturity (years) | 2.38 | 2.41 | 2.00 | 2.45 |

**Other issued securities**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Remaining maturity | | | | |
| – payable on demand | 4,416 | 2,128 | 4,483 | 2,124 |
| – maximum 3 months | 124,692 | 67,059 | 124,661 | 55,214 |
| – more than 3 months but maximum 1 year | 65,984 | 53,541 | 65,814 | 53,358 |
| – more than 1 year but maximum 5 years | 6,138 | 6,903 | 6,138 | 6,825 |
| – more than 5 years | 855 | | 854 | |
| **Total** | **202,085** | **129,631** | **201,950** | **117,521** |
| Average remaining maturity (years) | 0.41 | 0.48 | 0.41 | 0.52 |

## 33 Financial liabilities at fair value

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Trading derivatives | 79,211 | 60,343 | 78,408 | 60,693 |
| Derivatives used for hedging | 2,169 | 5,894 | 1,666 | 1,386 |
| Trading liabilities | 135,421 | 84,942 | 121,687 | 79,730 |
| Fair value changes of hedged items in portfolio hedge | –411 | –147 | | |
| **Total** | **216,390** | **151,032** | **201,761** | **141,809** |

Financial liabilities designated at fair value through profit or loss is specified in note 31 and 32.

**Trading derivatives**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Negative replacement values of interest-related derivatives | 39,359 | 33,637 | 38,343 | 35,608 |
| Negative replacement values of currency-related derivatives | 34,382 | 24,690 | 32,926 | 23,865 |
| Negative replacement values of equity-related derivatives | 5,390 | 1,976 | 7,061 | 1,220 |
| Negative replacement values of other derivatives | 80 | 40 | 78 | |
| **Total** | **79,211** | **60,343** | **78,408** | **60,693** |

**Derivatives used for hedging**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Fair value hedges | 952 | 3,080 | 950 | 1,284 |
| Cash flow hedges | 716 | 111 | 716 | 102 |
| Portfolio hedges for interest rate risk | 501 | 2,703 | | |
| **Total** | **2,169** | **5,894** | **1,666** | **1,386** |

**Trading liabilities**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Short positions in equity instruments | 18,845 | 3,746 | 18,461 | 3,744 |
| Short positions in debt instruments | 116,346 | 81,016 | 103,003 | 75,678 |
| Accrued interest | 230 | 180 | 223 | 308 |
| **Total** | **135,421** | **84,942** | **121,687** | **79,730** |

## 34 Other liabilities

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Current tax liabilities | 1,101 | 1,036 | 46 | 226 |
| Deferred tax liabilities | 9,403 | 9,099 | | 473 |
| Trade and client payables | 33,940 | 12,479 | 32,369 | 10,900 |
| Other liabilities | 53,075 | 37,536 | 34,678 | 29,466 |
| **Total** | **97,519** | **60,150** | **67,093** | **41,065** |

**Current tax liabilities**

| | | | | |
|---|---|---|---|---|
| Other | 1,101 | 1,036 | –267 | –407 |
| **Recognised in profit and loss** | **1,101** | **1,036** | **–267** | **–407** |
| Group contributions | | | | |
| Other | | | 313 | 633 |
| **Recognised in Shareholders' equity** | | | **313** | **633** |
| **Total** | **1,101** | **1,036** | **46** | **226** |

**Deferred tax liabilities**

| | | | | |
|---|---|---|---|---|
| Accelerated tax depreciation | 7,182 | 6,831 | | |
| Unrealised profits in financial assets at fair value | 82 | 311 | | 249 |
| Pension plan assets, net | 1,257 | 1,111 | | |
| Other temporary differences | 726 | 534 | | |
| **Recognised in profit and loss** | **9,247** | **8,787** | | **249** |
| Unrealised profits in cash flow hedges | 46 | 180 | | 143 |
| Unrealised profits in available-for-sale financial assets | 110 | 132 | | 81 |
| **Recognised in Shareholders' equity** | **156** | **312** | | **224** |
| **Total** | **9,403** | **9,099** | | **473** |

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 (22) per cent.

**Trade and client payables**

| | | | | |
|---|---|---|---|---|
| Trade payables | 330 | 361 | | |
| Client payables | 33,610 | 12,118 | 32,369 | 10,900 |
| **Total** | **33,940** | **12,479** | **32,369** | **10,900** |

**Other liabilities**

| | | | | |
|---|---|---|---|---|
| Accrued interest expense | 124 | 112 | | |
| Other accrued expense | 5,443 | 2,764 | 128 | 1,171 |
| Prepaid income | 1,942 | 2,198 | | |
| Other | 45,566 | 32,462 | 34,550 | 28,295 |
| **Total** | **53,075** | **37,536** | **34,678** | **29,466** |

## 35 Provisions

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Restructuring reserve | 132 | 143 | 4 | 7 |
| Reserve for off-balance-sheet items | 209 | 215 | 3 | 4 |
| Pensions and other post retirement benefit obligations (note 9b) | 97 | 58 | | |
| Other provisions | 1,098 | 1,650 | 264 | 405 |
| **Total** | **1,536** | **2,066** | **271** | **416** |

**Restructuring reserve**

| | | | | |
|---|---|---|---|---|
| Opening balance | 143 | 346 | 7 | 24 |
| Amounts used | –17 | –190 | –3 | –17 |
| Exchange differences | 6 | –13 | | |
| **Total** | **132** | **143** | **4** | **7** |

The restructuring reserve mainly regards the German business and is expected to be used within one to two years.

Note 35 ctd. Provisions

| | Group | | Parent company | |
|---|---|---|---|---|
| **Reserve for off-balance-sheet items** | 2007 | 2006 | 2007 | 2006 |
| Opening balance | 215 | 268 | 4 | 4 |
| Additions | 4 | | | |
| Amounts used | –16 | –46 | –1 | |
| Exchange differences | 6 | –7 | | |
| **Total** | **209** | **215** | **3** | **4** |

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 2008 while the remaining part has a substantially longer life.

| **Other provisions** | | | | |
|---|---|---|---|---|
| Opening balance | 1,650 | 2,057 | 405 | 626 |
| Additions | 14 | 47 | | |
| Amounts used | –483 | –399 | –141 | –221 |
| Unused amounts reversed | –87 | –15 | | |
| Other movements | | –18 | | |
| Exchange differences | 4 | –22 | | |
| **Total** | **1,098** | **1,650** | **264** | **405** |

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 ip to 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 | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Debenture loans | 18,763 | 22,858 | 17,808 | 21,687 |
| Debenture loans, perpetual | 25,166 | 21,516 | 25,166 | 21,516 |
| Debenture loans, hedged positions | –228 | –925 | –228 | –925 |
| Accrued interest | 288 | 226 | 300 | 422 |
| **Total** | **43,989** | **43,675** | **43,046** | **42,700** |

| **Debenture loans** | Currency | Original nom. amount | Book value | Rate of interest, % |
|---|---|---|---|---|
| 1994/2009 | USD | 200 | 1,273 | 6.875 |
| 2003/2015 | EUR | 500 | 4,736 | 4.125 |
| 2004/2014 | EUR | 750 | 7,076 | 1) |
| 2006/2017 | EUR | 500 | 4,723 | 1) |
| **Total Parent company** | | | **17,808** | |
| | | | | |
| Debenture loans issued by SEB AG | | | 862 | |
| Debenture loans issued by other subsidiaries | | | 93 | |
| **Total Group** | | | **18,763** | |
| | | | | |
| **Debenture loans, perpetual** | | | | |
| 1995 | JPY | 10,000 | 568 | 4.400 |
| 1997 | JPY | 15,000 | 852 | 5.000 |
| 1997 | USD | 150 | 716 | 7.500 |
| 2000 | USD | 100 | 13 | 1) |
| 2004 | USD | 500 | 3,217 | 4.958 |
| 2005 | USD | 600 | 3,861 | 1) |
| 2005 | GBP | 500 | 6,407 | 5.000 |
| 2006 | GBP | 375 | 4,806 | 5.500 |
| 2007 | EUR | 500 | 4,726 | 7.092 |
| **Total** | | | **25,166** | |

1) FRN, Floating Rate Note.

## 37 Untaxed reserves[1)]

| | Parent company 2007 | Parent company 2006 |
|---|---|---|
| Excess depreciation of office equipment/leased assets | 19,012 | 12,085 |
| Other untaxed reserves | 4 | 4 |
| **Total** | **19,016** | **12,089** |

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 | 11,397 | 5 | **11,402** |
| Appropriations | 688 | | **688** |
| Exchange rate differencies | | –1 | **–1** |
| **Closing balance 2006** | **12,085** | **4** | **12,089** |
| Appropriations | 520 | | **520** |
| Merger of SEB Finans | 6,410 | | **6,410** |
| Exchange rate differencies | –3 | | **–3** |
| **Closing balance 2007** | **19,012** | **4** | **19,016** |

## 38 Memorandum items

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Collateral and comparable security pledged for own liabilities | 308,342 | 354,694 | 146,563 | 231,121 |
| Other pledged assets and comparable collateral | 207,363 | 189,730 | 73,510 | 70,051 |
| Contingent liabilities | 66,984 | 60,156 | 50,909 | 55,721 |
| Commitments | 394,128 | 346,517 | 259,024 | 233,895 |

**Collateral and comparable security pledged for own liabilities***

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Lending[1)] | 66 | 98 | 66 | 98 |
| Bonds | 121,286 | 173,347 | 68,301 | 132,405 |
| Repos | 95,234 | 98,618 | 78,196 | 98,618 |
| Assets in insurance business | 91,756 | 82,631 | | |
| **Total** | **308,342** | **354,694** | **146,563** | **231,121** |

1) Of which SEK 66m (98) 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.

**Other pledged assets and comparable collateral**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Shares in insurance premium funds | 134,818 | 119,679 | | |
| Securities loans lending | 72,545 | 70,051 | 73,510 | 70,051 |
| **Total** | **207,363** | **189,730** | **73,510** | **70,051** |

**Contingent liabilities**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Guarantee commitments, credits | 7,188 | 7,586 | 4,602 | 7,523 |
| Guarantee commitments, other | 48,694 | 42,543 | 38,346 | 40,700 |
| Own acceptances | 799 | 1,048 | 776 | 1,024 |
| **Total** | **56,681** | **51,177** | **43,724** | **49,247** |
| Approved, but unutilised letters of credit | 10,303 | 8,979 | 7,185 | 6,474 |
| **Total** | **66,984** | **60,156** | **50,909** | **55,721** |

**Other contingent liabilities**

The parent company has undertaken to the Monetary Authority of Singapore to ensure that its subsidiary bank 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.

**Commitments**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Granted undrawn credit | 165,467 | 166,674 | 121,259 | 109,491 |
| Unutilised part of approved overdraft facilities | 130,119 | 96,565 | 65,220 | 54,901 |
| Securities loans borrowing | 92,327 | 82,592 | 72,545 | 69,503 |
| Other commmitments | 6,215 | 686 | | |
| **Total** | **394,128** | **346,517** | **259,024** | **233,895** |

## 39 Current and non-current assets and liabilities

**Group**

| Assets | 2007 Current assets | 2007 Non-current assets | 2007 Total | 2006 Current assets | 2006 Non-current assets | 2006 Total |
|---|---|---|---|---|---|---|
| Cash and cash balances with central banks | 96,871 | | 96,871 | 11,314 | | 11,314 |
| Loans to credit institutions | 241,557 | 21,455 | 263,012 | 157,666 | 22,812 | 180,478 |
| Loans to the public | 440,706 | 626,635 | 1,067,341 | 450,173 | 500,688 | 950,861 |
| *Securities held for trading* | *97,083* | *251,805* | *348,888* | *93,002* | *250,533* | *343,535* |
| *Derivatives held for trading* | *85,395* | | *85,395* | *65,212* | | *65,212* |
| *Derivatives used for hedging* | *2,777* | | *2,777* | *2,660* | | *2,660* |
| *Fair value changes of hedged items in a portfolio hedge* | *–641* | | *–641* | *283* | | *283* |
| *Financial assets – policyholders bearing the risk* | *135,485* | | *135,485* | *120,524* | | *120,524* |
| *Other financial assets designated at fair value* | *24,860* | *64,459* | *89,319* | *20,932* | *61,142* | *82,074* |
| Financial assets at fair value | 344,959 | 316,264 | 661,223 | 302,613 | 311,675 | 614,288 |
| Available-for-sale financial assets | 25,989 | 144,148 | 170,137 | 14,880 | 100,602 | 115,482 |
| Held-to-maturity investments | 639 | 1,159 | 1,798 | 470 | 1,738 | 2,208 |
| Assets held for sale | | | | 2,189 | | 2,189 |
| Investments in associates | | 1,257 | 1,257 | | 1,085 | 1,085 |
| *Intangible assets* | *717* | *16,177* | *16,894* | *595* | *14,977* | *15,572* |
| *Property and equipment* | *612* | *1,952* | *2,564* | *661* | *1,641* | *2,302* |
| *Investment properties* | | *5,239* | *5,239* | | *5,040* | *5,040* |
| Tangible and intagible assets | 1,329 | 23,368 | 24,697 | 1,256 | 21,658 | 22,914 |
| *Current tax assets* | *3,766* | | *3,766* | *2,568* | | *2,568* |
| *Deferred tax assets* | | *845* | *845* | | *1,121* | *1,121* |
| *Trade and client receivables* | *25,377* | | *25,377* | *11,277* | | *11,277* |
| *Other assets* | *28,138* | | *28,138* | *18,656* | | *18,656* |
| Other assets | 57,281 | 845 | 58,126 | 32,501 | 1,121 | 33,622 |
| **Total** | **1,209,331** | **1,135,131** | **2,344,462** | **973,062** | **961,379** | **1,934,441** |

| Liabilities | 2007 Current liabilities | 2007 Non-current, liabilities | 2007 Total | 2006 Current liabilities | 2006 Non-current liabilities | 2006 Total |
|---|---|---|---|---|---|---|
| Deposits by credit institutions | 396,366 | 24,982 | 421,348 | 346,359 | 21,967 | 368,326 |
| Deposits and borrowing from the public | 669,256 | 81,225 | 750,481 | 572,270 | 71,579 | 643,849 |
| *Liabilities to policyholders – investment contracts* | *11,419* | *124,518* | *135,937* | *7,004* | *113,123* | *120,127* |
| *Liabilities to policyholders – insurance contracts* | *8,548* | *81,431* | *89,979* | *4,536* | *79,056* | *83,592* |
| Liabilities to policyholders | 19,967 | 205,949 | 225,916 | 11,540 | 192,179 | 203,719 |
| Debt securities | 302,387 | 208,177 | 510,564 | 214,578 | 179,779 | 394,357 |
| *Trading derivatives* | *79,211* | | *79,211* | *60,343* | | *60,343* |
| *Derivatives used for hedging* | *2,169* | | *2,169* | *5,894* | | *5,894* |
| *Trading liabilities* | *135,421* | | *135,421* | *84,942* | | *84,942* |
| *Fair value changes of hedged items in portfolio hedge* | *–411* | | *–411* | *–147* | | *–147* |
| Financial liabilities at fair value | 216,390 | | 216,390 | 151,032 | | 151,032 |
| *Current tax liabilities* | *1,101* | | *1,101* | *1,036* | | *1,036* |
| *Deferred tax liabilities* | | *9,403* | *9,403* | | *9,099* | *9,099* |
| *Trade and client payables* | *33,940* | | *33,940* | *12,479* | | *12,479* |
| *Other liabilities* | *53,075* | | *53,075* | *37,536* | | *37,536* |
| Other liabilities | 88,116 | 9,403 | 97,519 | 51,051 | 9,099 | 60,150 |
| Provisions | | 1,536 | 1,536 | | 2,066 | 2,066 |
| Subordinated liabilities | | 43,989 | 43,989 | | 43,675 | 43,675 |
| **Total** | **1,692,482** | **575,261** | **2,267,743** | **1,346,830** | **520,344** | **1,867,174** |

## 40 Financial assets and liabilities by class

**Group 2007**

| | 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) | | | | | | | 96,871 | **96,871** |
| Loans to credit institutions (note 20) | 263,012 | | | | | | | **263,012** |
| Loans to the public (note 21) | 1,067,341 | | | | | | | **1,067,341** |
| Financial assets at fair value (note 22) | | 56,840 | 293,347 | 88,172 | 135,485 | | –641 | **573,203** |
| Available-for-sale financial assets (note 23) | | 1,812 | 168,325 | | | | | **170,137** |
| Held-to-maturity financial assets (note 24) | | | 1,798 | | | | | **1,798** |
| Investments in associates (note 25) | | 1,257 | | | | | | **1,257** |
| Trade and client receivables (note 28) | | | | | | | 25,377 | **25,377** |
| **Financial assets** | **1,330,353** | **59,909** | **463,470** | **88,172** | **135,485** | | **121,607** | **2,198,996** |
| Other assets (non-financial) | | | | | | 88,020 | 57,446 | **145,466** |
| **Total** | **1,330,353** | **59,909** | **463,470** | **88,172** | **135,485** | **88,020** | **179,053** | **2,344,462** |
| **Financial liabilities** | | | | | | | | |
| Deposits by credit institutions (note 29) | 421,348 | | | | | | | **421,348** |
| Deposits and borrowing from the public (note 30) | 750,481 | | | | | | | **750,481** |
| Liabilities to policyholders (note 31) | | | | | 135,937 | | | **135,937** |
| Debt securities (note 32) | | | 510,564 | | | | | **510,564** |
| Financial liabilities at fair value (note 33) | | 18,845 | 116,576 | 81,380 | | | –411 | **216,390** |
| Trade and client payables (note 34) | | | | | | | 33,940 | **33,940** |
| Subordinated liabilities (note 36) | | | 43,989 | | | | | **43,989** |
| **Financial liabilities** | **1,171,829** | **18,845** | **671,129** | **81,380** | **135,937** | | **33,529** | **2,112,649** |
| Other liabilities (non-financial) | | | | | | 89,979 | 65,115 | **155,094** |
| Total equity | | | | | | | 76,719 | **76,719** |
| **Total** | **1,171,829** | **18,845** | **671,129** | **81,380** | **135,937** | **89,979** | **175,363** | **2,344,462** |

**Group 2006**

| | 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) | | | | | | | 11,314 | **11,314** |
| Loans to credit institutions (note 20) | 180,478 | | | | | | | **180,478** |
| Loans to the public (note 21) | 950,861 | | | | | | | **950,861** |
| Financial assets at fair value (note 22) | | 32,341 | 312,639 | 67,872 | 120,524 | | 283 | **533,659** |
| Available-for-sale financial assets (note 23) | | 2,319 | 114,311 | | | | | **116,630** |
| Held-to-maturity financial assets (note 24) | | | 2,231 | | | | | **2,231** |
| Investments in associates (note 25) | | 1,085 | | | | | | **1,085** |
| Trade and client receivables (note 28) | | | | | | | 11,277 | **11,277** |
| **Financial assets** | **1,131,339** | **35,745** | **429,181** | **67,872** | **120,524** | | **22,874** | **1,807,535** |
| Other assets | | | | | | 80,629 | 46,277 | **126,906** |
| **Total** | **1,131,339** | **35,745** | **429,181** | **67,872** | **120,524** | **80,629** | **69,151** | **1,934,441** |
| **Financial liabilities** | | | | | | | | |
| Deposits by credit institutions (note 29) | 368,326 | | | | | | | **368,326** |
| Deposits and borrowing from the public (note 30) | 643,849 | | | | | | | **643,849** |
| Liabilities to policyholders (note 31) | | | | | 120,127 | | | **120,127** |
| Debt securities (note 32) | | | 394,357 | | | | | **394,357** |
| Financial liabilities at fair value (note 33) | | 3,746 | 81,196 | 66,237 | | | –147 | **151,032** |
| Trade and client payables (note 34) | | | | | | | 12,479 | **12,479** |
| Subordinated liabilities (note 36) | | | 43,675 | | | | | **43,675** |
| **Financial liabilities** | **1,012,175** | **3,746** | **519,228** | **66,237** | **120,127** | | **12,332** | **1,733,845** |
| Other liabilities (non-financial) | | | | | | 83,592 | 49,737 | **133,329** |
| Total equity | | | | | | | 67,267 | **67,267** |
| **Total** | **1,012,175** | **3,746** | **519,228** | **66,237** | **120,127** | **83,592** | **129,336** | **1,934,441** |

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 2007**

| Financial assets | Loans and deposits | Equity instrumens | Debt instruments | Derivative instruments | Other | Total |
|---|---|---|---|---|---|---|
| | Classes of financial assets and liabilities | | | | | |
| Cash and cash balances with central banks (note 19) | | | | | 1,758 | **1,758** |
| Loans to credit institutions (note 20) | 357,482 | | | | | **357,482** |
| Loans to the public (note 21) | 637,138 | | | | | **637,138** |
| Financial assets at fair value (note 22) | | 43,584 | 241,564 | 82,837 | | **367,985** |
| Available-for-sale financial assets (note 23) | | 1,155 | 60,930 | | | **62,085** |
| Held-to-maturity financial assets (note 24) | | | 3,348 | | | **3,348** |
| Investments in associates (note 25) | | 1,063 | | | | **1,063** |
| Shares in subsidiaries (note 26) | | 51,936 | | | | **51,936** |
| Trade and client receivables (note 28) | | | | | 23,625 | **23,625** |
| **Financial assets** | **994,620** | **97,738** | **305,842** | **82,837** | **25,383** | **1,506,420** |
| Other assets (non-financial) | | | | | 52,899 | **52,899** |
| **Total** | **994,620** | **97,738** | **305,842** | **82,837** | **78,282** | **1,559,319** |
| **Financial liabilities** | | | | | | |
| Deposits by credit institutions (note 29) | 367,699 | | | | | **367,699** |
| Deposits and borrowing from the public (note 30) | 412,499 | | | | | **412,499** |
| Debt securities (note 32) | | | 408,002 | | | **408,002** |
| Financial liabilities at fair value (note 33) | | 18,461 | 103,226 | 80,074 | | **201,761** |
| Trade and client payables (note 34) | | | | | 32,369 | **32,369** |
| Subordinated liabilities (note 36) | | | 43,046 | | | **43,046** |
| **Financial liabilities** | **780,198** | **18,461** | **554,274** | **80,074** | **32,369** | **1,465,376** |
| Other liabilities (non-financial) | | | | | 34,995 | **34,995** |
| Total equity and untaxed reserves | | | | | 58,948 | **58,948** |
| **Total** | **780,198** | **18,461** | **554,274** | **80,074** | **126,312** | **1,559,319** |

**Parent company 2006**

| Financial assets | Loans and deposits | Equity instruments | Debt instruments | Derivative instruments | Other | Total |
|---|---|---|---|---|---|---|
| | Classes of financial assets and liabilities | | | | | |
| Cash and cash balances with central banks (note 19) | | | | | 1,828 | **1,828** |
| Loans to credit institutions (note 20) | 361,615 | | | | | **361,615** |
| Loans to the public (note 21) | 336,562 | | | | | **336,562** |
| Financial assets at fair value (note 22) | | 22,794 | 264,911 | 64,291 | | **351,996** |
| Available-for-sale financial assets (note 23) | | 1,332 | 21,079 | | | **22,411** |
| Held-to-maturity financial assets (note 24) | | | 3,824 | | | **3,824** |
| Investments in associates (note 25) | | 1,059 | | | | **1,059** |
| Shares in subsidiaries (note 26) | | 55,306 | | | | **55,306** |
| Trade and client receivables (note 28) | | | | | 9,694 | **9,694** |
| **Financial assets** | **698,177** | **80,491** | **289,814** | **64,291** | **11,522** | **1,144,295** |
| Other assets | | | | | 27,754 | **27,754** |
| **Total** | **698,177** | **80,491** | **289,814** | **64,291** | **39,276** | **1,172,049** |
| **Financial liabilities** | | | | | | |
| Deposits by credit institutions (note 29) | 334,116 | | | | | **334,116** |
| Deposits and borrowing from the public (note 30) | 390,085 | | | | | **390,085** |
| Debt securities (note 32) | | | 173,956 | | | **173,956** |
| Financial liabilities at fair value (note 33) | | 3,744 | 75,986 | 62,079 | | **141,809** |
| Trade and client payables (note 34) | | | | | 10,900 | **10,900** |
| Subordinated liabilities (note 36) | | | 42,700 | | | **42,700** |
| **Financial liabilities** | **724,201** | **3,744** | **292,642** | **62,079** | **10,900** | **1,093,566** |
| Other liabilities (non-financial) | | | | | 30,581 | **30,581** |
| Total equity and untaxed reserves | | | | | 47,902 | **47,902** |
| **Total** | **724,201** | **3,744** | **292,642** | **62,079** | **89,383** | **1,172,049** |

## 41 Debt instruments by maturities

### Eligible debt instruments

| Group 2007 | < 1 month | 1 < 3 months | 3 months < 1 year | 1 < 5 years | 5 < 10 years | 10 years < | Total |
|---|---|---|---|---|---|---|---|
| Securities held for trading (note 22) | 3,808 | 1,332 | 13,303 | 35,119 | 15,477 | 15,849 | **84,888** |
| Other financial assets at fair value (note 22) | | 20 | | | | | **20** |
| Available-for-sale financial assets (note 23) | 4,869 | 3,296 | 13,249 | 46,506 | 36,741 | 8,569 | **113,230** |
| Held-to-maturity financial assets (note 24) | | 1 | | | | | **1** |
| **Total** | **8,677** | **4,649** | **26,552** | **81,625** | **52,218** | **24,418** | **198,139** |
| **Group 2006** | | | | | | | |
| Securities held for trading (note 22) | 2,298 | 5,717 | 17,823 | 42,370 | 27,273 | 13,419 | **108,900** |
| Other financial assets at fair value (note 22) | | | | | 42 | | **42** |
| Available-for-sale financial assets (note 23) | 1,673 | 1,613 | 8,243 | 32,826 | 27,426 | 12,304 | **84,085** |
| Held-to-maturity financial assets (note 24) | | | | 1 | | | **1** |
| **Total** | **3,971** | **7,330** | **26,066** | **75,197** | **54,741** | **25,723** | **193,028** |
| **Parent company 2007** | | | | | | | |
| Securities held for trading (note 22) | | 740 | 9,613 | 8,962 | 4,636 | 9,690 | **33,641** |
| Available-for-sale financial assets (note 23) | | | | | 119 | 7,661 | **7,780** |
| **Total** | | **740** | **9,613** | **8,962** | **4,755** | **17,351** | **41,421** |
| **Parent company 2006** | | | | | | | |
| Securities held for trading (note 22) | | 2,607 | 10,941 | 19,615 | 9,093 | 9,168 | **51,424** |
| Available-for-sale financial assets (note 23) | 1,027 | | | | | 4,880 | **5,907** |
| **Total** | **1,027** | **2,607** | **10,941** | **19,615** | **9,093** | **14,048** | **57,331** |

### Other debt instruments

| Group 2007 | < 1 month | 1 < 3 months | 3 months < 1 year | 1 < 5 years | 5 < 10 years | 10 years < | Total |
|---|---|---|---|---|---|---|---|
| Securities held for trading (note 22) | 1,358 | 9,190 | 9,094 | 74,572 | 18,648 | 92,140 | **205,002** |
| Insurance assets (note 22) | 32 | 461 | 1,593 | 8,382 | 49,329 | 6,518 | **66,315** |
| Other financial assets at fair value (note 22) | 2 | 10 | 40 | 160 | 18 | 52 | **282** |
| Available-for-sale financial assets (note 23) | 634 | 254 | 512 | 26,935 | 5,810 | 19,587 | **53,732** |
| Held-to-maturity financial assets (note 24) | | | 612 | 1,068 | | 90 | **1,770** |
| **Total** | **2,026** | **9,915** | **11,851** | **111,117** | **73,805** | **118,387** | **327,101** |
| **Group 2006** | | | | | | | |
| Securities held for trading (note 22) | 6,726 | 4,457 | 21,688 | 74,734 | 17,953 | 74,784 | **200,342** |
| Insurance assets (note 22 | 102 | 32 | 1,264 | 12,064 | 46,613 | 1,857 | **61,932** |
| Other financial assets at fair value (note 22) | 1 | 12 | 120 | 242 | 314 | 10 | **699** |
| Available-for-sale financial assets (note 23) | 606 | 206 | 220 | 10,003 | 5,974 | 12,069 | **29,078** |
| Held-to-maturity financial assets (note 24) | | | 470 | 1,371 | 230 | 136 | **2,207** |
| **Total** | **7,435** | **4,707** | **23,762** | **98,414** | **71,084** | **88,856** | **294,258** |
| **Parent company 2007** | | | | | | | |
| Securities held for trading (note 22) | 701 | 9,019 | 8,978 | 76,880 | 18,521 | 91,439 | **205,538** |
| Available-for-sale financial assets (note 23) | 9 | | 280 | 26,604 | 6,340 | 19,546 | **52,779** |
| Held-to-maturity financial assets (note 24) | 97 | | | 100 | 3,035 | 90 | **3,322** |
| **Total** | **807** | **9,019** | **9,258** | **103,584** | **27,896** | **111,075** | **261,639** |
| **Parent company 2006** | | | | | | | |
| Securities held for trading (note 22) | 5,009 | 4,573 | 29,151 | 79,977 | 17,786 | 74,759 | **211,255** |
| Available-for-sale financial assets (note 23) | | | | 878 | 1,918 | 12,022 | **14,818** |
| Held-to-maturity financial assets (note 24) | | 300 | 151 | 775 | 2,458 | 136 | **3,820** |
| **Total** | **5,009** | **4,873** | **29,302** | **81,630** | **22,162** | **86,917** | **229,893** |

## 42 Debt instruments by issuers

### Eligible debt instruments

| Group 2007 | Swedish State | Swedish municipalities | Foreign States | Other foreign issuers | Total |
|---|---|---|---|---|---|
| Securities held for trading (note 22) | 20,985 | 153 | 12,437 | 51,313 | **84,888** |
| Other financial assets at fair value (note 22) | | | | 20 | **20** |
| Available-for-sale financial assets (note 23) | 50 | | 13,426 | 99,754 | **113,230** |
| Held-to-maturity financial assets (note 24) | | | 1 | | **1** |
| **Total** | **21,035** | **153** | **25,864** | **151,087** | **198,139** |
| **Group 2006** | | | | | |
| Securities held for trading (note 22) | 31,642 | 931 | 23,633 | 52,694 | **108,900** |
| Other financial assets at fair value (note 22) | | | 8 | 34 | **42** |
| Available-for-sale financial assets (note 23) | 1,077 | | 10,456 | 72,552 | **84,085** |
| Held-to-maturity financial assets (note 24) | | | | 1 | **1** |
| **Total** | **32,719** | **931** | **34,097** | **125,281** | **193,028** |
| **Parent company 2007** | | | | | |
| Securities held for trading (note 22) | 20,985 | 153 | 12,025 | 478 | **33,641** |
| Available-for-sale financial assets (note 23) | | | 7,581 | 199 | **7,780** |
| **Total** | **20,985** | **153** | **19,606** | **677** | **41,421** |
| **Parent company 2006** | | | | | |
| Securities held for trading (note 22) | 31,642 | 931 | 16,934 | 1,917 | **51,424** |
| Available-for-sale financial assets (note 23) | 1,027 | | 4,314 | 566 | **5,907** |
| **Total** | **32,669** | **931** | **21,248** | **2,483** | **57,331** |

### Other debt instruments

| Group 2007 | Swedish State and municipalities | Swedish mortgage institutions | Other Swedish issuers – non-financial companies | Other Swedish issuers – other financial companies | Foreign States | Other foreign issuers | Total |
|---|---|---|---|---|---|---|---|
| Securities held for trading (note 22) | | 25,085 | 6,176 | 788 | 2,173 | 170,780 | **205,002** |
| Insurance assets (note 22) | 9,096 | 995 | 929 | 932 | 5,578 | 48,785 | **66,315** |
| Other financial assets at fair value (note 22) | | | | 25 | 142 | 115 | **282** |
| Available-for-sale financial assets (note 23) | | | 200 | 1,556 | 1,009 | 50,967 | **53,732** |
| Held-to-maturity financial assets (note 24) | | 827 | 91 | | | 852 | **1,770** |
| **Total** | **9,096** | **26,907** | **7,396** | **3,301** | **8,902** | **271,499** | **327,101** |
| **Group 2006** | | | | | | | |
| Securities held for trading (note 22) | | 42,696 | 2,586 | 2,657 | 1,599 | 150,804 | **200,342** |
| Insurance assets (note 22) | 2,387 | 389 | 118 | | 4,313 | 54,725 | **61,932** |
| Other financial assets at fair value (note 22) | | | | 17 | 208 | 474 | **699** |
| Available-for-sale financial assets (note 23) | | | | 89 | 219 | 28,770 | **29,078** |
| Held-to-maturity financial assets (note 24) | | 838 | | | | 1,369 | **2,207** |
| **Total** | **2,387** | **43,923** | **2,704** | **2,763** | **6,339** | **236,142** | **294,258** |
| **Parent company 2007** | | | | | | | |
| Securities held for trading (note 22) | | 25,085 | 6,175 | 788 | | 173,490 | **205,538** |
| Available-for-sale financial assets (note 23) | | | 200 | 1,464 | | 51,115 | **52,779** |
| Held-to-maturity financial assets (note 24) | | | 100 | | | 3,222 | **3,322** |
| **Total** | | **25,085** | **6,475** | **2,252** | | **227,827** | **261,639** |
| **Parent company 2006** | | | | | | | |
| Securities held for trading (note 22) | | 50,113 | 2,586 | 2,657 | | 155,899 | **211,255** |
| Available-for-sale financial assets (note 23) | | | | | | 14,818 | **14,818** |
| Held-to-maturity financial assets (note 24) | | 975 | 100 | | | 2,745 | **3,820** |
| **Total** | | **51,088** | **2,686** | **2,657** | | **173,462** | **229,893** |

## 43 Repricing periods

**Group 2007**

| 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 | 223,594 | 14,569 | 2,229 | 6,444 | 3,485 | 3,304 | 4,506 | 3,738 | 1,143 | 263,012 |
| Loans to the public | 542,449 | 160,272 | 75,905 | 39,267 | 95,829 | 65,324 | 89,598 | –1,303 | | 1,067,341 |
| Financial assets | 284,949 | 109,782 | 55,809 | 14,878 | 59,660 | 7,958 | 47,439 | 151,558 | 224,630 | 956,663 |
| Other assets | | | | | | | | 41,623 | 15,823 | 57,446 |
| **Total** | **1,050,992** | **284,623** | **133,943** | **60,589** | **158,974** | **76,586** | **141,543** | **195,616** | **241,596** | **2,344,462** |
| **Liabilities and equity** | | | | | | | | | | |
| Deposits by credit institutions | 349,850 | 49,944 | 18,988 | 1,370 | 502 | 516 | 770 | –592 | | 421,348 |
| Deposits and borrowing from the public | 608,373 | 45,416 | 15,121 | 11,222 | 12,714 | 7,474 | 47,492 | 2,669 | | 750,481 |
| Issued securities | 129,041 | 138,201 | 59,089 | 21,484 | 127,711 | 56,712 | 14,911 | 7,404 | | 554,553 |
| Other liabilities | 15,296 | 7,967 | 5,567 | 3,313 | 8,322 | 18,268 | 51,983 | 196,465 | 234,180 | 541,361 |
| Total equity | | | | | | | | 76,719 | | 76,719 |
| **Total** | **1,102,560** | **241,528** | **98,765** | **37,389** | **149,249** | **82,970** | **115,156** | **282,665** | **234,180** | **2,344,462** |
| Interest rate sensitive, net | –51,568 | 43,095 | 35,178 | 23,200 | 9,725 | –6,384 | 26,387 | –87,049 | 7,416 | |
| Cumulative sensitive | –51,568 | –8,473 | 26,705 | 49,905 | 59,630 | 53,246 | 79,633 | –7,416 | | |

**Group 2006**

| 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 | 123,831 | 30,456 | 3,059 | 5,002 | 10,577 | 3,007 | 2,739 | | 668 | 179,339 |
| Loans to the public | 479,414 | 129,537 | 60,900 | 37,396 | 114,761 | 53,827 | 70,808 | | | 946,643 |
| Financial assets | 99,211 | 134,029 | 112,618 | 4,047 | 59,810 | 16,699 | 22,340 | 102,392 | 201,165 | 752,311 |
| Other assets | 13,111 | –1,898 | 1,944 | 51 | 185 | 29 | –86 | 30,900 | 11,912 | 56,148 |
| **Total** | **715,567** | **292,124** | **178,521** | **46,496** | **185,333** | **73,562** | **95,801** | **133,292** | **213,745** | **1,934,441** |
| **Liabilities and equity** | | | | | | | | | | |
| Deposits by credit institutions | 328,792 | 20,640 | 5,951 | 7,914 | 2,348 | –953 | 1,288 | | | 365,980 |
| Deposits and borrowing from the public | 510,568 | 51,477 | 14,094 | 11,637 | 26,189 | 7,084 | 20,709 | | | 641,758 |
| Issued securities | 106,758 | 100,397 | 50,041 | 15,559 | 96,976 | 34,521 | 28,019 | | | 432,271 |
| Other liabilities | 3,628 | 522 | 17,064 | 1,469 | 20,748 | 7,280 | 30,176 | 140,396 | 205,882 | 427,165 |
| Total equity | | | | | | | | 67,267 | | 67,267 |
| **Total** | **949,746** | **173,036** | **87,150** | **36,579** | **146,261** | **47,932** | **80,192** | **207,663** | **205,882** | **1,934,441** |
| Interest rate sensitive, net | –234,179 | 119,088 | 91,371 | 9,917 | 39,072 | 25,630 | 15,609 | –74,371 | 7,863 | |
| Cumulative sensitive | –234,179 | –115,091 | –23,720 | –13,803 | 25,269 | 50,899 | 66,508 | –7,863 | | |

## 44 Loans and loan loss provisions

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Loans to credit institutions | 263,012 | 179,339 | 357,482 | 360,728 |
| Loans to the public | 1,067,341 | 946,643 | 637,138 | 333,129 |
| **Total** | **1,330,353** | **1,125,982** | **994,620** | **693,857** |

**Loans**

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Performing loans not impaired | 1,328,351 | 1,123,860 | 994,469 | 693,909 |
| Non-performing impaired loans | 7,619 | 7,123 | 1,150 | 1,033 |
| Performing impaired loans | 772 | 1,403 | 41 | 15 |
| **Loans prior to reserves** | **1,336,742** | **1,132,386** | **995,660** | **694,957** |
| Specific reserves | –3,787 | –4,234 | –645 | –678 |
| Collective reserves | –2,602 | –2,170 | –395 | –422 |
| **Reserves** | **–6,389** | **–6,404** | **–1,040** | **–1,100** |
| **Total** | **1,330,353** | **1,125,982** | **994,620** | **693,857** |

**Loans by category of borrower**

| **Group 2007** | Credit-institutions | Corporates | Property-management | Public sector | Households | Total |
|---|---|---|---|---|---|---|
| Performing loans not impaired | 262,998 | 443,338 | 182,164 | 73,754 | 366,097 | **1,328,351** |
| Non-performing impaired loans | 46 | 2,947 | 2,863 | | 1,763 | **7,619** |
| Performing impaired loans | | 289 | 320 | | 163 | **772** |
| **Loans prior to reserves** | **263,044** | **446,574** | **185,347** | **73,754** | **368,023** | **1,336,742** |
| Specific reserves | –32 | –1,893 | –1,471 | | –391 | **–3,787** |
| Collective reserves | | | | | | **–2,602** |
| **Reserves** | **–32** | **–1,893** | **–1,471** | | **–391** | **–6,389** |
| **Total** | **263,012** | **444,681** | **183,876** | **73,754** | **367,632** | **1,330,353** |
| **Group 2006** | | | | | | |
| Performing loans not impaired | 179,320 | 358,430 | 146,128 | 115,667 | 324,315 | **1,123,860** |
| Non-performing impaired loans | 56 | 2,888 | 2,398 | 8 | 1,773 | **7,123** |
| Performing impaired loans | | 246 | 1,015 | | 142 | **1,403** |
| **Loans prior to reserves** | **179,376** | **361,564** | **149,541** | **115,675** | **326,230** | **1,132,386** |
| Specific reserves | –37 | –1,994 | –1,717 | –3 | –483 | **–4,234** |
| Collective reserves | | | | | | **–2,170** |
| **Reserves** | **–37** | **–1,994** | **–1,717** | **–3** | **–483** | **–6,404** |
| **Total** | **179,339** | **359,570** | **147,824** | **115,672** | **325,747** | **1,125,982** |
| **Parent company 2007** | | | | | | |
| Performing loans not impaired | 357,482 | 324,328 | 84,581 | 9,605 | 218,473 | **994,469** |
| Non-performing impaired loans | 21 | 700 | 255 | | 174 | **1,150** |
| Performing impaired loans | | 10 | 28 | | 3 | **41** |
| **Loans prior to reserves** | **357,503** | **325,038** | **84,864** | **9,605** | **218,650** | **995,660** |
| Specific reserves | –21 | –432 | –189 | | –3 | **–645** |
| Collective reserves | | | | | | **–395** |
| **Reserves** | **–21** | **–432** | **–189** | | **–3** | **–1,040** |
| **Total** | **357,482** | **324,606** | **84,675** | **9,605** | **218,647** | **994,620** |
| **Parent company 2006** | | | | | | |
| Performing loans not impaired | 360,728 | 250,330 | 30,627 | 27,153 | 25,071 | **693,909** |
| Non-performing impaired loans | 22 | 571 | 270 | | 170 | **1,033** |
| Performing impaired loans | | 15 | | | | **15** |
| **Loans prior to reserves** | **360,750** | **250,916** | **30,897** | **27,153** | **25,241** | **694,957** |
| Specific reserves | –22 | –446 | –204 | | –6 | **–678** |
| Collective reserves | | | | | | **–422** |
| **Reserves** | **–22** | **–446** | **–204** | | **–6** | **–1,100** |
| **Total** | **360,728** | **250,470** | **30,693** | **27,153** | **25,235** | **693,857** |

Note 44 ctd. Loans and loan loss provisions

**Loans by geographical region[1)]**

| Group 2007 | The Nordic region | Germany | The Baltic region | Other | Total |
|---|---|---|---|---|---|
| Performing loans not impaired | 847,945 | 296,263 | 140,042 | 44,101 | **1,328,351** |
| Non-performing impaired loans | 1,397 | 5,050 | 959 | 213 | **7,619** |
| Performing impaired loans | 14 | 726 | 18 | 14 | **772** |
| **Loans prior to reserves** | **849,356** | **302,039** | **141,019** | **44,328** | **1,336,742** |
| Specific reserves | –396 | –2,780 | –378 | –233 | **–3,787** |
| Collective reserves | | | | | **–2,602** |
| **Reserves** | **–396** | **–2,780** | **–378** | **–233** | **–6,389** |
| **Total** | **848,960** | **299,259** | **140,641** | **44,095** | **1,330,353** |
| **Group 2006** | | | | | |
| Performing loans not impaired | 688,014 | 284,927 | 108,779 | 42,140 | **1,123,860** |
| Non-performing impaired loans | 1,303 | 4,854 | 694 | 272 | **7,123** |
| Performing impaired loans | 18 | 1,365 | 19 | 1 | **1,403** |
| **Loans prior to reserves** | **689,335** | **291,146** | **109,492** | **42,413** | **1,132,386** |
| Specific reserves | –532 | –3,151 | –368 | –183 | **–4,234** |
| Collective reserves | | | | | **–2,170** |
| **Reserves** | **–532** | **–3,151** | **–368** | **–183** | **–6,404** |
| **Total** | **688,803** | **287,995** | **109,124** | **42,230** | **1,125,982** |
| **Parent company 2007** | | | | | |
| Performing loans not impaired | 955,906 | | | 38,563 | **994,469** |
| Non-performing impaired loans | 818 | | | 332 | **1,150** |
| Performing impaired loans | 27 | | | 14 | **41** |
| **Loans prior to reserves** | **956,751** | | | **38,909** | **995,660** |
| Specific reserves | –444 | | | –201 | **–645** |
| Collective reserves | | | | | **–395** |
| **Reserves** | **–444** | | | **–201** | **–1,040** |
| **Total** | **956,307** | | | **38,708** | **994,620** |
| **Parent company 2006** | | | | | |
| Performing loans not impaired | 658,014 | | | 35,895 | **693,909** |
| Non-performing impaired loans | 647 | | | 386 | **1,033** |
| Performing impaired loans | 1 | | | 14 | **15** |
| **Loans prior to reserves** | **658,662** | | | **36,295** | **694,957** |
| Specific reserves | –426 | | | –252 | **–678** |
| Collective reserves | | | | | **–422** |
| **Reserves** | **–426** | | | **–252** | **–1,100** |
| **Total** | **658,236** | | | **36,043** | **693,857** |

1) Breakdown based on where the business is carried out.

Note 44 ctd. Loans and loan loss provisions

| | Group | | Parent company | |
|---|---|---|---|---|
| **Loans against collateral** | 2007 | 2006 | 2007 | 2006 |
| Mortgage, real property | 518,765 | 436,818 | 297,668 | 31,840 |
| Securities and deposits | 17,313 | 24,827 | 13,744 | 21,420 |
| State, central bank or municipality [1] | 73,353 | 114,285 | 9,606 | 27,055 |
| Credit institutions [1] | 163,583 | 95,539 | 250,219 | 291,939 |
| Unsecured loans | 263,760 | 165,622 | 196,089 | 111,358 |
| Other[2] | 72,392 | 100,004 | 33,043 | 21,854 |
| **Loans prior to reserves** | **1,109,166** | **937,095** | **800,369** | **505,466** |
| Repos | 227,576 | 195,291 | 195,291 | 189,491 |
| Reserves | –6,389 | –6,404 | –1,040 | –1,100 |
| **Loans, net** | **1,330,353** | **1,125,982** | **994,620** | **693,857** |

1) Including guarantees from and loans to.
2) Including floating charges, factoring, leasing, guarantees etc.

| **Loans restructured current year** | | | | |
|---|---|---|---|---|
| Book value of loans prior to restructuring | 10 | 12 | 10 | 7 |
| Book value of loans after restructuring | 10 | 12 | 10 | 7 |

| **Loans reclassified current year** | | | | |
|---|---|---|---|---|
| Book value of impaired loans which have regained normal status | 136 | 915 | | 3 |

| **Impaired loans** | | | | |
|---|---|---|---|---|
| Non-performing impaired loans[1] | 7,619 | 7,123 | 1,150 | 1,033 |
| Performing loans | 772 | 1,403 | 41 | 15 |
| **Impaired loans gross** | **8,391** | **8,526** | **1,191** | **1,048** |
| Specific reserves | –3,787 | –4,234 | –645 | –678 |
| of which reserves for non-performing loans | –3,456 | –3,630 | –632 | –663 |
| of which reserves for performing loans | –331 | –604 | –13 | –15 |
| Collective reserves | –2,602 | –2,170 | –395 | –422 |
| **Impaired loans net** | **2,002** | **2,122** | **151** | **–52** |
| Reserves not included in the above: | | | | |
| Reserves for off-balance sheet items | –209 | –215 | –3 | –5 |
| **Total reserves** | **–6,598** | **–6,619** | **–1,043** | **–1,105** |

1) Loans past due by more than 60 days and with insufficient collateral.

| | | | | |
|---|---|---|---|---|
| Level of impaired loans | 0.18% | 0.22% | 0.03% | –0.01% |
| Reserve ratio for impaired loans | 76.1 | 75.1 | 87.3 | 105.0 |
| Non-performing loans not determined to be impaired (sufficient collateral) | 237 | 172 | 237 | |

Note 44 ctd. Loans and loan loss provisions

**Credit exposure by industry***

| | Loans and leasing | | Contingent liabilities | | Derivative instruments[2] | | **Total** | |
|---|---|---|---|---|---|---|---|---|
| **Group** | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | **2007** | **2006** |
| **Banks[1]** | **163,852** | **102,338** | **31,207** | **25,432** | **52,477** | **40,896** | **247,536** | **168,666** |
| Finance and insurance | 19,584 | 16,071 | 21,793 | 13,488 | 7,349 | 6,752 | **48,726** | **36,311** |
| Wholesale and retail | 43,995 | 35,795 | 26,311 | 29,609 | 263 | 219 | **70,569** | **65,623** |
| Transportation | 39,472 | 34,850 | 13,431 | 10,602 | 529 | 567 | **53,432** | **46,019** |
| Other service sectors | 69,074 | 36,585 | 45,771 | 24,318 | 2,130 | 877 | **116,975** | **61,780** |
| Construction | 11,367 | 9,760 | 9,567 | 6,976 | 30 | 34 | **20,964** | **16,770** |
| Manufacturing | 70,517 | 50,212 | 82,785 | 73,065 | 4,177 | 1,977 | **157,479** | **125,254** |
| Other | 67,569 | 75,381 | 33,312 | 56,069 | 3,429 | 1,862 | **104,310** | **133,312** |
| **Corporate** | **321,578** | **258,654** | **232,970** | **214,127** | **17,907** | **12,288** | **572,455** | **485,069** |
| **Property management** | **185,347** | **164,645** | **23,654** | **24,530** | **1,097** | **1,529** | **210,098** | **190,704** |
| **Public administration** | **73,754** | **85,229** | **10,673** | **10,362** | **3,127** | **1,034** | **87,554** | **96,625** |
| Housing loans | 310,301 | 269,630 | 20,189 | | | | **330,490** | **269,630** |
| Other | 57,722 | 56,599 | 45,813 | 48,035 | 28 | 18 | **103,563** | **104,652** |
| **Households** | **368,023** | **326,229** | **66,002** | **48,035** | **28** | **18** | **434,053** | **374,282** |
| **Credit portfolio** | **1,112,554** | **937,095** | **364,506** | **322,486** | **74,636** | **55,765** | **1,551,696** | **1,315,346** |
| Credit institutions | | | | | | | 97,213 | 82,867 |
| General public | | | | | | | 130,363 | 112,424 |
| **Repos** | | | | | | | **227,576** | **195,291** |
| **Debt instruments** | | | | | | | **530,602** | **487,300** |
| **Total** | | | | | | | **2,309,874** | **1,997,937** |

1) Including National Debt Office.

2) Derivatives are reported after netting agreements have been taken into account. The exposure is calculated according to the market value method, i.e. positive market value and estimated amount for possible change in risk.

* Before provisions for possible credit losses.

## 45 Derivative instruments

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Interest-related | 44,162 | 40,918 | 41,173 | 38,169 |
| Currency-related | 30,320 | 25,053 | 29,189 | 24,706 |
| Equity-related | 10,544 | 1,901 | 9,329 | 1,416 |
| Other | 3,146 | | 3,146 | |
| **Positive closing values or nil value** | **88,172** | **67,872** | **82,837** | **64,291** |
| | | | | |
| Interest-related | 41,528 | 39,532 | 40,009 | 36,427 |
| Currency-related | 34,382 | 24,690 | 32,926 | 24,428 |
| Equity-related | 5,390 | 2,016 | 7,061 | 1,224 |
| Other | 80 | | 78 | |
| **Negative closing values** | **81,380** | **66,238** | **80,074** | **62,079** |

| | Positive closing values or nil value | | Negative closing values | |
|---|---|---|---|---|
| **Group, 2007** | Nom. amount | Book value | Nom. amount | Book value |
| Options | 372,906 | 3,556 | 330,804 | 2,523 |
| Futures | 1,094,557 | 1,284 | 1,125,054 | 1,079 |
| Swaps | 2,186,047 | 39,322 | 2,190,038 | 37,926 |
| **Interest-related** | **3,653,510** | **44,162** | **3,645,896** | **41,528** |
| of which, cleared | 3,383 | 12 | 176 | 1 |
| | | | | |
| Options | 162,692 | 1,234 | 165,173 | 935 |
| Futures | 272,095 | 3,681 | 286,519 | 4,322 |
| Swaps | 2,982,614 | 25,405 | 2,988,163 | 29,125 |
| **Currency-related** | **3,417,401** | **30,320** | **3,439,855** | **34,382** |
| of which, cleared | 14,486 | 260 | 14,100 | 226 |
| | | | | |
| Options | 7,099 | 7,959 | 14,769 | 4,533 |
| Futures | 5,119 | 794 | | 121 |
| Swaps | 17,286 | 1,791 | 17,286 | 736 |
| **Equity-related** | **29,504** | **10,544** | **32,055** | **5,390** |
| of which, cleared | 5,119 | 1,166 | | 388 |
| | | | | |
| Options | | | 2,849 | 2 |
| Swaps | 44,280 | 3,146 | 44,280 | 78 |
| **Other** | **44,280** | **3,146** | **47,129** | **80** |
| of which, cleared | | | | |
| | | | | |
| **Total** | **7,144,695** | **88,172** | **7,164,935** | **81,380** |
| of which, cleared | 22,988 | 1,438 | 14,276 | 615 |

| **Group, 2006** | | | | |
|---|---|---|---|---|
| Options | 215,536 | 5,734 | 106,267 | 3,063 |
| Futures | 1,409,077 | 2,846 | 1,409,984 | 2,314 |
| Swaps | 2,154,719 | 32,338 | 2,207,635 | 34,155 |
| **Interest-related** | **3,779,332** | **40,918** | **3,723,886** | **39,532** |
| of which, cleared | 652,984 | 27 | 525,113 | 5 |
| | | | | |
| Options | 425,506 | 2,675 | 437,408 | 1,937 |
| Futures | 401,208 | 2,450 | 389,193 | 3,686 |
| Swaps | 2,379,878 | 19,928 | 2,390,038 | 19,067 |
| **Currency-related** | **3,206,592** | **25,053** | **3,216,639** | **24,690** |
| of which, cleared | 2,472 | 32 | 12,664 | 238 |
| | | | | |
| Options | 3,084 | 1,087 | 4,813 | 1,321 |
| Futures | | 233 | | |
| Swaps | 6,448 | 581 | 14,965 | 695 |
| **Equity-related** | **9,532** | **1,901** | **19,778** | **2,016** |
| of which, cleared | | | | |
| | | | | |
| **Total** | **6,995,456** | **67,872** | **6,960,303** | **66,238** |
| of which, cleared | 655,456 | 59 | 537,777 | 243 |

Note 45 ctd. Derivative instruments

| | Positive closing values or nil value | | Negative closing values | |
|---|---|---|---|---|
| **Parent company 2007** | Nom. amount | Book value | Nom. amount | Book value |
| Options | 357,293 | 3,000 | 317,808 | 4,026 |
| Futures | 1,088,485 | 1,148 | 1,121,992 | 1,071 |
| Swaps | 2,008,496 | 37,025 | 2,007,093 | 34,912 |
| **Interest-related** | **3,454,274** | **41,173** | **3,446,893** | **40,009** |
| of which, cleared | | | | |
| Options | 167,382 | 1,246 | 167,491 | 1,091 |
| Futures | 248,233 | 2,909 | 248,803 | 3,390 |
| Swaps | 3,045,820 | 25,034 | 3,049,559 | 28,445 |
| **Currency-related** | **3,461,435** | **29,189** | **3,465,853** | **32,926** |
| of which, cleared | | | | |
| Options | | 7,511 | | 6,203 |
| Futures | | 130 | | 121 |
| Swaps | 17,311 | 1,688 | 17,311 | 737 |
| **Equity-related** | **17,311** | **9,329** | **17,311** | **7,061** |
| of which, cleared | | | | |
| Swaps | 44,299 | 3,146 | 44,299 | 78 |
| **Other** | **44,299** | **3,146** | **44,299** | **78** |
| of which, cleared | | | | |
| **Total** | **6,977,319** | **82,837** | **6,974,356** | **80,074** |
| of which, cleared | | | | |

| **Parent company 2006** | | | | |
|---|---|---|---|---|
| Options | 193,218 | 5,515 | 88,993 | 5,701 |
| Futures | 773,519 | 2,835 | 913,433 | 2,320 |
| Swaps | 2,105,992 | 29,819 | 2,105,052 | 28,406 |
| **Interest-related** | **3,072,729** | **38,169** | **3,107,478** | **36,427** |
| of which, cleared | 650,007 | | 525,168 | |
| Options | 441,087 | 2,613 | 440,100 | 1,898 |
| Futures | 371,378 | 1,804 | 372,483 | 3,265 |
| Swaps | 2,421,327 | 20,289 | 2,419,098 | 19,265 |
| **Currency-related** | **3,233,792** | **24,706** | **3,231,681** | **24,428** |
| of which, cleared | | | | |
| Options | | 601 | | 531 |
| Futures | | 233 | | |
| Swaps | 10,244 | 582 | 10,244 | 693 |
| **Equity-related** | **10,244** | **1,416** | **10,244** | **1,224** |
| of which, cleared | | | | |
| **Total** | **6,316,765** | **64,291** | **6,349,403** | **62,079** |
| of which, cleared | 650,007 | | 525,168 | |

## 46 Fair value information

| | Group 2007 | | Group 2006 | |
|---|---|---|---|---|
| | Book value | Fair value | Book value | Fair value |
| Cash and cash balances with central banks | 96,871 | 96,871 | 11,314 | 11,314 |
| Loans to credit institutions | 263,012 | 262,368 | 180,478 | 180,620 |
| Loans to the public | 1,067,341 | 1,068,151 | 950,861 | 954,715 |
| *Securities held for trading* | *348,888* | *348,888* | *343,535* | *343,535* |
| *Derivatives held for trading* | *85,395* | *85,395* | *65,212* | *65,212* |
| *Derivatives used for hedging* | *2,777* | *2,777* | *2,660* | *2,660* |
| *Fair value changes of hedged items in a portfolio hedge* | *–641* | *–641* | *283* | *283* |
| *Financial assets – policyholders bearing the risk* | *135,485* | *135,485* | *120,524* | *120,524* |
| *Other financial assets designated at fair value* | *89,319* | *89,319* | *82,074* | *82,074* |
| Financial assets at fair value | 661,223 | 661,223 | 614,288 | 614,288 |
| Available-for-sale financial assets | 170,137 | 170,137 | 116,630 | 116,630 |
| Held-to-maturity investments | 1,798 | 1,823 | 2,231 | 2,228 |
| Assets held for sale | | | 2,189 | 2,189 |
| Investments in associates | 1,257 | 1,257 | 1,085 | 1,085 |
| *Intangible assets* | *16,894* | *16,894* | *15,572* | *15,572* |
| *Property and equipment* | *2,564* | *2,564* | *2,302* | *2,302* |
| *Investment properties* | *5,239* | *5,239* | *5,040* | *5,040* |
| Tangible and intagible assets | 24,697 | 24,697 | 22,914 | 22,914 |
| *Current tax assets* | *3,766* | *3,766* | *2,568* | *2,568* |
| *Deferred tax assets* | *845* | *845* | *1,121* | *1,121* |
| *Trade and client receivables* | *25,377* | *25,377* | *11,277* | *11,277* |
| *Other assets* | *28,138* | *28,138* | *17,485* | *17,485* |
| Other assets | 58,126 | 58,126 | 32,451 | 32,451 |
| **Total assets** | **2,344,462** | **2,344,653** | **1,934,441** | **1,938,434** |

| | | | | |
|---|---|---|---|---|
| Deposits by credit institutions | 421,348 | 421,361 | 368,326 | 368,661 |
| Deposits and borrowing from the public | 750,481 | 751,411 | 643,849 | 644,804 |
| *Liabilities to policyholders – investment contracts* | *135,937* | *135,937* | *120,127* | *120,127* |
| *Liabilities to policyholders – insurance contracts* | *89,979* | *89,979* | *83,592* | *83,592* |
| Liabilities to policyholders | 225,916 | 225,916 | 203,719 | 203,719 |
| Debt securities | 510,564 | 507,342 | 394,357 | 393,988 |
| *Trading derivatives* | *79,211* | *79,211* | *60,343* | *60,343* |
| *Derivatives used for hedging* | *2,169* | *2,169* | *5,894* | *5,894* |
| *Trading liabilities* | *135,421* | *135,421* | *84,942* | *84,942* |
| *Fair value changes of hedged items in portfolio hedge* | *–411* | *–411* | *–147* | *–147* |
| Financial liabilities at fair value | 216,390 | 216,390 | 151,032 | 151,032 |
| *Current tax liabilities* | *1,101* | *1,101* | *1,036* | *1,036* |
| *Deferred tax liabilities* | *9,403* | *9,403* | *9,099* | *9,099* |
| *Trade and client payables* | *33,940* | *33,940* | *12,479* | *12,479* |
| *Other liabilities* | *53,075* | *53,075* | *37,536* | *37,536* |
| Other liabilities | 97,519 | 97,519 | 60,150 | 60,150 |
| Provisions | 1,536 | 1,536 | 2,066 | 2,066 |
| Subordinated liabilities | 43,989 | 43,819 | 43,675 | 43,693 |
| **Total liabilities** | **2,267,743** | **2,265,294** | **1,867,174** | **1,868,113** |

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 2007 | Group companies Assets/ Liabilities | Group companies Interest | Associated companies Assets/ Liabilities | Associated companies Interest | Total Assets/ Liabilities | Total Interest |
|---|---|---|---|---|---|---|
| Loans to credit institutions | 166,009 | 5,852 | | | 166,009 | 5,852 |
| Loans to the public | 38,017 | 1,693 | 207 | | 38,224 | 1,693 |
| Bonds and other interest-bearing securities | 7,605 | 446 | | | 7,605 | 446 |
| Other assets | 5,390 | 7 | | | 5,390 | 7 |
| **Total** | **217,021** | **7,998** | **207** | | **217,228** | **7,998** |
| | | | | | | |
| Deposits by credit institutions | 63,803 | –2,788 | | | 63,803 | –2,788 |
| Deposits and borrowings from the public | 7,701 | –402 | 36 | | 7,737 | –402 |
| Issued securities | 578 | –4 | | | 578 | –4 |
| Other liabilities | 4,318 | | | | 4,318 | |
| **Total** | **76,400** | **–3,194** | **36** | | **76,436** | **–3,194** |

The Parent company has sold four Strategic investments to SEB Stiftelsen, Skandinaviska Enskilda Bankens Pensionsstiftelse, in 2007 for SEK 224m and made a capital gain of SEK 21m.

| Parent company 2006 | Group companies Assets/ Liabilities | Group companies Interest | Associated companies Assets/ Liabilities | Associated companies Interest | Total Assets/ Liabilities | Total Interest |
|---|---|---|---|---|---|---|
| Loans to credit institutions | 241,583 | 5,585 | | | 241,583 | 5,585 |
| Loans to the public | 30,474 | 1,563 | 148 | 1 | 30,622 | 1,564 |
| Bonds and other interest-bearing securities | 18,852 | 591 | 16 | | 18,868 | 591 |
| Other assets | 5,048 | –20 | 4 | | 5,052 | –20 |
| **Total** | **295,957** | **7,719** | **168** | **1** | **296,125** | **7,720** |
| | | | | | | |
| Deposits by credit institutions | 53,616 | –1,868 | | | 53,616 | –1,868 |
| Deposits and borrowings from the public | 8,047 | –263 | 69 | –1 | 8,116 | –264 |
| Issued securities | 919 | –3 | | | 919 | –3 |
| Other liabilities | 3,101 | –4 | | | 3,101 | –4 |
| **Total** | **65,683** | **–2,138** | **69** | **–1** | **65,752** | **–2,139** |

* For information about Top management, The Group Executive Committee and Other related parties see note 9c.

## 48 Future minimum lease payments for operational leases*

| | Group 2007 | Group 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Year 2007 | | 1,298 | | 647 |
| Year 2008 | 1,261 | 1,147 | 535 | 544 |
| Year 2009 | 1,090 | 989 | 444 | 459 |
| Year 2010 | 930 | 835 | 358 | 361 |
| Year 2011 | 782 | 782 | 357 | 303 |
| Year 2012 and later | 2,849 | 2,234 | 2,050 | 2,082 |
| **Total** | **6,912** | **7,285** | **3,744** | **4,396** |

* Leases for premises and other operational leases.

## 49 Capital adequacy

| Calculation of capital base | Financial group of undertakings[1) 2007 | Financial group of undertakings[1) 2006 | Parent company 2007 | Parent company 2006 |
|---|---|---|---|---|
| Total equity according to balance sheet | 76,719 | 67,267 | 39,932 | 35,813 |
| Proposed dividend (excl repurchased shares) | –4,442 | –4,070 | –4,442 | –4,070 |
| Deductions for investments outside the financial group of undertakings | –81 | | | |
| Other deductions outside the financial group of undertakings[2) | –2,975 | –2,622 | | |
| **Total equity in the capital adequacy** | **69,221** | **60,575** | **35,490** | **31,743** |
| Untaxed reserves | | | 13,692 | 8,701 |
| Core capital contribution | 10,907 | 7,543 | 8,562 | 7,000 |
| Adjustment for hedge contracts | 237 | 51 | 442 | 64 |
| Net provisioning amount for IRB-reported credit exposures | –235 | | –476 | |
| Unrealised value changes on available-for-sale financial assets | 572 | –387 | 258 | –212 |
| Goodwill[3) | –6,079 | –5,342 | –523 | –524 |
| Other intangible assets | –1,135 | –712 | –370 | –110 |
| Deferred tax assets | –786 | –1,066 | | |
| **Core capital (tier 1)** | **72,702** | **60,662** | **57,075** | **46,662** |
| Dated subordinated debts | 18,670 | 22,770 | 17,808 | 21,687 |
| Deductions for remaining maturity | –1,414 | –1,288 | –1,018 | –813 |
| Perpetual subordinated debts | 14,256 | 13,973 | 16,601 | 14,515 |
| Net provisioning amount for IRB-reported credit exposures | –235 | | –476 | |
| Unrealised gains on available-for-sale financial assets | 451 | 381 | 140 | 217 |
| Deduction for investments outside the financial group of undertakings | –81 | | | |
| **Supplementary capital (tier 2)** | **31,647** | **35,836** | **33,055** | **35,606** |
| Deductions for investments in insurance companies[4) | –10,592 | –10,500 | | –206 |
| Deductions for other investments outside the financial group of undertakings | | –465 | | |
| Deductions for pension assets in excess of related liabilities | –784 | –611 | | |
| **Capital base** | **92,973** | **84,922** | **90,130** | **82,062** |

Note 49 ctd. Capital adequacy

| | Financial group of undertakings[1] | | Parent company | |
|---|---|---|---|---|
| **Risk weighted assets** | 2007 | 2006 | 2007 | 2006 |
| *Companies that report according to Basel II*[5] | | | | |
| Credit risk, IRB approach: Institutions | 56,323 | | 36,698 | |
| Credit risk, IRB approach: Corporates | 267,748 | | 205,896 | |
| Credit risk, IRB approach: Securitisations | 2,174 | | 2,126 | |
| Credit risk, IRB approach: Retail mortgages | 42,617 | | 18,764 | |
| **Total for credit risk, IRB approach** | **368,862** | | **263,484** | |
| Credit risk, Standardised approach | 77,840 | | 211,210 | |
| Operational risk, Basic Indicator approach | 46,540 | | 29,474 | |
| Currency price risk | 7,248 | | 6,787 | |
| Trading book risks | 50,119 | | 46,516 | |
| **Total, companies that report according to Basel II** | **550,609** | | **557,471** | |
| *Companies that report according to Basel I* | | | | |
| Credit risk | 185,744 | | | |
| Currency price risk | 0 | | | |
| Trading book risks | 511 | | | |
| **Total, companies that report according to Basel I** | **186,255** | | | |
| *Summary* | | | | |
| Credit risk, Basel II | 446,702 | | 474,694 | |
| Credit risk, Basel I | 185,744 | 677,605 | | 232,234 |
| Operational risk | 46,540 | | 29,474 | |
| Market risk | 57,878 | 62,908 | 53,303 | 50,768 |
| **Total** | **736,864** | **740,513** | **557,471** | **283,002** |
| *Adjustment for flooring rules* | | | | |
| Additional requirement according to transitional flooring[6] | 105,110 | | | |
| **Total reported** | **841,974** | **740,513** | **557,471** | **283,002** |

To facilitate comparison with previous reporting, the regulatory capital requirements above are expressed as risk weighted assets (RWA, 12.5 times the capital requirement). For operational and market risk these are derived entities, since the new regulation is formulated directly in terms of capital requirements.

| **Capital adequacy** | | | | |
|---|---|---|---|---|
| Core capital (tier 1) | 72,702 | 60,662 | 57,075 | 46,662 |
| Total capital base | 92,973 | 84,922 | 90,130 | 82,062 |
| Total risk-weighted amount for credit and market risks | 841,974 | 740,513 | 557,471 | 283,002 |
| **Core capital ratio, %** | **8.63** | **8.19** | **10.24** | **16.49** |
| **Total capital ratio, %** | **11.04** | **11.47** | **16.17** | **29.00** |
| **Capital adequacy quotient (capital base/capital requirement)** | **1.38** | **1.43** | **2.02** | **3.62** |

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) 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.
4) Goodwill from acquisitions of insurance companies is included in the deduction for insurance investments.
5) Skandinaviska Enskilda Banken AB, SEB AG and SEB Gyllenberg Ab report according Basel II. SEB Bolån and SEB Finance were merged with Skandinaviska Enskilda Banken AB in fourth quarter 2007.
6) Addition for transition rule according to the Swedish law ( 2006:1372) for implementation of the new capital reruirement from Basel I to Basel II.

## 50 Assets and liabilities distributed by main currencies

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| SEK | 74,863 | 36,212 | 80,116 | 145,245 |
| EUR | 89,097 | 47,700 | 169,024 | 104,130 |
| USD | 56,607 | 56,450 | 58,433 | 56,797 |
| GBP | 1,480 | 688 | 2,097 | 1,637 |
| DKK | 32,747 | 34,144 | 32,678 | 33,753 |
| NOK | 1,503 | 1,265 | 7,539 | 6,430 |
| Other currencies | 6,715 | 4,019 | 7,595 | 13,623 |
| Loans to credit institutions | 263,012 | 180,478 | 357,482 | 361,615 |
| | | | | |
| SEK | 506,232 | 450,908 | 469,018 | 203,102 |
| EUR | 381,721 | 346,203 | 63,198 | 48,204 |
| USD | 42,755 | 36,347 | 35,756 | 30,273 |
| GBP | 10,614 | 9,915 | 8,393 | 8,386 |
| DKK | 30,218 | 29,102 | 29,297 | 27,759 |
| NOK | 41,543 | 33,047 | 24,597 | 16,247 |
| Other currencies | 54,258 | 45,339 | 6,879 | 2,591 |
| Loans to the public | 1,067,341 | 950,861 | 637,138 | 336,562 |
| | | | | |
| SEK | 242,930 | 234,929 | 132,636 | 164,475 |
| EUR | 281,411 | 252,352 | 142,348 | 126,448 |
| USD | 70,952 | 60,011 | 70,713 | 47,538 |
| GBP | 26,455 | 19,665 | 27,016 | 15,285 |
| DKK | 165,195 | 132,132 | 91,527 | 48,707 |
| NOK | 36,597 | 21,520 | 39,037 | 25,232 |
| Other currencies | 10,875 | 13,625 | 8,523 | 6,911 |
| Financial assets | 834,415 | 734,234 | 511,800 | 434,596 |
| | | | | |
| SEK | 25,688 | 22,266 | 37,610 | 10,652 |
| EUR | 87,008 | 10,792 | 7,016 | 539 |
| USD | 6,945 | 4,208 | 3,844 | 9,415 |
| GBP | 680 | 1,570 | 159 | 4,959 |
| DKK | 16,849 | 17,267 | 798 | 4,564 |
| NOK | 15,372 | 2,100 | 860 | 958 |
| Other currencies | 27,152 | 10,665 | 2,612 | 8,189 |
| Other assets | 179,694 | 68,868 | 52,899 | 39,276 |
| | | | | |
| **Total assets** | **2,344,462** | **1,934,441** | **1,559,319** | **1,172,049** |
| | | | | |
| SEK | 849,713 | 744,315 | 719,380 | 523,474 |
| EUR | 839,237 | 657,047 | 381,586 | 279,321 |
| USD | 177,259 | 157,016 | 168,746 | 144,023 |
| GBP | 39,229 | 31,838 | 37,665 | 30,267 |
| DKK | 245,009 | 212,645 | 154,300 | 114,783 |
| NOK | 95,015 | 57,932 | 72,033 | 48,867 |
| Other currencies | 99,000 | 73,648 | 25,609 | 31,314 |
| **Total assets** | **2,344,462** | **1,934,441** | **1,559,319** | **1,172,049** |

Note 50 ctd. Assets and liabilities distributed by main currencies

| | Group | | Parent company | |
|---|---|---|---|---|
| **Liabilities, provisions and shareholders' equity** | 2007 | 2006 | 2007 | 2006 |
| SEK | 84,572 | 84,292 | 92,510 | 91,867 |
| EUR | 126,792 | 95,077 | 62,184 | 70,333 |
| USD | 92,219 | 82,133 | 95,788 | 71,236 |
| GBP | 8,481 | 11,958 | 8,995 | 11,477 |
| DKK | 54,410 | 40,796 | 55,676 | 40,135 |
| NOK | 31,824 | 22,072 | 33,084 | 22,236 |
| Other currencies | 23,050 | 31,998 | 19,462 | 26,832 |
| Deposits by credit institutions | 421,348 | 368,326 | 367,699 | 334,116 |
| SEK | 292,463 | 272,846 | 288,838 | 270,319 |
| EUR | 295,172 | 223,473 | 36,810 | 35,452 |
| USD | 49,925 | 45,434 | 41,616 | 38,396 |
| GBP | 13,684 | 13,758 | 12,639 | 13,264 |
| DKK | 16,119 | 19,350 | 10,379 | 15,518 |
| NOK | 26,310 | 21,141 | 17,243 | 14,783 |
| Other currencies | 56,808 | 47,847 | 4,974 | 2,353 |
| Deposits and borrowing from the public | 750,481 | 643,849 | 412,499 | 390,085 |
| SEK | 365,440 | 284,403 | 255,036 | 95,862 |
| EUR | 180,957 | 155,302 | 60,565 | 28,051 |
| USD | 209,008 | 148,024 | 208,745 | 134,920 |
| GBP | 19,449 | 15,922 | 3,841 | –1,346 |
| DKK | 143,119 | 128,952 | 76,577 | 45,838 |
| NOK | 28,381 | 12,268 | 28,845 | 11,317 |
| Other currencies | 6,516 | 4,237 | 8,523 | 1,123 |
| Financial liabilities | 952,870 | 749,108 | 642,132 | 315,765 |
| SEK | 24,393 | 14,219 | 6,646 | 6,056 |
| EUR | 28,772 | 10,292 | 6,384 | 4,925 |
| USD | 3,231 | 19,474 | 4,717 | 16,540 |
| GBP | 3,772 | 2,680 | 4,031 | 2,241 |
| DKK | 26,449 | 10,966 | 4,914 | 9,837 |
| NOK | 5,787 | 2,401 | 2,424 | 951 |
| Other currencies | 6,651 | 2,184 | 5,879 | 931 |
| Other liabilities | 99,055 | 62,216 | 34,995 | 41,481 |
| EUR | 22,180 | 21,563 | 21,364 | 20,676 |
| USD | 9,086 | 9,345 | 9,086 | 9,345 |
| GBP | 11,124 | 11,460 | 11,124 | 11,460 |
| NOK | 93 | 70 | | |
| Other currencies | 1,506 | 1,237 | 1,472 | 1,219 |
| Subordinated liabilities | 43,989 | 43,675 | 43,046 | 42,700 |
| SEK | 76,719 | 67,267 | 58,441 | 46,472 |
| EUR | | | 8 | 951 |
| USD | | | 47 | 56 |
| NOK | | | 452 | 423 |
| Shareholders' equity and untaxed reserves | 76,719 | 67,267 | 58,948 | 47,902 |
| **Total liabilities and equity** | **2,344,462** | **1,934,441** | **1,559,319** | **1,172,049** |
| SEK | 843,587 | 723,027 | 701,471 | 510,998 |
| EUR | 653,873 | 505,707 | 187,315 | 159,966 |
| USD | 363,469 | 304,410 | 359,999 | 270,493 |
| GBP | 56,510 | 55,778 | 40,630 | 37,096 |
| DKK | 240,097 | 200,064 | 147,546 | 111,328 |
| NOK | 92,395 | 57,952 | 82,048 | 49,710 |
| Other currencies | 94,531 | 87,503 | 40,310 | 32,458 |
| **Total liabilities and equity** | **2,344,462** | **1,934,441** | **1,559,319** | **1,172,049** |

## 51 Income statements – Life insurance operations

| | Group 2007 | 2006 |
|---|---|---|
| Premium income, net | 5,961 | 5,727 |
| Income investment contracts | | |
| Own fees including risk gain/loss | 1,029 | 848 |
| Commissions from fund companies | 1,113 | 927 |
| | 2,142 | 1,775 |
| Net investment income | 889 | 1,385 |
| Other operating income | 485 | 397 |
| **Total income, gross** | **9,477** | **9,284** |
| Claims paid, net | –7,918 | –8,054 |
| Change in insurance contract provisions | 2,371 | 2,226 |
| **Total income, net** | **3,930** | **3,456** |
| *Of which from other units within the SEB group* | *997* | *795* |
| Expenses for acquisition of investment and insurance contracts | | |
| Acquisition costs | –1,391 | –1,512 |
| Change in deferred acquisition costs | 190 | 507 |
| | –1,201 | –1,005 |
| Administrative expenses | –915 | –896 |
| Other operating expenses | –12 | –35 |
| **Total expenses** | **–2,128** | **–1,936** |
| **Operating profit** | **1,802** | **1,520** |

**Change in surplus values in life insurance operations**

| | 2007 | 2006 |
|---|---|---|
| Present value of new sales[1)] | 1,773 | 2,545 |
| Return on existing policies | 1,327 | 1,085 |
| Realised surplus value in existing policies | –1,662 | –1,258 |
| Actual outcome compared to assumptions[2)] | 25 | –210 |
| **Change in surplus values from ongoing business, gross** | **1,463** | **2,162** |
| Capitalisation of acquisition costs | –683 | –911 |
| Amortisation of capitalised acquisition costs | 493 | 404 |
| **Change in surplus values from ongoing business, net[3)]** | **1,273** | **1,655** |
| Change in assumptions[4)] | 53 | –72 |
| Financial effects due to short term market fluctuations[5)] | –62 | 528 |
| **Total change in surplus values[6)]** | **1,264** | **2,111** |

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 are:

| | 2007 | 2006 |
|---|---|---|
| Discount rate | 8% | 8% |
| Surrender of endowment insurance contracts, Sweden: signed within 1 year / 5 years / thereafter | 1% / 10% / 12% | 6% / 6% / 12% |
| Surrender of insurance contracts, Denmark | 6% | 6% |
| Lapse rate of regular premiums, unit-linked | 10% | 10% |
| Growth in fund units, Sweden | 6% | 6% |
| Growth in fund units, Denmark | 5% | 5% |
| Inflation CPI / Inflation expenses | 2% / 3% | 2% / 3% |
| Right to transfer policy (unit-linked) | 1% | 1% |
| Mortality | According to the Group's experience | According to 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) In 2006 the assumption of a 1% transfer of ITPK policies was introduced in Sweden with a negative effect. The surrender rate was changed from 10 per cent to 6 or 12 per cent depending on years past since the sign of contracts. Administrative costs per policy were also adjusted with a positive effect. Main changes in 2007: Administrative costs per policy were adjusted with a positive effect. In Sweden the surrender rate was adjusted from 6 / 6 / 12 per cent to 1 / 10 / 12 per cent depending on years past since the sign of contracts (within 1 / 5 / 10 years). This change had a negative effect.
5) Assumed annual unit growth is 5-6 per cent. Actual growth results in positive or negative financial effects.
6) Calculated surplus values are not included in the SEB Group's consolidated accounts.

## 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 34 (30) funds, where it is the investment manager. The total value of those funds amounted to SEK 83,368m (79,122) of which SEB, for its customer's account, holds SEK 59,695m (54,967).

## 53 Assets held for sale

| | Group | |
|---|---|---|
| **Balance sheet** | 2007 | 2006 |
| Investment properties | | 923 |
| Credit portfolio | | 1,266 |
| **Total** | | **2,189** |

In line with the Group's property strategy the properties in Estonia, Latvia and Lithuania were sold in 2007. Further SEB AG in Germany sold its non-performing retail claim portfolio formerly administrated by Union Inkasso GmbH.

# Additional information about the audited financial statements of the SEB Group and Skandinaviska Enskilda Banken as of and for the years ended December 31, 2007 and 2006

## Statements of changes in equity for the SEB Group and Skandinaviska Enskilda Banken

The references in footnote 1 to each of the statements of changes in equity as of December 31, 2007 and 2006 for the SEB Group and Skandinaviska Enskilda Banken to page 18 are references to page 18 of SEB's annual report for 2007. Such pages are unaudited and do not form part of the Unrestated 2007 Financial Statements.

## Note 9c

The reference in Note 9c to the Unrestated 2007 Financial Statements to page 48 is a reference to page 48 of SEB's annual report for 2007. Such page is unaudited and does not form part of the Unrestated 2007 Financial Statements.

## Auditors' report 2007

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 2007. 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 IFRSs 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 IFRSs 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 6 March, 2008

PricewaterhouseCoopers AB

*Peter Clemedtson*
Authorised Public Accountant
Partner in charge

*Peter Nyllinge*
Authorised Public Accountant

The annual accounts and consolidated accounts covered by this auditors' report are set out on pages F-72 – F-139 of this Prospectus.

# Annex A – Investor letter for shareholders located in the United States

Date:

Skandinaviska Enskilda Banken AB (publ)
Kungsträdgårdsgatan 8
SE-106 40 Stockholm
Sweden

The Underwriters named in the Prospectus

Ladies and Gentlemen:

In connection with our proposed acquisition in a private placement by Skandinaviska Enskilda Banken AB (publ) of rights ("Rights") and A shares of Skandinaviska Enskilda Banken AB (publ) ("SEB") issuable upon the exercise of the Rights ("new SEB A Shares"), we confirm that:

1. We are, and at the time of any exercise by us of Rights will be, a "qualified institutional buyer" (a "QIB") within the meaning of Rule 144A under the Securities Act of 1933, as amended (the "Securities Act").

2. We understand and acknowledge that neither the Rights nor any new SEB A Shares issuable upon exercise of the Rights have been or will be registered under the Securities Act, and that they may not be offered, sold or exercised, directly or indirectly, in the United States, other than in accordance with paragraph 4 below.

3. As a purchaser in a private placement of securities that have not been registered under the Securities Act, we have acquired Rights and are acquiring new SEB A Shares upon the exercise of such Rights for our own account, or for the account of one or more other QIBs for which we are acting as duly authorised fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account, in each case for investment and not with a view to any resale or distribution of any such Rights or of any new SEB A Shares issuable upon exercise of the Rights.

4. We understand and agree that, although offers and sales of the Rights are being made only to QIBs, and that the Rights may be exercised only by QIBs, neither such offers and sales nor such exercises are being made under Rule 144A, and that if, in the future, we or any such other QIB for which we are acting, as described in paragraph 3 above, or any other fiduciary or agent representing such investor, decide to offer, sell, deliver, hypothecate or otherwise transfer any Rights or new SEB A Shares issued upon the exercise of Rights, we and it will do so only (i) pursuant to an effective registration statement under the Securities Act, (ii) to a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States pursuant to Rule 904 under Regulation S under the Securities Act in an "offshore transaction" (and not in a pre-arranged transaction resulting in the resale of such Rights or new SEB A Shares into the United States) or (iv) in the case of new SEB A Shares issued upon the exercise of Rights, in accordance with Rule 144 under the Securities Act and, in each case, in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction. We understand that no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for the resale of new SEB A Shares.

5. We understand that for so long as new SEB A Shares issued upon the exercise of Rights are "restricted securities" within the meaning of U.S. federal securities laws, no such new SEB A Shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that such new SEB A Shares will not settle or trade through the facilities of the Depository Trust Company or any other U.S. exchange or clearing system.

6. We have received a copy of the Prospectus, dated March 9, 2009 (the "Prospectus") and have had access to such financial and other information concerning SEB as we have deemed necessary in connection with making our own investment decision to purchase or exercise Rights. We acknowledge that neither SEB nor the Underwriters nor any person representing SEB or the Underwriters has made any representation to us with respect to SEB or the offering or sale or exercise of any Rights (or new SEB A Shares issuable upon the exercise of Rights) other than as set forth herein or in the Prospectus which has been delivered to us, and upon which we are relying solely in making our investment decision with respect to the Rights and such new SEB A Shares. We have held and will hold any offering materials, including the Prospectus, we receive directly or indirectly from SEB or the Underwriters in confidence, and we understand that any such information received by us is solely for us and not to be redistributed or duplicated by us. We acknowledge that we have read and agreed to the matters stated in the section entitled "Restrictions on sale and transfer of Subscription Rights, BTAs and New A Shares" in the Prospectus.

7. We, and each other QIB, if any, for whose account we are acquiring Rights or new SEB A Shares, in the normal course of business, invest in or purchase securities similar to the Rights and the new SEB A Shares issuable upon the exercise of Rights, have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of purchasing any of the Rights and such new SEB A Shares and are aware that we must bear the economic risk of an investment in each Right and any new SEB A Share into which it may be exercised for an indefinite period of time and are able to bear such risk for an indefinite period. We confirm that we are acquiring Rights or new SEB A Shares for ourselves and any other QIB, if any, for whom we are acting with an aggregate exercise price of U.S. $250,000 per account.

8. We understand that these representations and undertakings are required in connection with United States securities laws and irrevocably authorise the addressees to produce this letter to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

9. We undertake promptly to notify the addressees if, at any time prior to March 27, 2009, any of the foregoing ceases to be true.

Terms used herein but not otherwise defined have the meanings given to them by Regulation S under the Securities Act.

THIS LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Name of Qualified Institutional Buyer
in the United States]

By: ________________________________
(Authorised Signature)
Name:
Title

# Annex B-1 – Summary in Danish

## Resumé

*Dette resumé skal betragtes som en indledning til dette Prospekt og sætter fokus på oplysninger, der er nærmere beskrevet andetsteds i Prospektet. Resuméet er ikke fuldstændigt og indeholder ikke oplysninger om alle de forhold, som du bør overveje, før du investerer i de Nye A-aktier. Før du investerer, bør du læse hele dette Prospekt nøje, herunder "Risikofaktorer", "Bemærkninger til den økonomiske udvikling", "Risikostyring" og "Kapitalstyring" samt årsregnskaberne. Enhver beslutning om at investere i de Nye A-aktier bør træffes på baggrund af en vurdering af Prospektet i sin helhed. En investor, der iværksætter retslige skridt som følge af de i dette Prospekt indeholdte oplysninger, kan blive pålagt at betale for en oversættelse af dette Prospekt. En person kan kun blive erstatningsansvarlig for oplysninger, der er indeholdt i eller udeladt af dette resumé eller en oversættelse heraf, hvis resuméet eller oversættelsen heraf er misvisende, unøjagtig eller inkonsistent, når det læses i sammenhæng med de øvrige afsnit i dette Prospekt.*

I dette Prospekt skal "**Udsteder**" forstås som Skandinaviska Enskilda Banken AB (publ), "**SEB**" skal alt efter omstændighederne forstås som Skandinaviska Enskilda Banken AB (publ) eller selskaberne i den koncern, som Udstederen er moderselskab for, og "**Koncern**" skal forstås som selskaberne i den koncern, som Udstederen er moderselskab for.

## Beskrivelse af Udsteder

SEB er en af de førende finansielle institutioner i Nordeuropa og leverer ydelser til erhvervskunder, finansielle institutioner og privatpersoner. Selskabets hovedmarkeder er de nordiske lande, dvs. Sverige, Danmark, Finland og Norge, de baltiske lande, dvs. Estland, Letland og Litauen, samt Tyskland, og selskabets kernekompetencer er inden for engros- og investeringsbankvirksomhed, formueforvaltning og unit-link-forsikringsvirksomhed. Ved og til og med udløbet af det regnskabsår, der udløb 31. december 2008, udgjorde SEB's samlede aktiver SEK 2.511 milliarder (EUR 231 milliarder), den samlede egenkapital SEK 83,7 milliarder (EUR 7,7 milliarder) og nettooverskuddet SEK 10,1 milliarder (EUR 1,05 milliarder).[1)]

Koncernens aktiviteter er organiseret inden for fire områder:

- *Erhvervsbankvirksomhed* – levering af engros- og investeringsbankydelser til store selskaber og finansielle institutioner på SEB's hovedmarkeder,
- *Detailbankvirksomhed* – levering af detailbankydelser til privatpersoner og små og mellemstore selskaber ("SMV'er") i Sverige, Tyskland og de baltiske lande og af kort i de nordiske lande,
- *Formueforvaltning* – levering af kapitalforvaltning og private banking-ydelser til institutioner, fonde og privatpersoner på SEB's hovedmarkeder, og
- *Liv* – levering af unit-link og traditionel livsforsikring hovedsageligt i Sverige, Danmark og de baltiske lande.

SEB's kundegrundlag bestod pr. 31. december 2008 af ca. 2.500 store erhvervskunder og institutionelle kunder, 400.000 SMV'er og over fem millioner privatpersoner. SEB havde pr. samme dato ca. 660 filialer i Sverige, de baltiske lande, Tyskland og øvrige lande. Uden for hovedmarkederne har SEB gennem sit internationale netværk af 11 filialer og repræsentationskontorer i forskellige finansielle centre en strategisk tilstedeværelse med henblik på at støtte og servicere primært sine store erhvervskunder og institutionelle kunder. Ved udgangen af 2008 havde SEB det, der svarer til 21.131 fuldtidsansatte medarbejdere ("FTA'er"), hvoraf over halvdelen arbejdede uden for Sverige.

1) De tilsvarende beløb i EUR som anført ovenfor er baseret på SEK/EUR slutvalutakursen i 2008-perioden for så vidt angår samlede aktiver og egenkapital og på den gennemsnitlige SEK/EUR valutakurs i 2008-perioden for så vidt angår nettooverskud, i begge tilfælde som beskrevet under "Generelle oplysninger - oplysninger om valutakurser".

### Konkurrencemæssige styrker

SEB's forretning bygger efter bankens overbevisning på stærke, langsigtede kundeforhold, dens produkters overlegenhed og kvaliteten af dens rådgivning. SEB's omdømme skyldes den mangeårige tradition for levering af bank- og finansielle ydelser til store erhvervskunder, finansielle institutioner og privatpersoner i de nordiske lande. På baggrund af sin diversificerede forretning anser SEB sig for at være i en gunstig position i forhold til at udnytte mulighederne i den finansielle sektor på bankens hovedmarkeder. Blandt SEB's konkurrencemæssige styrker er:

- Stærke og langsigtede kundeforhold,
- Førende markedsposition inden for hovedforretningsområderne,
- En diversificeret omsætning og stor fokus på effektiv drift,
- Disciplineret risikostyring, og
- Et diversificeret finansieringsgrundlag.

### Årsager til Udbuddet

SEB har en lang tradition for at opretholde en kapitaldækning, der ligger et godt stykke over de af myndighederne fastsatte minimumsgrænser. Udstederens Bestyrelse finder det fornuftigt og i SEB's interessenters interesse proaktivt at styrke SEB's kapitalberedskab og har truffet foranstaltninger med henblik på at forøge SEB's kapitalgrundlag med ca. SEK 19,1 milliarder ved (i) at anvende nettoprovenuet fra dette Udbud og (ii) ved ikke at foreslå udbytte i regnskabsåret 2008, hvilket vil styrke Koncernens kapitalgrundlag med SEK 4,5 milliarder. Beslutningen om ikke at udlodde udbytte for 2008 og dette Udbud blev godkendt af SEB's aktionærer på SEB's Ordinære Generalforsamling afholdt den 6. marts 2009.

For at afspejle oppebærelsen af nettoprovenuet fra Udbuddet pr. 31. december 2008 ville SEB's Tier 1-kapitaldækningsgrad (kernekapitalprocent) på proforma-basis være forøget fra 10,1% til ca. 12,1% beregnet ud fra Basel II-kravene uden overgangsregler. Bestyrelsen for SEB har fastsat et nyt langsigtet mål for bankens Tier 1-kapitaldækningsgrad på 10% beregnet på grundlag af Basel II-kravene uden overgangsregler.

Ved at iværksætte disse kapitalmæssige foranstaltninger på dette tidspunkt, søger SEB at opnå følgende:

- *Forbedre kapitaldækningsgraden yderligere som reaktion på ændrede omgivelser*. Disse kapitalmæssige foranstaltninger sikrer en væsentlig stødpude i SEB's kapitalgrundlag, der vil gøre det muligt for SEB at skabe værdi og modstå en betydelig forværring af de makroøkonomiske forhold.
- *Forbedre SEB's muligheder for at være en stærk samarbejdspartner for SEB's kunder.* SEB anser det forøgede kapitalberedskab efter disse kapitalmæssige foranstaltninger for en vigtig konkurrencemæssig fordel, der vil forbedre bankens muligheder for at være en stærk samarbejdspartner i forhold til sine kunder og en stærk modpart på de finansielle markeder.
- *Imødekomme markedets forventninger om et højere kapitalniveau i banksektoren.* Investorernes forventninger har ændret sig mod højere kapitalniveauer og lavere gearing i banksektoren, hvilket skyldes, at risikoen vurderes at være højere. Dette afspejles i den seneste tids kapitalfremskaffelsesaktiviteter blandt europæiske og amerikanske finansielle institutioner. Ved hjælp af de ovenfor beskrevne kapitalmæssige foranstaltninger håber SEB i rigelig grad at imødekomme disse bekymringer.

## Sammenfatning af finansielle og øvrige data

Tabellerne nedenfor sammenfatter historiske finansielle og øvrige data for SEB på koncernniveau for regnskabsårene, der blev afsluttet 31. december 2008, 2007 og 2006. De sammenfattede historiske finansielle data er baseret på Udsteders reviderede koncernregnskab og tilhørende noter udarbejdet i overensstemmelse med de af EU godkendte internationale regnskabsstandarder, herunder ved brug af den af EU godkendte version af IAS 39 i relation til porteføljeafdækning af renterisici ("IFRS"), og revideret af PricewaterhouseCoopers AB ("PwC"). SEB's årsregnskab for 2006 blev tilpasset i 2007 for at afspejle de forretningssegmenter, der blev indført den 1. januar 2007, og SEB's årsregnskab for 2007 blev tilpasset i 2008 for at afspejle yderligere omstrukturering, der fandt sted i bankens afdelinger. Som følge heraf er de finansielle data for 2006 i dette afsnit, medmindre andet fremgår, ikke fuldt ud sammenlignelige med de finansielle data for 2007 og 2008.

De sammenfattede historiske finansielle data, der fremgår af tabellerne nedenfor, bør læses i sammenhæng med og med forbehold i sin helhed for Udsteders reviderede koncernregnskab og de tilhørende noter for regnskabsårene der blev afsluttet 31. december 2008, 2007 og 2006, der er medtaget andetsteds i dette Prospekt. Disse oplysninger bør også læses i sammenhæng med "Bemærkninger til den økonomiske udvikling", "Udvalgte finansielle og øvrige oplysninger" samt "Udvalgte statistiske data".

### Resultatopgørelser

| SEK millioner | 2008 | 2007 | 2006 |
|---|---|---|---|
| Renteindtægter, netto | 18.710 | 15.998 | 14.281 |
| Provisionsindtægter, netto | 15.254 | 17.051 | 16.146 |
| Finansielle indtægter, netto | 2.970 | 3.239 | 4.036 |
| Indtægter fra livsforsikringer, netto | 2.375 | 2.933 | 2.661 |
| Øvrige indtægter, netto | 1.831 | 1.219 | 1.623 |
| **Driftsindtægter i alt** | **41.140** | **40.440** | **38.747** |
| Personaleomkostninger | –16.241 | –14.921 | –14.363 |
| Andre omkostninger | –7.642 | –6.919 | –6.887 |
| Afskrivninger på, amortiseringer af og værdiforringelse af materielle og immaterielle aktiver | –1.524 | –1.354 | –1.287 |
| **Driftsomkostninger i alt** | **–25.407** | **–23.194** | **–22.537** |
| Gevinster med fradrag af tab vedrørende materielle og immaterielle aktiver | 6 | 788 | 70 |
| Kredittab, netto | –3.268 | –1.016 | –718 |
| **Driftsresultat** | **12.471** | **17.018** | **15.562** |
| Skatteomkostninger | –2.421 | –3.376 | –2.939 |
| **Nettoresultat af fortsættende aktiviteter** | **10.050** | **13.642** | **12.623** |
| Ophørte aktiviteter | | | |
| **Nettoresultat** | **10.050** | **13.642** | **12.623** |
| Henførbart til minoritetsinteresser | 9 | 24 | 18 |
| Henførbart til aktionærer | 10.041 | 13.618 | 12.605 |

**Balance (ved udgangen af perioden)**

| SEK millioner | 2008 | 2007 | 2006 |
|---|---|---|---|
| Kontanter og kassebeholdninger hos centralbanker | 44.852 | 96.871 | 11.314 |
| Lån til kreditinstitutter | 266.363 | 263.012 | 180.478 |
| Lån til private | 1.296.777 | 1.067.341 | 950.861 |
| Finansielle aktiver til dagsværdi | 635.454 | 661.223 | 614.288 |
| Finansielle aktiver disponible for salg | 163.115 | 170.137 | 116.630 |
| Hold-til-udløb-investeringer | 1.997 | 1.798 | 2.231 |
| Investeringer i associerede virksomheder | 1.129 | 1.257 | 1.085 |
| Materielle og immaterielle aktiver | 29.511 | 24.697 | 22.914 |
| Øvrige aktiver | 71.504 | 58.126 | 34.640 |
| **Aktiver i alt** | **2.510.702** | **2.344.462** | **1.934.441** |
| Indlån fra kreditinstitutter | 429.425 | 421.348 | 368.326 |
| Private indlån og låntagning | 841.034 | 750.481 | 643.849 |
| Forpligtelser over for forsikringstagere | 211.070 | 225.916 | 203.719 |
| Gældsbreve | 525.219 | 510.564 | 394.357 |
| Finansielle forpligtelser til dagsværdi | 295.533 | 216.390 | 151.032 |
| Andre forpligtelser | 71.565 | 97.519 | 60.150 |
| Hensatte forpligtelser | 1.897 | 1.536 | 2.066 |
| Efterstillede forpligtelser | 51.230 | 43.989 | 43.675 |
| Egenkapital i alt | 83.729 | 76.719 | 67.267 |
| **Passiver og egenkapital i alt** | **2.510.702** | **2.344.462** | **1.934.441** |

**Nøgletal**

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| Egenkapitalforrentning[1) ] % | 13,1 | 19,3 | 20,8 |
| Basisindtjening pr. aktie SEK[2)] | 14,66 | 19,97 | 18,72 |
| Omkostninger i forhold til indtægter[3)] | 0,62 | 0,57 | 0,58 |
| Kredittab[4)] % | 0,30 | 0,11 | 0,08 |
| Nedskrevne lån[5)] % | 0,35 | 0,18 | 0,22 |
| Samlet kapitaldækningsgrad (Basel II-overgangsregler)[6) 7) 8)] % (ved udgangen af perioden) | 10,62 | 11,04 | 11,47 |
| Samlet kapitaldækningsgrad (Basel II fuldt ud implementeret)[6) 7)] % (ved udgangen af perioden) | 12,81 | 12,62 | – |
| Tier I-kapitaldækningsgrad (Basel II-overgangsregler) [7) 8) 9)] % (ved udgangen af perioden) | 8,36 | 8,63 | 8,19 |
| Tier I- kapitaldækningsgrad (Basel II fuldt ud implementeret) [7) 9)] % (ved udgangen af perioden) | 10,08 | 9,87 | – |
| Antal udstedte aktier (ved udgangen af perioden) (millioner) | 685,0 | 683,5 | 678,3 |

1) Nettooverskud, der årligt kan henføres til aktionærerne som procent af den gennemsnitlige egenkapital, defineret som gennemsnittet af egenkapitalen ved årets begyndelse og ved udgangen af henholdsvis marts, juni, september og december, korrigeret for udbetaling af udbytte i årets løb, tilbagekøb af egne aktier og udstedelse af tegningsretter.
2) Årets nettooverskud divideret med det gennemsnitlige antal aktier.
3) Samlede driftsomkostninger divideret med samlede driftsindtægter.
4) Kredittab og ændringer i værdien af overtagne aktiver divideret med udlån til private og kreditinstitutter (eksklusiv banker), overtagne aktiver og lånegarantier ved årets begyndelse.
5) Nedskrevne lån (netto) divideret med udlån til offentligheden og kreditinstitutter (eksklusiv banker) og driftsmidler udlejet til klienter (netto).
6) Den samlede kapital i de finansielle koncernselskaber, hvilke inkluderer Koncernselskaberne (bortset fra forsikringsselskaberne i Koncernen) og ikke-konsoliderede associerede selskaber, korrigeret i overensstemmelse med kapitaldækningsreglerne som en procentdel af risikovægtede aktiver.
7) Der henvises til "Kapitalstyring—Nye Basel II-kapitaldækningsregler" for en fuldstændig beskrivelse af implementeringen af Basel II i forhold til SEB.
8) 2006-tal på grundlag af Basel I.
9) De finansielle koncernselskabers kernekapital (Tier 1) som en procentdel af risikovægtede aktiver.

## Sammenfatning af risikoeksponering

Tabellerne nedenfor viser omfanget af visse af SEB's risici pr. 31. december 2008, 2007 og 2006.

### Sammenfattende oplysninger om SEB's kreditportefølje*

| SEK milliarder (ved udgangen af perioden) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Erhvervskunder | 782 | 571 | 484 |
| Ejendomsadministration | 262 | 212 | 192 |
| Private husholdninger | 486 | 434 | 374 |
| – *heraf realkreditlån* | 371 | 331 | 270 |
| Offentlige myndigheder | 119 | 88 | 97 |
| **Ikke-banker i alt** | **1.649** | **1.304** | **1.146** |
| Banker | 286 | 248 | 169 |
| **I alt** | **1.934** | **1.552** | **1.315** |
| Kredittab[1] % | 0,30 | 0,11 | 0,08 |
| Nedskrevne lån[2] % | 0,35 | 0,18 | 0,22 |

* Ovennævnte oplysninger om kreditportefølje for årene 2008, 2007 og 2006 fremlægges til sammenligning i henhold til branchekode. Koncernens kreditportefølje består af Koncernens portefølje af lån (brutto før hensættelser, men ekskl. tilbagekøbsaftaler og obligationer), eventualforpligtelser og engagementer (så som kreditengagementer, remburser og garantier) samt modpartsrisici i forbindelse med derivataftaler og valutakontrakter (efter netting). Koncernens fastforrentede portefølje indgår ikke i kreditporteføljen. Se Note 38 til henholdsvis årsregnskabet for 2008 og det ikke-tilpassede årsregnskab for 2007 for yderligere oplysninger om forpligtelser og engagementer, og se SEB's koncernbalancer pr. 31. december 2008 og 2007 for yderligere oplysninger om SEB's derivater.

1) Kredittab og ændringer i værdien af overtagne aktiver divideret med udlån til offentligheden og kreditinstitutter (eksklusiv banker), overtagne aktiver og lånegarantier ved årets begyndelse.

2) Nedskrevne lån (netto) divideret med udlån til offentligheden og kreditinstitutter (eksklusiv banker) og driftsmidler udlejet til klienter (netto).

### Sammenfattende oplysninger om SEB's baltiske kreditportefølje*

| SEK milliarder (ved udgangen af perioden) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Erhvervskunder | 95 | 83 | 69 |
| Ejendomsadministration | 32 | 26 | 20 |
| Private husholdninger | 68 | 55 | 37 |
| – *heraf realkreditlån* | 55 | 44 | 28 |
| Offentlige myndigheder | 6 | 3 | 2 |
| **Ikke-banker i alt** | **200** | **166** | **128** |
| Banker | 2 | 3 | 3 |
| **I alt** | **202** | **169** | **131** |
| Kredittab[1] % | 1,28 | 0,43 | 0,13 |
| Nedskrevne lån[2] % | 1,33 | –0,06 | 0,08 |

* Ovennævnte oplysninger om kreditportefølje for årene 2008, 2007 og 2006 fremlægges til sammenligning i henhold til branchekode. Koncernens kreditportefølje består af Koncernens portefølje af lån (brutto før hensættelser, men ekskl. tilbagekøbsaftaler og obligationer), eventualforpligtelser og engagementer (kreditengagementer, remburser og garantier) samt modpartsrisici i forbindelse med derivataftaler og valutakontrakter (efter netting). Koncernens fastforrentede portefølje indgår ikke i kreditporteføljen. Se Note 38 til årsregnskabet for 2008 og det ikke-tilpassede årsregnskab for 2007 for yderligere oplysninger om forpligtelser og engagementer, og se SEB's koncernbalance pr. 31. december 2008 og 2007 for yderligere oplysninger om SEB's derivater.

1) Kredittab og ændringer i værdien af overtagne aktiver divideret med udlån til offentligheden og kreditinstitutter (eksklusiv banker), overtagne aktiver og lånegarantier ved årets begyndelse.

2) Nedskrevne lån (netto) divideret med udlån til offentligheden og kreditinstitutter (eksklusiv banker) og driftsmidler udlejet til klienter (netto).

## Fastforrentet portefølje*

| SEK milliarder (ved udgangen af perioden) | 2008 | 2007 |
|---|---|---|
| Investeringsportefølje | 133 | 131 |
| – *heraf finansielle institutioner* | 52 | 55 |
| – *heraf dækkede obligationer* | 13 | 5 |
| – *heraf strukturerede lån* | 68 | 71 |
| – *heraf værdipapirer med sikkerhed i beboelsesejendomme* | 25 | 25 |
| – *heraf værdipapirer med sikkerhed i aktiver* | 11 | 13 |
| – *heraf lån mod sikkerhed* | 13 | 11 |
| – *heraf realkreditobligationer omlagt til nye finansielle produkter* | 9 | 10 |
| – *heraf værdipapirer med sikkerhed i erhvervsejendomme* | 5 | 5 |
| – *heraf gældsforpligtelser mod sikkerhed* | 5 | 5 |
| – *heraf subprime* | 2 | 2 |
| Handelsportefølje | 59 | 62 |
| **Fastforrentet portefølje – erhvervsbankområdet** | **192** | **193** |
| Koncernfinansafdelingens fastforrentede portefølje | 156 | 119 |
| Andre afdelingers fastforrentede portefølje | 7 | 19 |
| **SEB's fastforrentede portefølje i alt** | **355** | **331** |

* Koncernens portefølje af fastforrentede værdipapirer opretholdt med henblik på investerings-, finans- og klienthandelsmæssige formål. De fastforrentede værdipapirer består primært af statsobligationer, dækkede obligationer, obligationer udstedt af finansielle institutioner samt værdipapirer med sikkerhed i aktiver. De fleste af disse positioner er placeret i SEB's Erhvervsbankafdeling og Koncernfinansafdeling.

## Sammenfatning af Udbuddet

| | |
|---|---|
| *Udstedelse af Tegningsretter...............* | Der udbydes i alt op til 1.507.015.171 Nye A-aktier med fortegningsret for besiddere af de Eksisterende Aktier pr. Registreringsdatoen. |
| *Tegningskurs................* | SEK 10 pr. Ny A-aktie, hvilket er under den closing-kurs på SEK 31 pr. A-aktie, som blev noteret på NASDAQ OMX Stockholm den 3. marts 2009. |
| *Tegningsretter..............* | I henhold til gældende børsret vil hver Eksisterende Aktie, der besiddes på Registreringsdatoen, give besidderen ret til 11 Tegningsretter. 5 Tegningsretter giver besidderen ret til at tegne en Ny A-aktie.<br><br>De, der vælger ikke at deltage i Udstedelsen af Tegningsretter, får deres ejerandel udvandet med 69%, men får mulighed for at sælge deres Tegningsretter.<br><br>I Tegningsperioden vil Tegningsretter udstedt til aktionærer, som ikke er berettiget til at deltage i Udbuddet, blive solgt på vegne af disse aktionærer. Provenuet fra salget med fradrag af enhver kildeskat vil blive fordelt forholdsmæssigt i forhold til hver enkelt aktionærs aktiebeholdning. Beløb på under SEK 50 vil ikke blive udbetalt.<br><br>Tegningsretter, der ikke er udnyttet forud for eller ved udløbet af Tegningsperioden, bliver ugyldige og bortfalder som værdiløse uden kompensation. |
| *Forpligtelse til tegning og tegningsgaranti........* | Investor AB, Trygg-Stiftelsen, Alecta, AFA Försäkring, Fjärde AP-Fonden, Knut och Alice Wallenbergs Stiftelse, Andra AP-Fonden og SEB Stiftelsen (de "**Garanterende Aktionærer**"), der i alt repræsenterer 43,7% af SEB's udstedte aktier, har samlet forpligtet sig til at tegne og garantere indtil 50,8% af Udbuddet. Resten af Udbuddet garanteres af Tegningsgaranterne. |
| *Tegning og tildeling af Nye A-aktier uden Tegningsretter – Sekundære Tildelinger....* | Udsteder vil i Tegningsperioden tillade, at aktionærer og andre personer tegner yderligere Nye A-aktier. Efter udløbet af Tegningsperioden vil Bestyrelsen foretage tildelinger af ikke-tegnede Nye A-aktier som led i udnyttelsen af Tegningsretter gennem Sekundære Tildelinger som følger: (i) i første omgang til personer, der har tegnet Nye A-aktier ved udnyttelse af Tegningsretter, (ii) i anden omgang til personer, der har tegnet Nye A-aktier uden Tegningsretter, og (iii) i det omfang, der endnu er Nye A-aktier, som ikke er tegnet, til en gruppe af aktionærer i Udstederen og Tegningsgaranterne, der har accepteret at garantere de resterende Nye A-aktier på visse vilkår og betingelser. Som følge af den tegningsforpligtelse, som en gruppe aktionærer i Udstederen har påtaget sig, og den ovenfor i (iii) beskrevne tegningsgaranti, har Udsteder modtaget tilsagn om tegning af 100% af Udbuddet. |
| *Registreringsdato for Udstedelsen af Tegningsretter ...............* | 11. marts 2009. |
| *Tegningsperiode............* | 13. marts 2009 til 27. marts 2009. |
| *Handel med Tegningsretter..............* | Tegningsretterne forventes at blive handlet på NASDAQ OMX Stockholm under symbolet "SEB TR A" fra og med den 13. marts 2009 til og med den 24. marts 2009. |

| | |
|---|---|
| *Udbytte......................* | De Nye A-aktier vil - hvis det vedtages at udbetale udbytte - berettige besidderne til udbytte på enhver udbyttedato, der måtte indtræffe efter registreringen af de Nye A-aktier hos den svenske erhvervs- og selskabsstyrelse ("SES"). Efter registreringen giver de Nye A-aktier samme ret til udbytte som SEB's eksisterende A-aktier. Det bemærkes, at Udsteders sædvanlige praksis er kun at tage stilling til udbetaling af udbytte én gang om året i forbindelse med Udstederens Ordinære Generalforsamling. De Nye A-aktier vil således i praksis først give besidderne ret til udbytte - hvis det vedtages at udbetale udbytte – når et sådant udbytte deklareres i forbindelse med Udstederens Ordinære Generalforsamling i 2010. |
| *Stemmerettigheder.........* | De Nye A-aktier giver samme stemmerettigheder som Udsteders eksisterende A-aktier. |
| *Overdragelse af Tegningsretter, BTA'er og Nye A-aktier.............* | Der gælder visse begrænsninger for salg og overdragelse af Tegningsretter, BTA'er og Nye A-aktier. Se "Begrænsninger for salg og overdragelse af Tegningsretter, BTA'er og Nye A-aktier". |
| *Globalt Udbud..............* | Tegningsgaranterne kan sælge de Nye A-aktier, som de tildeles i henhold til de Sekundære Tildelinger, i et globalt udbud i udenlandske transaktioner i henhold til Regulation S og i overensstemmelse med anden gældende børsret eller til QIB'er i USA i medfør af Rule 144A og i henhold til anden gældende børsret. Der henvises til "Tegningsgaranti og yderligere oplysninger – Udbuddet – Globalt Udbud" for en beskrivelse af mulighederne for at afhænde Nye A-aktier, som Tegningsgaranterne har erhvervet i det Globale Udbud. |
| *Afvikling.......................* | Tegning af Nye A-aktier ved udnyttelse af Tegningsretter skal ske ved kontant betaling. Betaling for tildelte Nye A-aktier, der ikke tegnes ved udnyttelse af Tegningsretter, sker i henhold til anvisningerne i den børsnota, som de tegnere, der har fået tildelt Nye A-aktier, modtager. |
| *Levering af Nye A-aktier..................* | Efter betaling og tegning af Nye A-aktier ved udnyttelse af Tegningsretter, udsender Euroclear Sweden en værdipapirmeddelelse (VP), hvori det bekræftes, at der er registreret BTA'ere på tegnerens værdipapirkonto (VP). BTA'erne genregistreres som Nye A-aktier, når SES har registreret de Nye A-aktier. Der udsendes ingen værdipapirmeddelelse (VP) i forbindelse med denne genregistrering. Registrering af de Nye A-aktier, der tegnes ved udnyttelse af Tegningsretter, forventes at ske hos SES omkring den 2 april 2009. |
| *Emissionsprovenu..........* | Udsteder forventes at opnå et bruttoprovenu fra Udbuddet på ca. SEK 15.070 millioner og ca. SEK 14.600 millioner efter fradrag af transaktionsrelaterede omkostninger på ca. SEK 470 millioner. SEB har til hensigt at bruge nettoprovenuet fra Udbuddet til at styrke sit kapitalberedskab som beskrevet i "Årsager til Udbuddet". |
| *Børsnotering og optagelse til handel.........* | Tegningsretterne og BTA'erne vil blive handlet på NASDAQ OMX Stockholm. Udstederen vil i forbindelse med gennemførelsen af Udbuddet ansøge om, at de Nye A-aktier børsnoteres og optages til handel på NASDAQ OMX Stockholm. |
| *Handelssymboler...........* | A-aktier: SEB A<br>Tegningsretter: SEB TR A<br>BTA 1: SEB BTA A 1<br>BTA 2: SEB BTA A 2 |

| | | |
|---|---|---|
| *ISIN-koder......................* | A-aktier: | SE0000148884 |
| | Tegningsretter: | SE0002768499 |
| | BTA 1: | SE0002768507 |
| | BTA 2: | SE0002768515 |

### Sammenfatning af vigtigste risikofaktorer

Investering i Tegningsretter, BTA'er eller Nye A-aktier er forbundet med risici. Sådanne risici inkluderer, men er ikke begrænset til de risikofaktorer, der er beskrevet nedenfor. SEB er eller kan blive helt eller delvist udsat for de nedenfor beskrevne risici og de yderligere risikofaktorer, der er beskrevet i afsnittet "Risikofaktorer", i forbindelse med bankens fremtidige aktiviteter. Enhver af disse risikofaktorer såvel som yderligere risici, som SEB ikke har kendskab til, kan også påvirke SEB's forretningsmæssige aktiviteter.

Investorer bør nøje gennemlæse de nedenfor beskrevne risici og afsnittene "Risikofaktorer", "Risikostyring" og "Kapitalforvaltning" samt alle de i dette Prospekt indeholdte oplysninger, før de træffer beslutning om at købe Tegningsretter eller BTA'er og/eller tegne Nye A-aktier. Den rækkefølge, som risiciene beskrives i, har ikke til hensigt at indikere sandsynligheden for, at de indtræffer, eller om alvoren eller betydningen heraf. De nedenfor anførte risikofaktorer samt visse andre risikofaktorer er nærmere beskrevet i "Risikofaktorer".

Dette Prospekt indeholder også fremadrettede erklæringer, der afhænger af fremtidige begivenheder, risici og usikkerhedsmomenter. Det faktiske udfald kan afvige væsentligt fra det forventede udfald i disse fremadrettede erklæringer som følge af forskellige faktorer, herunder, men ikke begrænset til de risici, der er beskrevet nedenfor og andetsteds i dette Prospekt. Se "Generelle oplysninger - Fremadrettede erklæringer".

#### *Vigtigste risikofaktorer relateret til SEB*

- SEB's forretning, indtjening og driftsresultat påvirkes i væsentlig grad af situationen på de globale finansmarkeder og af de globale økonomiske forhold.
- Forværrede økonomiske betingelser i de lande, hvor SEB har aktiviteter, har påvirket SEB i negativ retning og vil sandsynligvis fortsætte med at gøre dette.
- Under de nuværende markedsforhold er der en øget risiko for nedskrivninger på lån, og tabene på udlån stiger, især i de baltiske lande.
- SEB er eksponeret for faldende huspriser i forhold til sikkerhed, der er stillet for lån vedrørende boliger og erhvervsejendomme.
- Udsving og manglende stabilitet på markedet kan have en negativ indvirkning på værdien af SEB's positioner, reducere dets forretningsmæssige aktiviteter og gøre det vanskeligere at vurdere dagsværdien af visse af dets aktiver.
- SEB risikerer, at der ikke altid er likviditet til rådighed. Denne risiko forværres af de nuværende forhold på de globale finansmarkeder.
- SEB's låneomkostninger og adgang til markedet for fremmedkapital afhænger i høj grad af dets kreditvurdering.
- SEB kan blive påvirket i negativ retning af, hvorvidt andre finansielle institutioner eller modparter er solide eller anses for at være solide, hvilket kan medføre betydelige systemrelatede likviditetsproblemer, tab eller misligholdelse.
- SEB er eksponeret over for Lehman Brothers.
- SEB kan blive pålagt at overholde øgede kapitalkrav og standarder som følge af nye statslige eller regulatoriske krav samt en ændret opfattelse af, hvad der udgør tilstrækkelig kapitalisering, og kan også få behov for yderligere kapital i fremtiden som følge af forværrede økonomiske forhold, hvilken kapital kan være vanskelig at opnå.
- En effektiv styring af SEB's kapital er meget vigtig for SEB's evne til at drive og udvide sine forretninger.

- Ændringer i renteniveauet har påvirket og vil fortsat påvirke SEB's virksomhed.
- SEB er eksponeret for valutarisici, og en nedskrivning eller devaluering af en af de valutaer, som SEB anvender i driften, kan have en alvorlig negativ indvirkning på SEB's aktiver, herunder låneporteføljen, og på SEB's driftsresultat.
- SEB er omfattet af en lang række love og regler om bankydelser, forsikringsydelser og finansielle ydelser, hvilket kan have en negativ indvirkning på forretningen.
- Det kan blive obligatorisk for SEB at deltage i og/eller finansiere den svenske stats støttepakke til kreditinstitutter.
- Den svenske stat kan under visse omstændigheder ekspropriere et svensk kreditinstituts aktier for at sikre stabiliteten i det indenlandske finansielle system.
- Forpligtelser, som SEB vil skulle afgive som følge af den svenske stats støttepakke, kan påvirke SEB's drift og evne til at tiltrække og fastholde ledende medarbejdere, og den svenske stats kapitalindskud som led i pakken kan føre til en udvanding af SEB's aktionærer.
- Statslige likviditetspakker kan bortfalde eller blive ændret, hvilket kan have en negativ indvirkning på adgangen til finansiering på de markeder, inden for hvilke SEB opererer.
- SEB driver virksomhed på konkurrenceprægede markeder, hvor der sandsynligvis vil ske en konsolidering, hvilket kan have en negativ indvirkning på SEB's finansielle stilling og driftsresultat.
- Faktiske eller mulige interessekonflikter og svigagtige handlinger kan have en negativ indvirkning på SEB.
- SEB's livsforsikringsaktiviteter er udsat for risici i form af faldende markedsværdi af de aktiver, der relaterer sig til dets unit-link forretning og traditionelle porteføljer, samt almindelige forsikringsmæssige risici.
- Svig, kredittab og lovovertrædelser såvel som regulatoriske ændringer påvirker SEB's kortaktiviteter.
- SEB's retningslinjer og politikker for risikostyring kan vise sig at være utilstrækkelige i forhold til de driftsmæssige risici.
- Svagheder eller mangler i SEB's interne processer og procedurer samt andre operationelle risici kan have en negativ indvirkning på SEB's finansielle stilling, driftsresultat, likviditet og/eller fremtidsudsigter og kan skade SEB's omdømme.
- De IT-systemer og øvrige systemer, som SEB anvender i sit daglige arbejde, kan svigte som følge af omstændigheder, som SEB ikke er herre over. SEB risikerer forstyrrelser i infrastrukturen eller andre forhold, der påvirker disse systemer.
- For at kunne være konkurrencedygtig er SEB afhængig af højtkvalificeret personale. SEB vil måske ikke være i stand til at fastholde eller rekruttere nøglemedarbejdere.
- SEB kan blive pålagt at foretage hensættelser eller indbetale yderligere bidrag til pensionsordninger, hvis værdien af pensionsordningernes aktiver ikke er tilstrækkelig til at dække potentielle forpligtelser.
- SEB kan pådrage sig væsentlige omkostninger i forbindelse med udviklingen og markedsføringen af nye produkter og ydelser.
- SEB's hovedaktionær har betydelige stemmerettigheder og kan påvirke forhold, der kræver aktionærernes godkendelse.

***Vigtigste risikofaktorer, der relaterer sig til Udbuddet***

- Den fremtidige kurs på en A-aktie kan ikke forudsiges, og den seneste tids udsving i Udsteders aktiekurs kan fortsætte fremover.
- Aktionærer, der ikke rettidigt benytter sig af Udbuddet ved enten at udnytte eller sælge Tegningsretterne, kan ikke realisere værdien af Tegningsretterne, og deres aktier i Udstederen vil blive udvandet.
- Aktionærer uden for Sverige løber en valutarisiko.

- De Nye A-aktier kan ikke frit videresælges i USA.
- Nogle aktionærer vil måske ikke kunne deltage i aktieemissioner med Tegningsretter.
- Der deklareres muligvis, hverken helt eller delvist, udbytte af A-aktierne.
- Fremtidige emissioner af aktier eller andre værdipapirer kan udvande de nuværende aktionærers aktiebesiddelser og kan have en væsentlig indvirkning på A-aktiernes markedskurs.
- Tegningsforpligtelser vedrørende Udbuddet er ikke sikret.
- Aktionærernes beslutninger om at godkende ændringen af Vedtægterne og forhøjelsen af aktiekapitalen kan blive anfægtet.

### Andre nødvendige oplysninger

Udstederens Bestyrelse eksklusiv medarbejderrepræsentanter består af Marcus Wallenberg (Formand), Tuve Johannesson (Næstformand), Jacob Wallenberg (Næstformand), Penny Hughes, Urban Jansson, Hans-Joachim Körber, Tomas Nicolin, Christine Novakovic, Jesper Ovesen, Carl Wilhelm Ros og Annika Falkengren. Koncerndirektionen består af Annika Falkengren (Koncerndirektør og Administrerende Direktør), Bo Magnusson (Vicekoncerndirektør og Administrerende Direktør), Jan Erik Back, Fredrik Boheman, Magnus Carlsson, Ingrid Engström, Hans Larsson, Anders Mossberg og Mats Torstendahl. SEB's revisor er PwC, med Peter Clemedtson som hovedansvarlig revisor. Se "Bestyrelse, koncernledelse og revisorer".

Udstederens hjemsted er beliggende Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sverige (telefon: +46 (0) 771 62 10 00). Udstederen er registreret i SES's bankregister under registreringsnummer 502032-9081.

*Dette er en dansk oversættelse af det engelske Summary. I tilfælde af uoverensstemmelse mellem den danske og engelske version, er den engelske version gældende.*

# Annex B-2 – Summary in Estonian

### Kokkuvõte

*Käesolevat kokkuvõtet tuleb käsitleda käesoleva Prospekti sissejuhatusena ja selles tuuakse esile informatsioon, mis leiab detailsemat käsitlemist muudes Prospekti osades. Käesolev kokkuvõte ei ole täielik ega sisalda kogu teavet, mida tuleks kaaluda enne uutesse A-aktsiatesse investeerimist. Enne investeerimisotsuse langetamist peaksite Te hoolikalt tutvuma kogu Prospektiga tervikuna, sealhulgas peatükkidega "Riskifaktorid", "Kommentaarid finantsarengu kohta", "Riskijuhtimine" ja "Kapitali juhtimine", samuti raamatupidamisaruannetega. Iga otsus investeerida uutesse A-aktsiatesse peab põhinema kogu Prospekti terviklikul hinnangul. Kui investor algatab kohtumenetluse Prospektis sisalduva teabe tulemusena või tõttu, siis võib investor olla kohustatud kandma Prospekti tõlkimise kulud. Tsiviilvastutust kohaldatakse isiku suhtes käesolevas kokkuvõttes või selle tõlkes sisalduva või sellest välja jäänud informatsiooni eest üksnes juhul, kui käesolev kokkuvõte või selle tõlge on Prospekti muude osadega koos lugedes eksitav, ebatäpne või vastuoluline.*

Käesolevas Prospektis tähendab „**Emitent**“ Skandinaviska Enskilda Banken AB-d; „**SEB**“ tähendab olenevalt kontekstist kas Skandinaviska Enskilda Banken AB-d või konsolideerimisgrupi ettevõtteid, kus Emitent on emaettevõte; „**Grupp**“ tähendab samasse gruppi kuuluvaid ettevõtteid, kus Emitent on emaettevõte.

### Ülevaade Emitendist

SEB on Põhja-Euroopa üks juhtivaid finantseerimisasutusi, mis osutab teenuseid äriklientidele, finantseerimisasutustele ja eraisikutele. Emitendi jaoks on põhiturud Põhjamaades, kuhu kuuluvad Rootsi, Taani, Soome ja Norra, Balti riikides ehk Eestis, Lätis ja Leedus, ja Saksamaal. Emitendi tegevusalade lõikes on Emitendil tugevam positsioon pankadevaheliste tehingute teostamises ja teiste finantsasutuste finantspartnerina, investeerimispanganduses, eraisikute varahalduses ja investeerimisriskiga kindlustusega seotud majandustegevuses. 31. detsembril 2008. a lõppenud aastal ning 31. detsembri 2008.a kuupäeva seisuga moodustasid SEB-i varad kokku 2,511 miljardit SEK (231 miljardit EUR), omakapital kokku 83,7 miljardit SEK (7,7 miljardit EUR) ja puhaskasum 10,1 miljardit SEK (1,05 miljardit EUR).[1)]

Grupi tegevusvaldkonnad on jaotatud neljaks grupiks:

- *Äripangandus* – pankadevaheliste tehingute ja investeerimispanganduse teenuste osutamine suurtele ettevõtetele ja finantsinstitutsioonidele SEB-i põhiturgudel;
- *Jaepangandus* – jaepanganduse teenuste osutamine eraisikutele ja väikese ning keskmise suurusega ettevõtetele ("VKE-d") Rootsis, Saksamaal ja Balti riikides, ja pangakaartidega seotud teenuste osutamine Põhjamaades;
- *Varahaldus* – varahalduse ja erapanganduse teenuste osutamine asutustele, sihtasutustele ja eraisikutele SEB-i põhiturgudel; ja
- *Elukindlustus* – investeerimisriskiga ja tavalise elukindlustusega seotud teenuste osutamine peaasjalikult Rootsis, Taanis ja Balti riikides.

31. detsembri 2008. aasta seisuga koosnes SEB-i kliendibaas ligikaudu 2 500 (kahe tuhande viiesajast) suurest ettevõttest ja institutsioonist, 400 000 (neljasajast tuhandest) VKE-st ja rohkem kui 5 000 0000 (viiest miljonist) eraisikust kliendist. Sama kuupäeva seisuga oli SEB-il ligikaudu 660 filiaali Rootsis, Balti riikides, Saksamaal ja mujal. Väljaspool põhiturgusid on SEB strateegiliselt esindatud oma rahvusvahelise võrgustiku kaudu, mis koosneb 11 filiaalist ja esindusest erinevates finantskeskustes, eesmärgiga toetada ja osutada teenuseid peamiselt SEB-i klientideks olevatele suurtele ettevõtetele ja institutsioonidele. 2008. aasta lõpu seisuga andis SEB tööd 21 131 täiskohaga töötavale töötajale ("TTT-d"), kellest rohkem kui pool asusid väljaspool Rootsit.

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1) Eespool toodud eurodes väljendatud summade ekvivalendid põhinevad varade ja omakapitali puhul 2008. aasta lõpu SEK/EUR vahetuskursil, ja puhaskasumi puhul 2008. aasta keskmisel SEK/EUR vahetuskursil; mõlemad on sätestatud peatükis "Üldine Informatsioon —Informatsioon vahetuskursi kohta".

**Konkurentsieelised**

SEB usub, et tema äritegevuse mudel tugineb tugevatele pikaajalistele kliendisuhetele ja toodete ning nõuannete kõrgele kvaliteedile. SEB-i maine põhineb pikaajalisel kogemusel pangandus-ja finantsteenuste osutamisel suurtele äriklientidele, finantsinstitutsioonidele ning eraisikutele Põhjamaades. Osutatavate teenuste ja pakutavate toodete mitmekesisuse tõttu leiab SEB, et on heas positsioonis, mis võimaldab tõhusalt ära kasutada võimalusi põhiturgudel finantsteenuste valdkonnas. SEB-i konkurentsieelisteks on muuhulgas:

- Tugevad ja pikaajalised kliendisuhted;
- Juhtivad turupositsioonid oma peamistes ärivaldkondades;
- Mitmekesine tulubaas ning kõrgendatud tähelepanu äritegevuses suurema efektiivsuse saavutamisele;
- Distsiplineeritud riskijuhtimine; ning
- Mitmekesine finantseerimisbaas.

**Pakkumise põhjendus**

SEB–l on pikaajaline praktika kapitali adekvaatsuse säilitamisel tasemel, mis ületab seadusandjate poolt kehtestatud minimaalseid nõudmisi. Emitendi juhatus (Board of Directors) leiab, et oleks mõistlik ja kõikide SEB-is osalushuvi omavate isikute parimates huvides tegeleda aktiivselt SEB-i kapitali positsiooni tugevdamisega ning juhatus (Board of Directors) on võtnud kasutusele meetmed SEB-i kapitalibaasi suurendamiseks ligikaudu 19,1 miljardi SEK-i ulatuses (i) käesoleva Pakkumise tulemite kaudu ja (ii) tehes ettepaneku 2008. aasta eest dividende mitte määrata, mis koostoimes peaks parendama Grupi kapitaliseeritust 4,5 miljardi SEK-i võrra. 2008. aasta dividendide maksmata jätmine ning käesolev Pakkumine on SEB-i aktsionäride poolt heaks kiidetud SEB-i aktsionäride iga-aastasel üldkoosolekul 6. märtsil 2009.

Arvestades Pakkumisest eeldatavasti saadavad tulemeid oleks SEB Tier I kapitali suhtarv, arvutatuna Basel II reeglite alusel arvestamata ülemineku reegleid, alates 31. detsembrist 2008. aastast suurenenud 10,1 % -lt ligikaudu 12,1 %-ni. SEB juhatus (Board of Directors) on seadnud uue pikaajalise eesmärgi Tier I kapitali suhtarvu 10% kohta, arvutatuna Basel II reeglite alusel arvestamata ülemineku reegleid.

Nimetatud kapitali suurendamisele suunatud meetmeid käesoleval ajal kasutusele võttes soovib SEB saavutada alljärgnevat:

- *Vastuseks muutuvale majanduskeskkonnale veelgi parandada kapitaliseeritust.* Nimetatud kapitali suurendamisele suunatud meetmed loovad SEB-i kapitalibaasis arvestatava puhvervaru, mis võimaldab SEB-l luua jätkuvalt lisaväärtust ning seista vastu makromajandustingimuste olulisele halvenemisele.
- *Parendada SEB võimet olla oma klientide jaoks tugev äripartner.* SEB käsitleb nimetatud kapitali suurendamisele suunatud meetmete tulemusel saavutatavat suurenenud kapitali tugevust kui peamist konkurentsieelist, mis võimaldab SEB-l olla tugevam äripartner oma klientidele ning mõjukam osaline finantsturgudel.
- *Vastata turuootustele kõrgendatud kapitalinõuete osas pangandussektoris.* Kuivõrd investorite riskitaju on teravnenud, siis on investorite ootustes toimunud selge nihe – pangandussektoris eeldatakse kapitali vastamist kõrgematele kapitalinõuetele ja laenuvõimenduse väiksemat osakaalu. Seda peegeldavad hiljuti toimunud kapitali suurendamisele suunatud tegevused Euroopa ja Ameerika Ühendriikide finantsinstitutsioonides. Eespool kirjeldatud kapitali suurendamisele suunatud meetmete abil loodab SEB anda sellistele probleemidele enam kui adekvaatse vastuse.

## Finants- ja muu informatsiooni kokkuvõte

Allolevatesse tabelitesse on koondatud SEB finants- ja muu informatsiooni kokkuvõte konsolideeritud alusel iga eelneva kolme aasta kohta, mis lõppesid vastavalt 31. detsembril 2008. aastal, 31.detsembril 2007. aastal ja 31.detsembril 2006. aastal, iga nimetatud kuupäeva seisuga. Käesolevas finantsinformatsiooni kokkuvõttes sisalduv finantsteave pärineb Emitendi auditeeritud konsolideeritud raamatupidamisaruannetest ja nende lisadest, mille koostamisel on järgitud Euroopa Liidus heaks kiidetud Rahvusvahelise Finantsaruandlusstandardi (IFRS) põhimõtteid, kaasaarvatud Euroopa Liidus heaks kiidetud versiooni IAS 39 puutuvalt portfelli intressimäärariski maandamisse, ning mille on auditeerinud PricewaterhouseCoopers AB (PwC). SEB-i 2006. aasta raamatupidamisaruanne oli uuendatud 2007. aastal eesmärgiga kajastada alates 1. jaanuarist 2007. aastast rakendatud ärisegmente, ning SEB-i 2007. aasta raamatupidamisaruanne oli uuendatud 2008. aastal eesmärgiga kajastada täiendavat reorganiseerimist SEB-i allasutustes. Selle tagajärjel ei ole käesolevas osas näidatud 2006. aasta finantsandmed täielikult võrreldavad 2007. aasta ja 2008. aasta finantsandmetega, kui ei ole otsesõnu sätestatud vastupidist.

Allolevates tabelites esitatud finantsinformatsiooni kokkuvõte moodustab ühtse terviku üksnes koos Emitendi 31. detsembril lõppenud 2008. aasta, 2007. aasta ja 2006. aasta konsolideeritud auditeeritud raamatupidamisaruannete ja nende lisadega, mis on kajastatud Prospekti muudes osades, ning seetõttu tuleks käesolevat finantsinformatsiooni kokkuvõtet lugeda koos nimetatud raamatupidamisaruannete ja nende lisadega. Käesolevat informatsiooni tuleb samuti lugeda koos Prospekti peatükkidega "Kommentaarid finantsarengu kohta", "Valitud finants- ja muu informatsioon" ja "Valitud statistilised andmed" .

### Kasumiaruanne

| SEK (miljonit) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Intressipuhastulu | 18,710 | 15,998 | 14,281 |
| Puhastulu teenustasudest | 15,254 | 17,051 | 16,146 |
| Finantstehingute puhastulu | 2,970 | 3,239 | 4,036 |
| Elukindlustuse eraldiste puhastulu | 2,375 | 2,933 | 2,661 |
| Muud tulud | 1,831 | 1,219 | 1,623 |
| **Kokku tegevustulud** | **41,140** | **40,440** | **38,747** |
| Tööjõukulu | –16,241 | –14,921 | –14,363 |
| Muud kulud | –7,642 | –6,919 | –6,887 |
| Varade kulum (sh materiaalse ja immateriaalse vara amortisatsioon ja kahjustumine) | –1,524 | –1,354 | –1,287 |
| **Kokku tegevuskulud** | **–25,407** | **–23,194** | **–22,537** |
| Kasum/kahjum materiaalsetelt ja immateriaalsetelt varadelt | 6 | 788 | 70 |
| Puhas laenukahjum | –3,268 | –1,016 | –718 |
| **Ärikasum** | **12,471** | **17,018** | **15,562** |
| Tulumaksukulu | –2,421 | –3,376 | –2,939 |
| **Jätkuvate tegevuste puhaskasum** | **10,050** | **13,642** | **12,623** |
| Lõpetatud tegevused | | | |
| **Puhaskasum** | **10,050** | **13,642** | **12,623** |
| Arvestatud vähemusosaluse osa puhaskasumist | 9 | 24 | 18 |
| Arvestatud omanike osa puhaskasumist | 10,041 | 13,618 | 12,605 |

**Bilanss (perioodi lõpus)**

| SEK (miljonit) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Raha ja nõuded keskpankadele | 44,852 | 96,871 | 11,314 |
| Laenud krediidiasutustele | 266,363 | 263,012 | 180,478 |
| Laenud avalikkusele | 1,296,777 | 1,067,341 | 950,861 |
| Finantsvarad õiglases väärtuses | 635,454 | 661,223 | 614,288 |
| Müügiootel finantsvarad | 163,115 | 170,137 | 116,630 |
| Lunastustähtajani hoitavad investeeringud | 1,997 | 1,798 | 2,231 |
| Investeeringud sidusettevõtjates | 1,129 | 1,257 | 1,085 |
| Materiaalsed ja immateriaalsed varad | 29,511 | 24,697 | 22,914 |
| Muud varad | 71,504 | 58,126 | 34,640 |
| **Varad kokku** | **2,510,702** | **2,344,462** | **1,934,441** |
| Krediidiasutuste hoiused | 429,425 | 421,348 | 368,326 |
| Hoiused ja laenud avalikkuselt | 841,034 | 750,481 | 643,849 |
| Kohustused kindlustusvõtjate ees | 211,070 | 225,916 | 203,719 |
| Võlaväärtpaberid | 525,219 | 510,564 | 394,357 |
| Finantskohustused õiglases väärtuses | 295,533 | 216,390 | 151,032 |
| Muud kohustused | 71,565 | 97,519 | 60,150 |
| Eraldised | 1,897 | 1,536 | 2,066 |
| Allutatud kohustused | 51,230 | 43,989 | 43,675 |
| Omakapital kokku | 83,729 | 76,719 | 67,267 |
| **Kohustused ja omakapital kokku** | **2,510,702** | **2,344,462** | **1,934,441** |

**Suhtarvud**

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| Omakapitali tootlus[1], % | 13.1 | 19.3 | 20.8 |
| Kogukasum ühe aktsia kohta[2], SEK | 14.66 | 19.97 | 18.72 |
| Kulude/tulude määr[3] | 0.62 | 0.57 | 0.58 |
| Laenukahjumi määr[4], % | 0.30 | 0.11 | 0.08 |
| Ebatõenäoliselt laekuvate laenude määr[5], % | 0.35 | 0.18 | 0.22 |
| Kapitali adekvaatsus (Basel II reeglid üleminekuperioodil)[6, 7, 8] % (perioodi lõpus) | 10.62 | 11.04 | 11.47 |
| Kapitali adekvaatsus (Basel II täielikult rakendatud reeglid)[6, 7] % (perioodi lõpus) | 12.81 | 12.62 | – |
| Tier 1 kapitali suhtarv, % (Basel II reeglid üleminekuperioodil)[7, 8, 9] % (perioodi lõpus) | 8.36 | 8.63 | 8.19 |
| Tier 1 kapitali suhtarv, % (Basel II täielikult rakendatud reeglid)[7, 9] % (perioodi lõpus) | 10.08 | 9.87 | – |
| Aktsiate koguarv (perioodi lõpus) (miljonit) | 685.0 | 683.5 | 678.3 |

1) Aktsionäridele konkreetse aasta eest omistatav puhaskasum protsendina keskmisest aktsionäride omakapitalist, mida defineeritakse kui keskmist omakapitali aasta alguses ning märtsi, juuni, septembri ja detsembri lõpus, mida kohandatakse vastavalt aasta kestel makstavate dividendidega, oma aktsiate tagasiostmisega ja väärtpaberiemissiooniga seoses.
2) Puhaskasum aastas jagatuna keskmise aktsiate arvuga.
3) Kogu tegevuskulu jagatuna kogu tegevustuluga.
4) Laenukahjum ning avalikkusele ja finantseerimisasutustele (v.a. pangad) laenude väljastamisega seoses ülevõetud varade väärtuse muutumine; ülevõetud varad ja laenugarantiid aasta alguses.
5) Ebatõenäoliselt laekuvad laenud (neto) jagatuna avalikkusele ja finantseerimisasutustele (v.a. pangad) väljastatud laenudega, ja klientidele liisitud vara (neto).
6) Kõikide finantsgrupi ettevõtete, kaasaarvatud Gruppi kuuluvate ettevõtete (v.a. Gruppi kuuluvad kindlustusettevõtted), kapital kokku, mida kohandatakse vastavalt kapitali adekvaatsuse reeglitele protsendina riskiga kaalutud varadest.
7) SEB-ile rakendatud Basel II reeglite täielik kirjeldus on toodud peatükis "Kapitali juhtimine — Uued Basel II kapitali adekvaatsuse reeglid".
8) 2006. aasta arvud põhinevad Basel I reeglitel.
9) Finantsgrupi ettevõtete Tier 1 kapital kui protsent riskiga kaalutud varadest.

## Riskifaktorite kokkuvõte

Allolevas tabelis on toodud SEB kindlate riskifaktorite ulatus seisuga 31. detsember 2008.a, 2007. a ja 2006. a.

### Grupi krediidiportfelli kokkuvõte*

| SEK (miljardit) (perioodi lõpus) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Ärikliendid | 782 | 571 | 484 |
| Varahaldus | 262 | 212 | 192 |
| Eluasemed | 486 | 434 | 374 |
| – *millest on eluaseme hüpoteegid* | 371 | 331 | 270 |
| Avalik Haldus | | 88 | 97 |
| **Kokku pangavälised** | **1,649** | **1,304** | **1,146** |
| Pangad | 286 | 248 | 169 |
| **Kokku** | **1,934** | **1,552** | **1,315** |
| Laenukahjumi määr,[1] % | 0.30 | 0.11 | 0.08 |
| Ebatõenäoliselt laekuvate laenude määr,[2] % | 0.35 | 0.18 | 0.22 |

1) Laenukahjum ja avalikkusele ja finantseerimisasutustele (v.a. pangad) laenude väljastamisega seoses ülevõetud varade väärtuse muutumine; ülevõetud varad ja laenugarantiid aasta alguses.
2) Ebatõenäoliselt laekuvad laenud (neto) jagatuna avalikkusele ja finantseerimisasutustele (v.a. pangad) väljastatud laenudega, ja klientidele liisitud vara (neto)
* Tabelis toodud andmed 2008. a, 2007. a ja 2006. a krediidiportfellide kohta on esitatud võrreldaval alusel majandusharude koodide abil. Grupi krediidiportfell on Grupi laenude portfell (brutosumma enne reserveraldisi, välja arvatud tagasiostulepingud ja võlakirjad), tingimuslikud kohustused (nt. laenukohustused, akreditiivid ja tagatised) ja vastaspoole riskid, mis tulenevad tuletisinstrumentidest ja välisvaluuta lepingutest (pärast tasaarveldust). Grupi krediidiportfell ei hõlma selle püsitulu portfelli. Andmed kohustuste kohta on toodud 2008. aasta raamatupidamisaruande ja 2007. aasta uuendamata raamatupidamisaruande Lisas 38, ja andmed SEB-i tuletisinstrumentide kohta sisalduvad SEB-i konsolideeritud bilansis seisuga 31. detsember 2008. aasta ja 2007. aasta.

### SEB Balti riikide krediidiportfelli kokkuvõte*

| SEK (miljardit) (perioodi lõpus) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Ärikliendid | 95 | 83 | 69 |
| Varahaldus | 32 | 26 | 20 |
| Eluasemed | 68 | 55 | 37 |
| – *millest on eluaseme hüpoteegid* | 55 | 44 | 28 |
| Avalik Haldus | 6 | 3 | 2 |
| **Kokku pangavälised** | **200** | **166** | **128** |
| Pangad | 2 | 3 | 3 |
| **Kokku** | **202** | **169** | **131** |
| Laenukahjumi määr,[1] % | 1,28 | 0,43 | 0,13 |
| Ebatõenäoliselt laekuvate laenude määr,[2] % | 1,33 | –0,06 | 0,08 |

1) Laenukahjum ning avalikkusele ja finantseerimisasutustele (v.a. pangad) laenude väljastamisega seoses ülevõetud varade väärtuse muutumine; ülevõetud varad ja laenugarantiid aasta alguses.
2) Ebatõenäoliselt laekuvad laenud (neto) jagatuna avalikkusele ja finantseerimisasutustele (v.a. pangad) väljastatud laenudega, ja klientidele liisitud vara (neto).
* Tabelis toodud andmed 2008. a, 2007. a ja 2006. a krediidiportfellide kohta on esitatud võrreldaval alusel majandusharude koodide abil. Grupi krediidiportfell on Grupi laenude portfell (brutosumma enne reserveraldisi, välja arvatud tagasiostulepingud ja võlakirjad), tingimuslikud kohustused (nt. laenukohustused, akreditiivid ja tagatised) ja vastaspoole riskid, mis tulenevad tuletisinstrumentide ja välisvaluuta lepingutest (pärast tasaarveldust). Grupi krediidiportfell ei hõlma selle püsitulu portfelli. Andmed kohustuste kohta on toodud 2008. aasta raamatupidamisaruande ja 2007. aasta uuendamata raamatupidamise aruande Lisas 38, ja andmed SEB-i tuletisinstrumentide kohta sisalduvad SEB-i konsolideeritud bilansis seisuga 31. detsember 2008. aasta ja 2007. aasta.

## Püsitulude portfell*

| SEK (miljardit) (perioodi lõpus) | 2008 | 2007 |
|---|---|---|
| Investeerimisportfell | 133 | 131 |
| – *millest finantseerimisasutused* | 52 | 55 |
| – *millest kaetud võlakirjadega* | 13 | 5 |
| – *millest struktureeritud laenud* | 68 | 71 |
| – *millest eluasemete hüpoteekidega tagatud väärtpaberid* | 24 | 25 |
| – *millest muud varaga tagatud väärtpaberid* | 11 | 13 |
| – *millest tagatud laenukohustused* | 13 | 11 |
| – *millest tagatud hüpoteegist tulenevad kohustused* | 9 | 10 |
| – *millest ärihoonete hüpoteekidega tagatud väärtpaberid* | 5 | 5 |
| – *millest tagatud laenukohustused* | 5 | 5 |
| – *millest ebapiisavalt tagatud laenud* | 1 | 2 |
| Kauplemisportfell | 59 | 62 |
| **Äripanganduse püsitulu portfell** | **192** | **193** |
| Grupi Reservkassa püsitulude portfell | 156 | 119 |
| Muude allasutuste püsitulude portfell | 7 | 19 |
| **SEB püsitulude portfell kokku** | **355** | **331** |

* Grupi püsitulude portfelli peetakse investeerimise, reservkassa ja kauplemise eesmärkidel. Püsituluväärtpaberid on peamiselt valitsuse võlakirjad, kaetud võlakirjad, finantseerimisasutuste poolt välja lastud võlakirjad ja varaga tagatud väärtpaberid. Enamus neist positsioonidest on SEB Äripanganduses ja Grupi Reservkassas.

**Pakkumise kokkuvõte**

| | |
|---|---|
| *Väärtpaberite Pakkumine.....................* | Kokku pakutakse kuni 1 507 015 171 Uut A Aktsiat märkimise eesõigusega Olemasolevate Aktsiate omanikele Registreerimise Kuupäeva seisuga. |
| *Märkimishind................* | SEK 10 ühe Uue A Aktsia kohta, mis on madalam kui NASDAQ OMX Stockholm poolt 3. märtsil 2009 avaldatud sulgemishind SEK 31 A Aktsia kohta. |
| *Märkimisõigus..............* | Arvestades kohalduva väärtpaberiõiguse regulatsiooni, annab iga Registreerimise Kuupäeva seisuga omatav Olemasolev Aktsia selle omanikule õiguse 11 (üheteistkümnele) Märkimisõigusele. 5 (viis) Märkimisõigust annavad omanikule õiguse märkida 1 (ühe) Uue A Aktsia.<br><br>Nendel, kes ei osale Väärtpaberite Pakkumisel, vähendatakse omandiosalust 69% võrra, kuid neil on võimalus oma Märkimisõigusi müüa.<br><br>Aktsionärid, kellel ei ole õigust osaleda Pakkumisel, müüvad neile antud Märkimisõigused Märkimisperioodil. Müügist saadud tulu, millest on mahaarvatud kinnipeetavad maksud, jaotatakse pro rata põhimõttel proportsionaalselt vastavalt selliste aktsionäride osalussuhtele. Summasid, mis on väiksemad kui SEK 50, ei maksta välja.<br><br>Märkimisõigused, mida ei kasutata enne Märkimisperioodi lõppu või selle lõppemisel, muutuvad tühiseks ja aeguvad väärtusetuna ilma igasuguse kompensatsioonita. |
| *Märkimise ja tagamise kohustused.....................* | Investor AB, Trygg-Stiftelsen, Alecta, AFA Försäkring, Fjärde AP-Fonden, Knut och Alice Wallenbergs Stiftelse, Andra AP-Fonden ja SEB Stiftelsen (**"Kohustatud Aktsionärid"**), kes esindavad kokku 43.7% SEB'i olemasolevatest aktsiatest, on kohustatud märkima ja tagama märkimise kokku 50.8% ulatuses Pakkumisest. Ülejäänud osas tagavad Pakkumise märkimise Tagajad (*Underwriters*). |
| *Uute A Aktsiate märkimine ja jaotamine ilma Märkimisõigusteta; Täiendavad Eraldised......* | Emitent lubab täiendavate Uute A Aktsiate märkimist aktsionäride ja teiste isikute poolt Märkimisperioodil. Pärast Märkimisperioodi lõppemist jaotab Juhatus (Board of Directors) Märkimisõiguste kohaselt märkimata jäänud Uued A Aktsiad Täiendavate Eraldiste kaudu järgnevalt: (i) esiteks, isikutele, kes on märkinud Uusi A Aktsiaid vastavalt Märkimisõigustele, (ii) teiseks, isikutele, kes on märkinud Uusi A Aktsiaid ilma Märkimisõigusteta, ja (iii) märkimata jäänud Uute A Aktsiate ulatuses Emitendi aktsionäride grupile ja Tagajatele, kes on nõustunud teatud tingimustel tagama järelejäänud Uute A Aktsiate märkimise. Punktis (iii) kirjeldatud Emitendi aktsionäride grupi ja Tagajate poolt võetud märkimise kohustuse tulemusel on Emitendi suhtes võetud kohustusi märkida Pakkumine 100% ulatuses. |
| *Väärtpaberite Pakkumise Registreerimise Kuupäev.........................* | 11. märts 2009. |
| *Märkimisperiood...........* | 13. märts 2009 kuni 27. märts 2009. |
| *Märkimisõigustega kauplemine.....................* | Märkimisõigustega kaubeldakse eeldatavalt NASDAQ OMX Stockholm'i börsil sümboli „SEB TR A" all alates ja kaasa arvatud 13. märts 2009 kuni ja kaasa arvatud 24. märts 2009. |

| | |
|---|---|
| *Dividendid....................* | Uued A Aktsiad annavad omanikule õiguse dividendidele, eeldusel, et dividend kiidetakse heaks, mistahes dividendide registreerimise kuupäeval, mis järgneb Uute A Aktsiate registreerimisele Rootsi Äriühingute Registris (Swedish Companies Registration Office „SCRO“). Sellise registreerimise järgselt annavad Uued A Aktsiad samasugused õigused dividendidele kui SEB'i olemasolevad A Aktsiad. Juhime tähelepanu, et Emitendi tavaline praktika on otsustada dividendide maksmise üle üks kord aastas seoses Emitendi iga-aastase üldkoosolekuga. Sellest tulenevalt ei anna Uued A Aktsiad praktikas õigust dividendidele varem kui dividendide kohta otsuse avalikustamist seoses 2010. aasta Emitendi iga-aastase üldkoosolekuga, eeldusel, et dividendide maksmine kiidetakse heaks. |
| *Hääleõigused.................* | Uued A Aktsiad kannavad samasuguseid hääleõiguseid kui Emitendi olemasolevad A aktsiad. |
| *Märkimisõiguste, BTA-de ja Uute A Aktsiate üleandmine....................* | Märkimisõiguste, BTA-de ja Uute A Aktsiate müügile ja üleandmisele kohalduvad teatud piirangud. Vaata peatükki „Märkimisõiguste, BTA-de ja Uute A Aktsiate müügi ja üleandmise piirangud“. |
| *Ülemaailmne Pakkumine.....................* | Tagajad võivad müüa neile Täiendava Eraldise käigus antud Uusi A Aktsiaid ülemaailmsel pakkumisel offshore-tehingu kaudu kooskõlas määrusega S (Regulation S) ja muu kohalduva väärtpaberiõigusega või USA kutselistele investoritele (QIBs) kooskõlas Reegliga 144A ja muu kohalduva väärtpaberiõigusega. Kirjeldust Tagajate poolt omandatud Uute A Aktsiate jaotamise võimalike meetodite kohta Ülemaailmsel Pakkumisel vaata peatükis "Tagamine ja täiendav informatsioon–Pakkumine–Ülemaailmne Pakkumine". |
| *Arveldamine..................* | Uute A Aktsiate märkimine Märkimisõiguse kasutamisega toimub rahalise makse vastu. Jaotatud Uute A Aktsiate eest, mida ei märgitud vastavalt Märkimisõiguste teostamisele, makstakse vastavalt lepingu kinnituses sätestatud juhistele, mis saadetakse neile märkijatele, kellele on eraldatud Uusi A Aktsiad. |
| *Uute A Aktsiate üleandmine....................* | Pärast Uute A Aktsiate märkimist Märkimisõiguse teostamisega ja makse tegemist saadab Rootsi väärtpaberiregister (Euroclear Sweden) teate väärtpaberite kohta, mis kinnitab, et BTA-d on kantud märkija väärtpaberikontole. BTA-d registreeritakse ümber Uute A Aktsiatena pärast seda, kui SCRO on registreerinud Uued A Aktsiad. Teadet väärtpaberite kohta seoses nende ümberregistreerimisega ei väljastata. Märkimisõiguse teostamise käigus märgitud Uute A Aktsiate registreerimine SCRO-s toimub eeldatavalt 2 aprillil 2009 või ligikaudu sel ajal. |
| *Emissiooni tulu..............* | Emitendi poolt Pakkumisest saadav kogutulu on eeldatavasti ligikaudu SEK 15 070 miljonit, ja ligikaudu SEK 14 600 miljonit pärast tehinguga seotud kulude mahaarvamist, seejuures mahaarvatavate kulude hinnanguline suurus on ligikaudu SEK 470 miljonit. SEB kavatseb kasutada Pakkumise puhastulu oma kapitalipositsiooni tugevdamiseks peatükis „Pakkumise Põhjendus“ kirjeldatud põhjustel. |
| *Noteerimine ja kauplemisele võtminel....* | Märkimisõiguste ja BTA-dega kaubeldakse NASDAQ OMX Stockholm'i börsil. Emitent taotleb Uute A Aktsiate noteerimist ja kauplemisele võtmist NASDAQ OMX Stockholm'i börsil seoses Pakkumise lõpuleviimisega. |

| | | |
|---|---|---|
| *Kauplemise sümbolid......* | A Aktsiad: | SEB A |
| | Märkimisõigused: | SEB TR A |
| | BTA 1: | SEB BTA A 1 |
| | BTA 2: | SEB BTA A 2 |
| *ISIN koodid....................* | A Aktsiad: | SE0000148884 |
| | Märkimisõigused: | SE0002768499 |
| | BTA 1: | SE0002768507 |
| | BTA 2: | SE0002768515 |

### Kokkuvõte peamistest riskifaktoritest

Investeering Märkimisõigustesse, BTA-desse või Uutesse A Aktsiatesse sisaldab endas riske. Taolised riskid hõlmavad muuhulgas allpool kirjeldatud riskifaktoreid, kuid ei piirdu nendega. SEB-i tegevust tulevikus mõjutavad või võivad mõjutada mõningad või kõik allpool kirjeldatud riskid ning täiendavad riskifaktorid, mida on kirjeldatud peatükis „Riskifaktorid". Milline tahes neist riskifaktoritest ja lisaks muud riskid, millest SEB teadlik ei ole, võivad samuti mõjutada SEB'i majandustegevust.

Investorid peaksid hoolikalt läbi lugema allpool kirjeldatud riskide kohta kirjutatu, peatükkides „Riskifaktorid", „Riskijuhtimine" ja „Kapitali juhtimine" kirjeldatud riskide kohta kirjutatu ning antud Prospektis sisalduvat kogu informatsiooni enne, kui nad otsustavad, kas osta Märkimisõiguseid või BTA-sid ja/või märkida Uusi A Aktsiaid või mitte. Riskide esitamise järjekord ei viita nende esinemise tõenäosusele ega nende tõsidusele ega tähtsusele. Allpool esitatud riskifaktoreid, nagu ka teatud teisi riskifaktoreid, on põhjalikumalt käsitletud peatükis „Riskifaktorid".

Käesolev Prospekt sisaldab ka tulevikku suunatud avaldusi, mis sõltuvad tuleviku sündmustest, riskidest ja määramatusest. Tegelik tulemus võib oluliselt erineda nendes tulevikku suunatud avaldustes väljendatud ootuspärastest tulemusest paljude faktorite tõttu, muuhulgas (kuid mitte ainult) allpool ja mujal käesolevas Prospektis kirjeldatud riskide tõttu. Vaata peatükki „Üldine informatsioon–Tulevikku suunatud avaldused".

#### *SEB-ga seotud peamised riskifaktorid*

- SEB'i äritegevust, kasumit ja majandustegevuse tulemusi mõjutavad oluliselt tingimused ülemaailmsetel finantsturgudel ja ülemaailmsed majandustingimused tervikuna.
- Halvenevad majandustingimused riikides, kus SEB tegutseb, on juba avaldanud SEB'ile kahjulikku mõju ja tõenäoliselt kahjulik mõju jätkub ka edaspidi.
- Praegused turutingimused on suurendanud riski, et laene ei maksta nõuetekohaselt tagasi, ning laenukahjud suurenevad, eriti Balti regioonis.
- SEB'i mõjutab varade väärtuse vähenemine, mis tagavad eluaseme- ja ärikinnisvaralaene.
- Turukõikumised ja turgude volatiilsus võivad ebasoodsalt mõjutada SEB'i positsioonide väärtust, kahandada tema äritegevust ja raskendada teatud varade õiglase väärtuse hindamist.
- SEB'i suhtes esineb risk, et vabad vahendid ei ole alati hõlpsasti kättesaadavad; seda riski süvendavad praegused tingimused maailma finantsturgudel.
- SEB'i laenukulud ja juurdepääs laenukapitali turgudele sõltub olulisel määral SEB krediidireitingutest.
- SEB'i võib negatiivselt mõjutada teiste finantsinstitutsioonide kindel positsioon (soundness) või kindlana tajutav positsioon (perceived soundness), mille tagajärjel võivad tekkida olulised süsteemsed likviidsusprobleemid, kahjud või rikkumised teiste finantsinstitutsioonide või vastaspoolte poolt.
- SEB on mõjutatud Lehman Brothers'ist.

- SEB-I suhtes võivad rakenduda kapitali suurendamise nõuded või standardid tulenevalt uutest valitsuse poolt kehtestatud või seadusandlikest nõuetest ning muutustest adekvaatse kapitaliseerituse tasemetes. Samuti võib tulevikus halvenevate majandusolude tõttu tekkida vajadus täiendava kapitali järele, mida aga võib olla keeruline omandada.
- SEB'i kapitali efektiivne juhtimine on kriitiliselt oluline võimaldamaks SEB-l opereerida ja laiendada oma äritegevust.
- Muutused intressimäärades on mõjutanud ja mõjutavad edaspidi SEB'i äritegevust.
- SEB'i mõjutab valuutarisk ning tema poolt opereeritava valuuta devalveerimine või selle väärtuse vähenemine võib avaldada olulist ebasoodsat mõju tema varadele, sealhulgas tema laenuportfellile, ja majandustulemustele.
- SEB-i tegevus on allutatud laiahaardelisele regulatsioonile pangandust, kindlustust ja finantsteenuseid puudutavates seadustes ja määrustes, millel võib olla SEB-i äritegevusele ebasoodne mõju.
- SEB-il võib tekkida kohustus osaleda Rootsi riiklikus toetusprogrammis finantsinstitutsioonide abistamiseks.
- Rootsi Valitsusel on teatud tingimustel õigus sundkorras omandada Rootsi krediidiasutuse aktsiad eesmärgiga toetada seeläbi riikliku finantssüsteemi stabiilsust.
- Rootsi riiklikust toetusprogrammist tulenevad kohustused võivad mõjutada SEB-i tegevust ja võimet oma tegevusse kaasata või säilitada kõrgtaseme juhte. Rootsi riigi poolt abi korras kapitali sisestamise tulemusena võivad muutuda SEB-i aktsionäride osalussuhted.
- Valitsuse likviidsusskeeme tühistatakse või muudetakse, millel võib olla negatiivne mõju finantseerimise kättesaadavusele turgudel, kus SEB tegutseb.
- SEB tegutseb konkureerivatel turgudel, millel on suur tõenäosus konsolideerumiseks ja mis seeläbi võib ebasoodsalt mõjutada SEB-i finantsnäitajaid ja majandustegevuse tulemusi.
- SEB-i võivad negatiivselt mõjutada tegelikud või näilised huvide konfliktid ja pettused.
- SEB äritegevust elukindlustuse valdkonnas mõjutab risk seoses varade turuväärtuste vähenemisega ja valdkonnale omased kindlustusriskid.
- SEB pangakaartidega seotud äritegevust mõjutavad pettused, laenukahjumid ja muud väärteod, samuti muutused seadusandluses.
- SEB'i riskijuhtimise suunised ja tegevuskavad võivad osutuda ebaadekvaatseks tema äritegevuses tõusetuvate riskidega toimetulekuks.
- Puudused ja tõrked SEB'i sisemistes protsessides ja protseduurides ning muud tegevusriskid võivad negatiivselt mõjutada SEB-i finantsolukorda, majandustegevuse tulemusi, likviidsust ja/või tulevikuväljavaateid, ning seeläbi kahjustada SEB-i mainet.
- IT- ja muud süsteemid, millest SEB oma igapäevases tegevuses sõltub, võivad tõrkuda paljude põhjuste tõttu, mis on väljapool SEB kontrolli; SEB'i suhtes esineb risk seoses infrastruktuuri katkestustega ja muude mõjudega infrastruktuurisüsteemidele.
- Edukaks võistlemiseks konkurentidega sõltub SEB kõrge kvalifikatsiooniga inimestest; SEB ei pruugi olla võimeline hoidma enda juures tööl või juurde värbama võtmetöötajaid.
- SEB-l võib tekkida kohustus täiendada oma pensioniskeeme, kui pensionifondi varade väärtus ei ole piisav katmaks potentsiaalseid kohustusi.
- SEB võib kanda suuri kulusid seoses uute toodete ja teenuste arendamise ning turustamisega.
- SEB'i põhiaktsionäril on oluline hääleõigus ja ta võib olla võimeline mõjutama asjaolusid, mis vajavad aktsionäride heakskiitu.

***Pakkumisega seotud peamised riskifaktorid***

- A Aktsiate tulevast hinda ei ole võimalik ette ennustada, ning Emitendi aktsiahinna volatiilsus viimasel ajal võib jätkuda tulevikus.
- Aktsionärid, kes ei vasta Pakkumisele Märkimisõiguste teostamise või Märkimisõiguste müümise teel, ei saa realiseerida Märkimisõiguste väärtust ja nende osalus Emitendis väheneb.
- Väljaspool Rootsit asuvaid aktsionäre mõjutab valuutarisk.
- Uusi A Aktsiaid ei saa vabalt edasi müüa Ameerika Ühendriikides.
- Teatud aktsionärid ei pruugi olla võimelised osalema kapitaliväärtpaberite pakkumistes Märkimisõigustega.
- Dividende A Aktsiatelt ei pruugita täielikult või osaliselt määrata.
- Tulevikus emiteeritavad aktsiad või muud väärtpaberid võivad vähendada praeguste aktsionäride osalust ja oluliselt mõjutada A Aktsiate turuhinda.
- Pakkumist puudutavad märkimiskohutused ei ole tagatud.
- Aktsionäride otsuseid, millega kiidetakse heaks põhikirja muutmine ja aktsiakapitali suurendamine, võidakse vaidlustada.

**Muu nõutav informatsioon**

Emitendi juhatusse (Board of Directors) kuuluvad järgmised isikud (välja arvatud töötajate esindajad): Marcus Wallenberg (Esimees), Tuve Johannesson (Aseesimees), Jacob Wallenberg (Aseesimees), Penny Hughes, Urban Jansson, Hans-Joachim Körber, Tomas Nicolin, Christine Novakovic, Jesper Ovesen, Carl Wilhelm Ros ja Annika Falkengren. Grupi Täitevkomiteesse (Executive Committee) kuuluvad Annika Falkengren (President ja Tegevjuht), Bo Magnusson (Asepresident ja Tegevjuht), Jan Erik Back, Fredrik Boheman, Magnus Carlsson, Ingrid Engström, Hans Larsson, Anders Mossberg ja Mats Torstendahl. SEB'i audiitor on PwC, koos peaaudiitori Peter Clemedtson'iga. Vaata peatükk "Juhatus, grupi juhtimine ja audiitorid".

Emitendi registreeritud asukoht on Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Rootsi (telefon: +46 (0) 771 62 10 00). Emitent on kantud SCRO poolt peetavasse pangaregistrisse registreerimisnumbriga 502032 9081.

# Annex B-3 – Summary in German

## Zusammenfassung des Prospekts

*Diese Zusammenfassung ist als Einführung zu dem Prospekt zu verstehen und hebt Informationen hervor, die detaillierter an anderer Stelle in dem Prospekt dargestellt werden. Diese Zusammenfassung ist nicht vollständig und enthält nicht alle für eine Anlageentscheidung in die Neuen A Aktien notwendigen Informationen. Anleger sollten vor einem Kauf den gesamten Prospekt, einschließlich der Prospektabschnitte „Risk factors", „Commentary on the financial development", „Risk management" und „Capital management" sowie den Finanzteil sorgfältig lesen. Jede Anlageentscheidung in Neue A Aktien sollte sich auf eine Prüfung des gesamten Prospekts stützen. Ein Anleger, der aufgrund der in dem Prospekt enthaltenen Informationen ein Gerichtsverfahren einleitet, könnte die Kosten für eine Übersetzung des Prospekts (vor Prozessbeginn) zu tragen haben. Eine Person kann für Informationen, die in dieser Zusammenfassung oder deren Übersetzung enthalten oder nicht enthalten sind, nur haftbar gemacht werden, falls diese Zusammenfassung oder deren Übersetzung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird.*

In dem Prospekt steht „**Emittentin**" für Skandinaviska Enskilda Banken AB (publ), „**SEB**" steht, je nach Zusammenhang, für Skandinaviska Enskilda Banken AB (publ) oder die konsolidierte Gruppe von Unternehmen, deren Muttergesellschaft die Emittentin ist, und „**Gruppe**" steht für die Gesellschaften, deren Muttergesellschaft die Emittentin ist.

## Überblick über die Emittentin

SEB ist eines der führenden Finanzinstitute Nordeuropas, das Dienstleistungen an Unternehmen, andere Finanzinstitute und Privatpersonen anbietet. Ihre Kernmärkte sind die nordischen Länder Schweden, Dänemark, Finnland und Norwegen, die baltischen Staaten Estland, Lettland und Litauen sowie Deutschland. Ihre Stärken liegen im Großkundengeschäft, im Investmentbanking, in der Vermögensverwaltung sowie im Versicherungsgeschäft fondsgebundener Lebensversicherungen. Am 31. Dezember 2008 hatte die SEB eine Bilanzsumme von SEK 2.511 Mrd. (EUR 231 Mrd.), Eigenkapital in Höhe von SEK 83,7 Mrd. (EUR 7,7 Mrd.) und einen Konzerngewinn von SEK 10,1 Mrd. (EUR 1,05 Mrd.)[1)]

Die Geschäftstätigkeit der Gruppe ist in vier Bereiche gegliedert:

- Geschäftskundengeschäft (*Merchant Banking*) – Die SEB bietet in ihren Kernmärkten großen Unternehmen und Finanzinstituten das Geschäftskundengeschäft und Investmentbanking an;
- Privatkundengeschäft (*Retail Banking*) – Die SEB bietet Privatkunden sowie klein- und mittelständischen Unternehmen („**KMUs**") das Privatkundengeschäft in Schweden, Deutschland und den baltischen Staaten an; Privatkunden in den nordischen Ländern bietet die SEB das Kartengeschäft an;
- Vermögensverwaltung (*Wealth Management*) – Die SEB bietet Institutionen, Stiftungen und Privatpersonen die Vermögensverwaltung sowie private Bankgeschäfte in ihren Kernmärkten an; und
- Lebensversicherungen (*Life*) – Die SEB bietet vornehmlich in Schweden, Dänemark und den baltischen Staaten fondsgebundene und traditionelle Lebensversicherungen an.

Zum 31. Dezember 2008 bestand der Kundenstamm aus ungefähr 2.500 Großunternehmen und institutionellen Kunden, 400.000 KMUs und mehr als fünf Millionen Privatkunden. Zu demselben Datum hatte die SEB ungefähr 660 Filialen in Schweden, den baltischen Staaten, Deutschland sowie anderen Staaten. Außerhalb ihrer Kernmärkte hat die SEB eine strategische Präsenz durch ihr internationales Netzwerk von elf Niederlassungen und Repräsentanzen in verschiedenen Finanzzentren, um vorrangig ihre großen Unternehmenskunden und institutionellen Kunden zu unterstützen und zu betreuen. Zum Ende des Jahres 2008 beschäftigte die SEB eine Anzahl von Mitarbeitern, die 21.131 Vollzeitbeschäftigten entsprach, mehr als die Hälfte davon beschäftigte sie außerhalb von Schweden.

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1) Die oben genannten Beträge in EUR basieren auf dem SEK/EUR-Wechselkurs am Ende des Jahres 2008 im Fall der Bilanzsumme und des Eigenkapitals sowie auf dem durchschnittlichen SEK/EUR-Wechselkurs des Jahres 2008 im Fall des Konzerngewinns, wie jeweils im Prospektabschnitt „*General information – Exchange rate information*" beschrieben.

## Wettbewerbsstärken

Die SEB ist davon überzeugt, dass ihr Geschäftskonzept auf starken langfristigen Kundenbeziehungen, ihren Produktleistungen und der Qualität ihrer Beratung gebaut ist. Ihr Ansehen resultiert aus ihrer langjährigen Erfahrung im Anbieten von Bank- und Finanzdienstleistungen an große Geschäftskunden, Finanzinstitutionen und Privatkunden in den nordischen Ländern. Aufgrund ihres breit aufgestellten Geschäfts ist die SEB überzeugt, dass sie gut positioniert ist, um neue Geschäftsmöglichkeiten in der Finanzdienstleistungsbranche in ihren Kernmärkten wahrzunehmen. Die Wettbewerbsstärken der SEB umfassen:

- Starke und langfristige Kundenbeziehungen;
- Führende Marktstellung in den Kernmärkten;
- Diversifizierte Einnahmestruktur und starker Fokus auf operative Effizienz;
- Diszipliniertes Risikomanagement; und
- Gut diversifizierte Refinanzierungsbasis.

## Gründe für das Angebot

Der SEB gelingt es seit langem, die angemessene Kapitalausstattung über den von den Regulatoren angesetzten Mindestgrenzen zu halten. Der Verwaltungsrat (*Board of Directors*) der Emittentin hält es für angemessen und im besten Interesse der Anteilseigner, vorausschauend die Vermögenslage der SEB zu stärken und hat Maßnahmen ergriffen, die Eigenkapitalbasis der SEB zu erhöhen auf rund SEK 19,1 Mrd. (i) um den Nettoerlös dieses Angebots und (ii) durch das Nichtausschütten einer Dividende für das Geschäftsjahr 2008, was die Stärke der Kapitalbasis des Konzerns um SEK 4,5 Mrd. erhöhen wird. Die Nichtzahlung der Dividende für das Geschäftsjahr 2008 sowie dieses Angebot wurden von den Aktionären der SEB auf ihrer ordentlichen Hauptversammlung am 6. März 2009 beschlossen.

Unter Berücksichtigung des Eingangs des Nettoerlöses aus dem Angebot hätte sich die Kernkapitalquote (Tier 1) der SEB zum 31. Dezember 2008 auf pro forma Basis von 10,1% auf ca. 12,1% erhöht (berechnet auf der Basis von Basel II ohne Übergangsregelungen). Der Verwaltungsrat der SEB hat ein neues Langzeitziel für die Kernkapitalquote (Tier 1) der SEB von 10% gesetzt (berechnet auf der Basis von Basel II ohne Übergangsregelungen).

Mit der jetzigen Umsetzung dieser Kapitalmaßnahmen strebt die SEB an, Folgendes zu erreichen:

- *Verbesserte Kapitalquoten als Antwort auf das veränderte Geschäftsumfeld*. Diese Kapitalmaßnahmen schaffen einen beachtlichen Puffer in der Kapitalbasis der SEB, welcher die SEB dazu befähigen wird, Werte zu schaffen und einer signifikanten Wertminderung unter den gesamtwirtschaftlichen Rahmenbedingungen zu widerstehen.
- *Steigerung der Fähigkeit der SEB, ein starker Geschäftspartner für ihre Kunden zu sein*. Die SEB sieht die Steigerung ihrer Kapitalausstattung infolge dieser Kapitalmaßnahmen als den Hauptwettbewerbsvorteil, der ihre Fähigkeit, ihren Kunden ein starker Geschäftspartner und am Finanzmarkt ein starker Gegenspieler zu sein, steigern wird.
- *Adressierung von Markterwartungen nach höherer Kapitalisierung im Bankenmarkt.* Bei den Erwartungen der Investoren hat es eine Verschiebung in Richtung höherer Kapitalausstattung und reduziertem Fremdkapital innerhalb des Bankensektors gegeben, die auf eine gestiegene Risikowahrnehmung zurückzuführen ist. Dies spiegelt sich in den derzeitigen Bemühungen zur Kapitalaufnahme unter den europäischen und U.S.-amerikanischen Finanzinstituten wider. Mit den oben genannten Kapitalmaßnahmen strebt die SEB an, diese Erwartungen mehr als angemessen zu adressieren.

## Zusammenfassung der Finanzdaten und sonstiger Daten

Die nachfolgenden Tabellen enthalten eine Zusammenfassung historischer Finanzdaten und sonstiger Daten der SEB auf einer konsolidierten Basis für die Geschäftsjahre 2008, 2007 und 2006, jeweils zum 31. Dezember. Die Zusammenfassung der historischen Finanzdaten wurde den in Übereinstimmung mit den International Financial Reporting Standards, wie von der Europäischen Union gebilligt und unter Verwendung der von der Europäischen Union gebilligten Version des IAS 39 bezüglich Portfolio Hedges von Zinsrisiken („**IFRS**") erstellten und von PricewaterhouseCoopers AB („**PwC**") geprüften Konzernabschlüssen der Emittentin und deren Erläuterungen entnommen. Der Konzernabschluss der SEB für das Jahr 2006 wurde im Jahr 2007 angepasst, um die Unternehmenssegmente darzustellen, die zum 1. Januar 2007 gebildet wurden; der Konzernabschluss der SEB für das Jahr 2007 wurde im Jahr 2008 angepasst, um die weitere Restrukturierung der Geschäftsfelder widerzuspiegeln. Aus diesem Grund sind, soweit nicht anders dargestellt, die Finanzdaten für das Jahr 2006 nicht vollständig vergleichbar mit den Finanzdaten für die Jahre 2007 und 2008.

Die Zusammenfassung der historischen Finanzdaten in den nachfolgenden Tabellen sollte im Zusammenhang gelesen werden mit den geprüften konsolidierten Konzernabschlüssen und den Erläuterungen der Emittentin für die jeweils am 31. Dezember endenden Geschäftsjahre 2008, 2007 und 2006, die an anderer Stelle in diesem Prospekt enthalten sind und unter deren Vorbehalte diese Zusammenfassung im Ganzen steht. Diese Informationen sollten außerdem in Zusammenhang mit den Prospektabschnitten „*Commentary on the financial development*", „*Selected financial and other information*" und „*Selected statistical data*" gelesen werden.

### Gewinn- und Verlustrechnung

| SEK Mio. | 2008 | 2007 | 2006 |
|---|---|---|---|
| (Netto-)Zinserträge | 18.710 | 15.998 | 14.281 |
| (Netto-)Provisionsüberschuss | 15.254 | 17.051 | 16.146 |
| (Netto-)Finanzeinkommen | 2.970 | 3.239 | 4.036 |
| (Netto-)Einkommen aus Lebensversicherungen | 2.375 | 2.933 | 2.661 |
| Sonstige (Netto-)Erträge | 1.831 | 1.219 | 1.623 |
| **Gesamte betriebliche Erträge** | **41.140** | **40.440** | **38.747** |
| Personalaufwand | –16.241 | –14.921 | –14.363 |
| Sonstige Aufwendungen | –7.642 | –6.919 | –6.887 |
| Abschreibung, Amortisierung und Wertminderung von Sachanlagen und immateriellen Vermögenswerten | –1.524 | –1.354 | –1.287 |
| **Gesamte betriebliche Aufwendungen** | **–25.407** | **–23.194** | **–22.537** |
| Gewinne minus Verluste aus Sachanlagen und immateriellen Vermögenswerten | 6 | 788 | 70 |
| (Netto-)Kreditausfall | –3.268 | –1.016 | –718 |
| **Betrieblicher Gewinn** | **12.471** | **17.018** | **15.562** |
| Ertragsteueraufwendungen | –2.421 | –3.376 | –2.939 |
| **Konzerngewinn aus weitergeführtem operativen Geschäft** | **10.050** | **13.642** | **12.623** |
| Eingestellte Geschäfte | | | |
| **Konzerngewinn** | **10.050** | **13.642** | **12.623** |
| davon Ergebnis Konzernfremde | 9 | 24 | 18 |
| davon Ergebnis Konzernunternehmen | 10.041 | 13.618 | 12.605 |

**Bilanz (am Periodenende)**

| SEK Mio. | 2008 | 2007 | 2006 |
|---|---|---|---|
| Kassenbestände und Guthaben bei Zentralbanken | 44.852 | 96.871 | 11.314 |
| Forderungen an Kreditinstitute | 266.363 | 263.012 | 180.478 |
| Forderungen an die Öffentlichkeit | 1.296.777 | 1.067.341 | 950.861 |
| Finanzielle Vermögenswerte zum Zeitwert (*fair value*) | 635.454 | 661.223 | 614.288 |
| Finanzanlagen der Kategorie *Available for Sale* | 163.115 | 170.137 | 116.630 |
| Bis zur Endfälligkeit gehaltene Investments | 1.997 | 1.798 | 2.231 |
| Beteiligungen | 1.129 | 1.257 | 1.085 |
| Sachanlagen und immaterielle Vermögenswerte | 29.511 | 24.697 | 22.914 |
| Sonstige Vermögenswerte | 71.504 | 58.126 | 34.640 |
| **Summe der Aktiva** | **2.510.702** | **2.344.462** | **1.934.441** |
| Verbindlichkeiten gegenüber Kreditinstituten | 429.425 | 421.348 | 368.326 |
| Verbindlichkeiten gegenüber der Öffentlichkeit | 841.034 | 750.481 | 643.849 |
| Verbindlichkeiten gegenüber Versicherungsnehmern | 211.070 | 225.916 | 203.719 |
| Schuldverschreibungen (*debt securities*) | 525.219 | 510.564 | 394.357 |
| Finanzielle Verbindlichkeiten zum Zeitwert (*fair value*) | 295.533 | 216.390 | 151.032 |
| Sonstige Verbindlichkeiten | 71.565 | 97.519 | 60.150 |
| Rückstellungen | 1.897 | 1.536 | 2.066 |
| Nachrangige Verbindlichkeiten | 51.230 | 43.989 | 43.675 |
| Summe Eigenkapital | 83.729 | 76.719 | 67.267 |
| **Summe der Passiva** | **2.510.702** | **2.344.462** | **1.934.441** |

**Kapitalquoten**

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| Eigenkapitalrendite[1)] in % | 13,1 | 19,3 | 20,8 |
| Ergebnis je Aktie in SEK[2)] | 14,66 | 19,97 | 18,72 |
| Cost Income Ratio[3)] | 0,62 | 0,57 | 0,58 |
| Credit Loss Level[4)] in % | 0,30 | 0,11 | 0,08 |
| Anteil der im Wert geminderten Kredite[5)] in % | 0,35 | 0,18 | 0,22 |
| Basel II (Übergangsregelungen)-Gesamtziffer[6) 7) 8)] in % (zum Periodenende) | 10,62 | 11,04 | 11,47 |
| Basel II (vollständig umgesetzt)-Gesamtziffer[6) 7)] in % (zum Periodenende) | 12,81 | 12,62 | – |
| Basel II (Übergangsregelungen)-Kernkapitalquote[7) 8) 9)] in % (zum Periodenende) | 8,36 | 8,63 | 8,19 |
| Basel II (vollständig umgesetzt)-Kernkapitalquote[7) 9)] in % (zum Periodenende) | 10,08 | 9,87 | – |
| Anzahl der ausgegebenen Aktien (zum Periodenende) (Mio.) | 685,0 | 683,5 | 678,3 |

1) Anteiliger Konzerngewinn der Aktionäre als Prozentsatz des durchschnittlichen Eigenkapitals, definiert als Durchschnitt des Eigenkapitals am Jahresanfang sowie jeweils am Ende des Monats März, Juni, September und Dezember, bereinigt um die Dividenden, die während des Jahres ausgeschüttet wurden, den Rückkauf eigener Aktien und Bezugsrechtsemissionen.
2) Jahresnettogewinn geteilt durch die durchschnittliche Anzahl von Aktien.
3) Gesamte betriebliche Aufwendungen geteilt durch die gesamten betrieblichen Erträge.
4) Kreditverluste und Wertveränderungen übernommener Vermögenswerte geteilt durch Darlehen an die Öffentlichkeit und Kreditinstitute (ausgenommen Banken), übernommene Vermögenswerte und Kreditbürgschaften am Jahresanfang.
5) Im Wert geminderte Kredite (netto) geteilt durch Darlehen an die Öffentlichkeit und Kreditinstitute (ausgenommen Banken) sowie an Kunden vermietete Anlagen (netto).
6) Gesamtkapital der Finanzgruppe, die Unternehmen der Gruppe (ausgenommen die Versicherungsunternehmen innerhalb der Gruppe) und nicht-konsolidierte verbundene Unternehmen einschließt, angepasst entsprechend den Eigenkapitalausstattungsregeln als Prozentanteil risikogewichteter Aktiva.
7) Für eine vollständige Beschreibung der Umsetzung und Anwendung von Basel II durch die SEB siehe den Prospektabschnitt „*Capital Management–New Basel II capital adequacy rules*".
8) Zahlen aus 2006 basieren auf Basel I.
9) Die Kernkapitalquote der Finanzgruppe der Unternehmen als Prozentsatz der risikogewichteten Aktiva.

## Zusammenfassung des Risikopotentials

Die nachfolgenden Tabellen zeigen die Größe bestimmter Risikopotentiale der SEB zum jeweils 31. Dezember der Jahre 2008, 2007 und 2006.

### Zusammenfassung der Offenlegung des Kreditportfolios der SEB*

| SEK Mrd. (zum Periodenende) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Unternehmen | 782 | 571 | 484 |
| Grundstücksverwaltung (*property management*) | 262 | 212 | 192 |
| Privathaushalte | 486 | 434 | 374 |
| *– davon Hypotheken* | 371 | 331 | 270 |
| Öffentliche Verwaltung | 119 | 88 | 97 |
| **Gesamtbetrag Nicht-Banken** | **1.649** | **1.304** | **1.146** |
| Banken | 286 | 248 | 169 |
| **Gesamtbetrag** | **1.934** | **1.552** | **1.315** |
| Credit Loss Level[1)] in % | 0,30 | 0,11 | 0,08 |
| Anteil der im Wert geminderten Kredite[2)] in % | 0,35 | 0,18 | 0,22 |

* Die in den oben stehenden Tabellen erwähnten Daten des Kreditportfolios der Jahre 2008, 2007 und 2006 werden auf einer vergleichbaren Basis nach Industrieschlüsseln dargestellt. Das Kreditportfolio der Gruppe ist das Portfolio der Gruppe an Darlehen (Gesamtbetrag vor Rückstellungen unter Ausschluss von Rückkaufsvereinbarungen und Anleihen), Eventualverbindlichkeiten und Zusagen (wie z. B. Kreditzusagen, *letters of credit* sowie Garantien) und Adressausfallrisiken, die aus Derivat-Geschäften und Devisentermingeschäften resultieren (jeweils nach gegenseitiger Verrechnung). Das Portfolio festverzinslicher Einkünfte (*Fixed-Income Portfolio*) der Gruppe ist nicht im Kreditportfolio enthalten. Siehe jeweils *Note 38 to each of the 2008 Financial Statements and Unrestated 2007 Financial Statements* für weitere Details zu den Verbindlichkeiten und Zusagen sowie *SEB's consolidated balance sheets as of December 31, 2008 and 2007* für weitere Details zu den Derivat-Geschäften der SEB.

1) Kreditverluste und Wertveränderungen übernommener Vermögenswerte geteilt durch Darlehen an die Öffentlichkeit und Kreditinstitute (ausgenommen Banken), übernommene Vermögenswerte und Kreditbürgschaften am Jahresanfang.

2) Im Wert geminderte Kredite (netto) geteilt durch Darlehen an die Öffentlichkeit und Kreditinstitute (ausgenommen Banken) sowie an Kunden vermietete Anlagen (netto).

### Zusammenfassung der Offenlegung des baltischen Kreditportfolios der SEB*

| SEK Mrd. (zum Periodenende) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Unternehmen | 95 | 83 | 69 |
| Grundstücksverwaltung (*property management*) | 32 | 26 | 20 |
| Privathaushalte | 68 | 55 | 37 |
| *– davon Hypotheken* | 55 | 44 | 28 |
| Öffentliche Verwaltung | 6 | 3 | 2 |
| **Gesamtbetrag Nicht-Banken** | **200** | **166** | **128** |
| Banken | 2 | 3 | 3 |
| **Gesamtbetrag** | **202** | **169** | **131** |
| Credit Loss Level[1)] in % | 1,28 | 0,43 | 0,13 |
| Anteil der im Wert geminderten Kredite[2)] in % | 1,33 | –0,06 | 0,08 |

* Die in den oben stehenden Tabellen erwähnten Daten des Kreditportfolios der Jahre 2008, 2007 und 2006 werden auf einer vergleichbaren Basis nach Industrieschlüsseln dargestellt. Das Kreditportfolio der Gruppe ist das Portfolio der Gruppe von Darlehen (Gesamtbetrag vor Rückstellungen unter Ausschluss von Rückkaufsvereinbarungen und Anleihen), Eventualverbindlichkeiten und Zusagen (wie z. B. Kreditzusagen, *letters of credit* sowie Garantien) und Adressausfallrisiken, die aus Derivat-Geschäften und Devisentermingeschäften resultieren (jeweils nach gegenseitiger Verrechnung). Das Portfolio festverzinslicher Einkünfte (*Fixed-Income Portfolio*) der Gruppe ist nicht im Kreditportfolio enthalten. Siehe jeweils *Note 38 to each of the 2008 Financial Statements and Unrestated 2007 Financial Statements* für weitere Details zu den Verbindlichkeiten und Zusagen sowie *SEB's consolidated balance sheets as of December 31, 2008 and 2007* für weitere Details zu den Derivat-Geschäften der SEB.

1) Kreditverluste und Wertveränderungen übernommener Vermögenswerte geteilt durch Darlehen an die Öffentlichkeit und Kreditinstitute (ausgenommen Banken), übernommene Vermögenswerte und Kreditbürgschaften am Jahresanfang.

2) Im Wert geminderte Kredite (netto) geteilt durch Darlehen an die Öffentlichkeit und Kreditinstitute (ausgenommen Banken) sowie an Kunden vermietete Anlagen (netto).

## Portfolio festverzinslicher Einkünfte (*Fixed-Income Portfolio*)*

**Portfolio festverzinslicher Einkünfte (zum Periodenende)**

| SEK Mrd. | 2008 | 2007 |
|---|---|---|
| Finanzanlagebestand | 133 | 131 |
| – *davon Finanzinstitute* | 52 | 55 |
| – *davon gesicherte Anleihen (covered bonds)* | 13 | 5 |
| – *davon strukturierte Kredite (structured credits)* | 68 | 71 |
| – *davon Residential Mortgage Backed Securities* | 24 | 25 |
| – *davon Asset-Backed Securities* | 11 | 13 |
| – *davon Collateralised Loan Obligations* | 13 | 11 |
| – *davon Collateral Mortgage Obligations* | 9 | 10 |
| – *davon Commercial Mortgage Backed Securities* | 5 | 5 |
| – *davon besicherte Schuldverschreibungen (collateralized debt obligation)* | 5 | 5 |
| – *davon Sub-prime* | 1 | 2 |
| Handelsbestand | 59 | 62 |
| **Portfolio festverzinslicher Einkünfte Geschäftskundengeschäft** | **192** | **193** |
| Portfolio festverzinslicher Einkünfte Treasury der Gruppe | 156 | 119 |
| Portfolio festverzinslicher Einkünfte Sonstige Bereiche | 7 | 19 |
| **Portfolio festverzinslicher Einkünfte SEB Gesamt** | **355** | **331** |

* Das Portfolio festverzinslicher Einkünfte der Gruppe wurde zum Zwecke der Investition, des Treasury und des Kundenhandels aufrechterhalten. Die festverzinslichen Wertpapiere/Anlagen bestehen hauptsächlich aus Staatsanleihen, gesicherten Anleihen (*covered bonds*), von Finanzinstitutionen ausgegebenen Anleihen sowie Asset-Backed Securities. Die meisten dieser Positionen befinden sich innerhalb des Bereichs Großkundengeschäft der SEB und des Treasury der Gruppe.

## Zusammenfassung des Angebots

| | |
|---|---|
| *Bezugsangebot*............... | Eine Gesamtanzahl von bis zu 1.507.015.171 Neuen A Aktien mit vorrangigem Bezugsrecht für Inhaber von bestehenden A Aktien und C Aktien werden zum Stichtag (*Record Date*) angeboten. |
| *Bezugspreis*.................... | Der Bezugspreis je Neuer A Aktie beträgt SEK 10 und damit weniger als der Schlusskurs der A Aktie von SEK 31 an der NASDAQ OMX Stockholm am 3. März 2009. |
| *Bezugsrechte* ................. | Vorbehaltlich der anwendbaren Wertpapierrechte berechtigt jede zum Stichtag (*Record Date*) gehaltene A Aktie oder C Aktie ihren Inhaber zu 11 Bezugsrechten. 5 Bezugsrechte berechtigen zum Bezug von 1 Neuen A Aktie.<br><br>Der Anteil derjenigen Aktionäre, die sich entscheiden, nicht am Bezugsangebot teilzunehmen, wird sich um 69% verwässern. Diese Aktionäre werden aber die Möglichkeit haben, ihre Bezugsrechte zu verkaufen.<br><br>Während der Bezugsfrist, werden Bezugsrechte, die an Aktionäre begeben wurden, die nicht berechtigt sind, an dem Angebot teilzunehmen, im Auftrag dieser Aktionäre verkauft. Der Verkaufserlös, abzüglich anfallender Quellensteuer, wird auf die relevanten Aktionäre im anteiligen Verhältnis ihrer Beteiligung verteilt. Beträge, die kleiner als SEK 50 sind, werden nicht ausgezahlt.<br><br>Bezugsrechte, die vor oder an dem Ende der Bezugsfrist nicht ausgeübt wurden, werden nichtig und ungültig und verfallen wertlos ohne jegliche Kompensation. |
| *Festbezugs- und Übernahmeerklärungen*.. | Investor AB, Trygg-Stiftelsen, Alecta, AFA Försäkring, Fjärde AP-Fonden, Knut och Alice Wallenbergs Stiftelse, Andra AP-Fonden und SEB Stiftelsen (die „**Verpflichteten Aktionäre**“), die zusammen 43,7% der ausgegebenen Aktien der SEB repräsentieren, haben sich zusammen verpflichtet, 50,8% des Angebots zu zeichnen und zu übernehmen. Der verbleibende Anteil des Angebots wird durch die Underwriter übernommen. |
| *Bezug und Zuteilung der Neuen A Aktien ohne Bezugsrechte; Mehrzuteilung*............... | Während der Bezugsfrist wird die Emittentin den Bezug zusätzlicher Neuer A Aktien durch Aktionäre und andere Personen gestatten. Nach Ablauf der Bezugsfrist wird der Verwaltungsrat (*Board of Directors*) die Zuteilung Neuer A Aktien, die nicht durch Ausübung des Bezugsrechts bezogen wurden, in einer Mehrzuteilung wie folgt vornehmen: (i) zunächst an Personen, die Neue A Aktien aufgrund der Bezugsrechte bezogen haben, (ii) dann an Personen, die Neue A Aktien ohne Bezugsrecht bezogen haben, und (iii) für den Fall, dass Neue A Aktien zum Teil nicht gezeichnet werden, an eine Gruppe von Aktionären der Emittentin und der Underwriter, die vereinbart haben, die verbleibenden Neuen A Aktien zu bestimmten Bedingungen und Konditionen zu übernehmen. Aufgrund der Festbezugs- und Übernahmeerklärungen einer Gruppe von Aktionären der Emittentin und der Underwriter wie oben unter (iii) beschrieben, hat die Emittentin Zeichnungszusagen für 100% des Angebots erhalten. |
| *Stichtag (Record Date) für das Bezugsangebot*.... | 11. März 2009. |
| *Bezugsfrist*...................... | 13. März 2009 bis 27. März 2009. |
| *Bezugsrechtshandel*........ | Die Bezugsrechte für die Neuen A Aktien werden voraussichtlich vom einschließlich 13. März 2009 bis einschließlich 24. März 2009 an der NASDAQ OMX Stockholm unter dem Handelssymbol „SEB TR A“ gehandelt. |

| | |
|---|---|
| *Dividende* ...................... | Die Neuen A Aktien berechtigen die Inhaber zum Dividendenbezug an jedem sich ereignenden Dividendenstichtag ab der Registrierung der Neuen A Aktien beim Swedish Companies Registration Office („**SCRO**"), vorausgesetzt eine Dividende wird gewährt. Nach dieser Registrierung vermitteln die Neuen A Aktien dieselben Dividendenrechte wie die bereits existierenden A Aktien der SEB. Es sei darauf hingewiesen, dass es der gängigen Praxis der Emittentin entspricht, Dividendenzahlungen nur einmal im Jahr im Rahmen der ordentlichen Hauptversammlungen der Emittentin zu erwägen. Demgemäß werden die Neuen A Aktien die Aktionäre, vorausgesetzt eine Dividende wird gewährt, nicht zu Dividenden berechtigen bevor nicht solche Dividenden in Verbindung mit der ordentlichen Hauptversammlung der Emittentin für das Jahr 2010 beschlossen werden. |
| *Stimmrechte*.................. | Die Neuen A Aktien werden dieselben Stimmrechte verkörpern wie die bereits existierenden A Aktien der Emittentin. |
| *Übertragung von Bezugsrechten, „bezahlten bezogenen Aktien" (betald tecknad aktie)(paid subscription shares)(„**BTAs**") und Neuen A Aktien*............. | Es gibt bestimmte Einschränkungen für den Verkauf und die Übertragung von Bezugsrechten, BTAs und Neuen A Aktien. Siehe dazu den Prospektabschnitt „*Restrictions on sale and transfer of Subscription Rights, BTAs and new A Shares*". |
| *Weltweites Angebot*........ | Die Underwriter können die Neuen A Aktien, die ihnen gemäß der Mehrzuteilung zugeteilt werden, in einem weltweiten Angebot in Offshore-Transaktionen in Übereinstimmung mit Regulation S und sonstigen anwendbaren Wertpapiergesetzen oder an qualifizierte Anleger (*Qualified Institutional Buyers*) in den Vereinigten Staaten nach Rule 144A zum U.S. Securities Act von 1933 in der jeweils gültigen Fassung und sonstigen anwendbaren Wertpapiergesetzen anbieten. Für eine Beschreibung der möglichen Wege einer Zuteilung der von den Underwritern übernommenen Neuen A Aktien im Rahmen des weltweiten Angebots, siehe den Prospektabschnitt „*Underwriting and supplementary information — The Offering — Global Offering*". |
| *Abwicklung*.................. | Der Bezug der Neuen A Aktien erfolgt durch die Ausübung der Bezugsrechte im Wege der Bezahlung des Bezugspreises. Die Zahlung für zugeteilte Neue A Aktien, für die das Bezugsrecht nicht ausgeübt wurde, soll gemäß den Anweisungen erfolgen, die auf der Ausführungsanzeige (*contract note*) festgesetzt werden, die solchen Zeichnern zugesendet wird, die Neue A Aktien zugeteilt bekommen haben. |
| *Lieferung der Neuen A Aktien*............. | Nach Zahlung und Ausübung des Bezugsrechts für die Neuen A Aktien wird Euroclear Sweden eine Wertpapierbekanntmachung (VP) versenden, die bestätigt, dass BTAs auf dem Wertpapierkonto (VP) des Ausübenden registriert wurden. Die BTAs werden als Neue A Aktien nachregistriert, nachdem das SCRO die Neuen A Aktien registriert hat. In Verbindung mit dieser Nachregistrierung wird keine Wertpapierbekanntmachung (VP) erstellt. Die Registrierung der Neuen A Aktien durch das SCRO, die durch Ausübung des Bezugsrechts bezogen wurden, wird am oder um den 2. April 2009 erwartet. |
| *Emissionserlös*................ | Der Bruttoerlös der Emittentin aus dem Angebot wird auf rund SEK 15.070 Mio. und nach Abzug transaktionsbezogener Kosten in Höhe von rund SEK 470 Mio. auf rund SEK 14.600 Mio. geschätzt. SEB beabsichtigt, den Nettoerlös aus dem Angebot zur Stärkung der Eigenkapitalbasis aus Gründen, die im Prospektabschnitt „*–Reason for the Offering*" beschrieben werden, zu verwenden. |
| *Börsenzulassung und Notierungsaufnahme*...... | Die Bezugsrechte und die BTAs werden an der NASDAQ OMX Stockholm gehandelt. Die Emittentin wird die Börsenzulassung und die Notierungsaufnahme der Neuen A Aktien an der NASDAQ OMX Stockholm in Verbindung mit dem Abschluss des Angebots beantragen. |

| | | |
|---|---|---|
| *Handelssymbole.............* | A Aktien: | SEB A |
| | Bezugsrechte: | SEB TR A |
| | BTA 1: | SEB BTA A 1 |
| | BTA 2: | SEB BTA A 2 |
| *ISIN...............................* | A Aktien: | SE0000148884 |
| | Bezugsrechte: | SE0002768499 |
| | BTA 1: | SE0002768507 |
| | BTA 2: | SE0002768515 |

## Zusammenfassung der wesentlichen Risikofaktoren

Eine Investition in Bezugsrechte, BTAs oder Neue A Aktien birgt Risiken. Solche Risiken schließen die im Folgenden beschriebenen Risikofaktoren ein, sind aber nicht auf diese begrenzt. Die SEB ist oder kann bei ihren zukünftigen Geschäften einigen oder allen im Folgenden dargestellten Risiken und solchen zusätzlichen Risikofaktoren, die in dem Prospektabschnitt „*Risk factors*" dargestellt sind, ausgesetzt sein. Jeder dieser Risikofaktoren, genauso wie zusätzliche Risikofaktoren, die die SEB nicht kennt, könnten auch die Geschäftstätigkeit der SEB beeinflussen.

Anleger sollten die Risiken, die nachfolgend und in den Prospektabschnitten „*Risk factors*", „*Risk management*" und „*Capital management*" beschrieben werden, sowie alle in dem Prospekt enthaltenen Informationen, sorgfältig lesen, bevor sie entscheiden, ob sie Bezugsrechte oder BTAs kaufen und/oder Bezugsrechte für die Neuen A Aktien ausüben. Die Reihenfolge, in der diese Risiken präsentiert werden, ist nicht darauf angelegt, eine Indikation der Wahrscheinlichkeit ihres Eintritts oder ihres Gewichtes oder ihrer Bedeutung zu geben. Die nachfolgenden Risikofaktoren sowie einige andere Risikofaktoren sind ausführlicher in dem Prospektabschnitt „*Risk factors*" beschrieben.

Der Prospekt beinhaltet auch zukunftsgerichtete Aussagen, die sich auf Ereignisse, Risiken und Ungewissheiten in der Zukunft beziehen. Das tatsächliche Ergebnis könnte wesentlich von dem in diesen zukunftsgerichteten Aussagen angenommenen Ergebnis aufgrund verschiedener Faktoren, einschließlich der, aber nicht beschränkt auf die, unten oder an anderer Stelle in dem Prospekt beschriebenen Risikofaktoren, abweichen.

### *Wesentliche Risikofaktoren in Bezug auf die SEB*

- Das Geschäft der SEB, ihre Erträge und ihre Ertragslage werden wesentlich beeinflusst durch die Bedingungen der globalen Finanzmärkte sowie die globalen wirtschaftlichen Bedingungen.
- Die Verschlechterung der wirtschaftlichen Bedingungen in den Ländern, in denen die SEB tätig ist, hat sich nachteilig auf die SEB ausgewirkt und wird dies auch weiterhin tun.
- Die derzeitigen Marktbedingungen haben das Risiko des Wertverfalls von Darlehen erhöht; die Kreditausfälle sind dabei sich zu erhöhen, insbesondere in der baltischen Region.
- Die SEB ist einem Wertverfall von Grundstückssicherheiten im Rahmen der wohnungswirtschaftlichen und gewerblichen Immobilienfinanzierung ausgesetzt.
- Marktschwankungen und Marktvolatilität können sich nachteilig auf den Wert der Positionen der SEB auswirken, ihre Geschäftsaktivitäten verringern und die Bewertung einiger ihrer Vermögenswerte zu Marktpreisen (*fair value*) erschweren.
- Die SEB ist dem Risiko ausgesetzt, dass Liquidität nicht immer sofort verfügbar ist; dieses Risiko verstärkt sich durch die derzeitigen Umstände an den weltweiten Finanzmärkten.
- Die Kreditkosten der SEB und ihr Zugang zu Fremdkapitalmärkten hängen wesentlich von der Einstufung ihrer Kreditwürdigkeit ab.

- Die SEB könnte durch die Kreditwürdigkeit oder die wahrgenommene Kreditwürdigkeit anderer Finanzinstitutionen und von Gegenparteien negativ beeinflusst werden. Dies könnte bedeutende systemische Liquiditätsprobleme, Verluste oder Ausfälle zur Folge haben.
- Die SEB ist Engagements mit Lehman Brothers eingegangen.
- Die SEB kann erhöhten Eigenkapitalanforderungen oder -standards aufgrund neuer Anforderungen der Regierung oder der Regulatoren und Änderungen in den wahrgenommenen Bereichen angemessener Kapitalisierung ausgesetzt sein und kann auch in der Zukunft aufgrund sich verschlechternder wirtschaftlicher Bedingungen weiteren Kapitalbedarf haben, der möglicherweise schwer zu bekommen sein wird.
- Erfolgreiches Management der Finanzmittel (*capital*) der SEB ist entscheidend für die Fähigkeit der SEB, ihr Geschäft zu betreiben und zu steigern.
- Veränderungen der Zinssätze haben das Geschäft der SEB beeinflusst und werden es weiterhin beeinflussen.
- Die SEB ist dem Währungskursrisiko ausgesetzt. Eine Abwertung oder Entwertung irgendeiner Währung, in der die SEB handelt, könnte eine wesentliche Beeinträchtigung (*material adverse effect*) auf die Vermögenswerte, einschließlich des Kreditbestandes und der Ertragslage der SEB haben.
- Die SEB unterliegt einer Vielzahl von gesetzlichen Regelungen des Bankwesens, des Versicherungswesens und des Finanzdienstleistungswesens sowie Regulierungen, die einen negativen Effekt (*adverse effect*) auf das Geschäft der SEB haben könnten.
- Es könnte für die SEB verpflichtend werden, am Unterstützungsprogramm der schwedischen Regierung für Kreditinstitute teilzunehmen und/oder dieses zu finanzieren.
- Unter bestimmten Bedingungen hat die schwedische Regierung das Recht, zwangsweise Aktien eines schwedischen Kreditinstituts zu erwerben, um die Stabilität des Finanzsystems zu unterstützen.
- Maßnahmen, die nach dem Unterstützungsprogramm der schwedischen Regierung notwendig sind, können die Geschäfte der SEB und ihre Fähigkeit, leitende Angestellte (*senior executives*) zu gewinnen und zu halten, beeinträchtigen; Kapitalzuführungen der schwedischen Regierung im Rahmen dieses Programms könnten zu einer Verwässerung der Anteile der Aktionäre der SEB führen.
- Liquiditätspläne der Regierung unterliegen der Gefahr der Aufhebung oder Veränderung. Dies kann eine negative Auswirkung auf die Verfügbarkeit von Refinanzierungen in den Märkten, in denen die SEB tätig ist, haben.
- Die SEB ist in wettbewerbsintensiven Märkten tätig, die sich wahrscheinlich konsolidieren werden. Dies kann einen negativen Effekt (*adverse effect*) auf die Finanz- und Ertragslage der SEB haben.
- Interessenkonflikte, ob tatsächlich vorliegend oder nur behauptet, sowie betrügerische Handlungen könnten die SEB negativ beeinflussen.
- Das Lebensversicherungsgeschäft der SEB unterliegt dem Risiko sinkender Marktwerte ihrer Vermögenswerte in Verbindung mit ihrem fondsgebundenen Geschäft und traditionellen Portfolios sowie systemimmanenten Versicherungsrisiken.
- Betrug, Kreditverluste und überfällige Forderungen sowie regulatorische Änderungen beeinflussen das Kartengeschäft der SEB.
- Die Richtlinien und Grundsätze für das Risikomanagement der SEB könnten sich als unzulänglich für die Risiken erweisen, denen die SEB durch ihre Geschäfte ausgesetzt ist.
- Schwächen oder Versäumnisse bezüglich interner Prozesse und Abläufe innerhalb der SEB sowie andere Betriebsrisiken könnten einen negativen Einfluss auf die Finanz- und Ertragslage, die Liquidität und/oder die Geschäftsaussichten haben und zu Reputationsschäden führen.

- Die Informationstechnologie und andere Systeme, auf welche die SEB bei ihren täglichen Geschäften angewiesen ist, könnten aus einer Vielzahl von Gründen ausfallen, die sich der Kontrolle der SEB entziehen könnten; die SEB ist dem Risiko von Betriebsstörungen oder anderen Auswirkungen auf solche Systeme ausgesetzt.
- Um erfolgreich am Wettbewerb teilzunehmen, ist die SEB auf hochqualifizierte Einzelpersonen angewiesen; die SEB ist möglicherweise nicht in der Lage, qualifizierte Mitarbeiter zu halten oder zu gewinnen.
- Der SEB kann auferlegt werden, Rückstellungen zu bilden oder weitere Beiträge in ihre Rentenpläne zu leisten, wenn der Wert der Vermögenswerte ihrer Rentenkasse nicht ausreicht, um ihre potentiellen Verpflichtungen zu erfüllen.
- Der SEB können erhebliche Kosten für die Entwicklung und Vermarktung neuer Produkte und Dienstleistungen entstehen.
- Der Hauptaktionär der SEB hat eine bedeutende Stimmrechtsmacht und könnte in der Lage sein, Angelegenheiten zu beeinflussen, die der Genehmigung durch die Aktionäre bedürfen.

### *Wesentliche Risikofaktoren in Bezug auf das Angebot*

- Der zukünftige Preis einer A Aktie kann nicht vorhergesagt werden und die derzeitige Volatilität des Aktienkurses der Emittentin kann sich in der Zukunft fortsetzen.
- Aktionäre, die es versäumen, rechtzeitig entweder durch Ausübung oder Verkauf der Bezugsrechte auf das Angebot einzugehen, werden nicht in der Lage sein, den Wert ihrer Bezugsrechte zu realisieren, und werden eine Verwässerung ihrer Anteile an der Emittentin erleiden.
- Aktionäre außerhalb von Schweden unterliegen dem Währungskursrisiko.
- Die Neuen A Aktien können in den Vereinigten Staaten von Amerika nicht frei weiterverkauft werden.
- Bestimmte Aktionäre sind möglicherweise nicht in der Lage, sich an Eigenkapitalemissionen mit Bezugsrechten zu beteiligen.
- Dividenden auf die A Aktien können möglicherweise ganz oder teilweise nicht gewährt werden.
- Zukünftige Ausgaben von Aktien oder anderen Wertpapieren können die Anteile derzeitiger Aktionäre verwässern und den Marktpreis der A Aktien wesentlich beeinflussen.
- Zusagen, Bezugsrechte im Rahmen des Angebots auszuüben, sind nicht abgesichert.
- Beschlüsse der Aktionäre, welche eine Satzungsänderung oder eine Kapitalerhöhung genehmigen, könnten angefochten werden.

### Sonstige notwendige Informationen

Der Verwaltungsrat (*Board of Directors*) der Emittentin, ohne die Arbeitnehmervertreter, setzt sich zusammen aus Marcus Wallenberg (Vorsitzender), Tuve Johannesson (stellvertretender Vorsitzender), Jacob Wallenberg (stellvertretender Vorsitzender), Penny Hughes, Urban Jansson, Hans-Joachim Körber, Tomas Nicolin, Christine Novakovic, Jesper Ovesen, Carl Wilhelm Ros and Annika Falkengren. Der Konzernvorstand (*Group Executive Committee*) besteht aus Annika Falkengren (Präsidentin und Chief Executive Officer), Bo Magnusson (stellvertretender Präsident und stellvertretender Chief Executive Officer), Jan Erik Back, Fredrik Boheman, Magnus Carlsson, Ingrid Engström, Hans Larsson, Anders Mossberg und Mats Torstendahl. Wirtschaftsprüfer der SEB ist PwC mit Peter Clemedtson als leitendem Wirtschaftsprüfer. Siehe den Prospektabschnitt „*Board of directors, group management and auditors*".

Der Hauptsitz der Emittentin ist Kungsträdgårdsgatan 8, SE-10 640 Stockholm, Schweden (Telefon: +46 (0) 771 62 10 00). Die Emittentin wird im Bankenregister des SCRO unter der Unternehmensregisternummer 502032-9081 geführt.

# Annex B-4 – Summary in Latvian

### Kopsavilkums

*Šis kopsavilkums uzskatāms par šī Prospekta ievadu un apkopo informāciju, kas sīkāk aprakstīta turpmāk Prospekta tekstā. Šis kopsavilkums nav pilnīgs un nesatur visu informāciju, kuru jums būtu jāizvērtē pirms ieguldījuma Jaunajās A akcijās. Pirms ieguldījuma veikšanas jums uzmanīgi jāizlasa viss Prospekts, ieskaitot sadaļas „Riska faktori", „Finanšu attīstības komentāri", „Riska pārvaldība" un „Kapitāla pārvaldība" un finanšu pārskatus. Jebkuram lēmumam par ieguldījumu Jaunajās A akcijās jābūt balstītam uz visa Prospekta izvērtējumu kopumā. Investoram, kurš uzsāk tiesvedību Prospektā ietvertās informācijas rezultātā, var būt pienākums segt šī Prospekta tulkošanas izmaksas. Persona var tikt saukta pie atbildības par informāciju, kas iekļauta vai nav iekļauta šajā kopsavilkumā vai tā tulkojumā, tikai ja šis kopsavilkuma ziņojums vai tā tulkojums ir maldinošs, neprecīzs vai neatbilstīgs, lasot to kopā ar pārējām Prospekta daļām.*

Šajā Prospektā „Emitents" nozīmē Skandinaviska Enskilda Banken AB (publ); „SEB" nozīmē Skandinaviska Enskilda Banken AB (publ) vai koncernā apvienotus uzņēmumus, kam Emitents ir mātes uzņēmums, kā tas attiecīgi izrietētu no konteksta; un „Grupa" nozīmē koncernu, kurā Emitents ir mātes uzņēmums.

### Pārskats par Emitentu

SEB ir viena no vadošajām Ziemeļeiropas finanšu iestādēm, kas sniedz pakalpojumus uzņēmumiem, finanšu iestādēm un privātpersonām. Tās galvenie tirgi atrodas Skandināvijas valstīs – Zviedrijā, Dānijā, Somijā un Norvēģijā, Baltijas valstīs – Igaunijā, Latvijā un Lietuvā, kā arī Vācijā, un tās pamata priekšrocības ir tās lielapmēra banku darbība, investīciju banku darbība, īpašuma pārvaldība un saistītā apdrošināšanas darbība. Uz 2008.gada 31.decembri SEB aktīvi kopā sastādīja 2,511 miljardus SEK (231 miljardu EUR), pašu kapitāls kopā sastādīja 83,7 miljardus SEK (7,7 miljardus EUR), un tīrā peļņa sastādīja 10,1 miljardu SEK (1,05 miljardus EUR).[1)]
Grupas komercdarbību var iedalīt četrās jomās:

- Lielo darījumu (*Merchant Banking*) banku darbība – lielapmēra banku pakalpojumu (*wholesale banking*) un investīciju banku pakalpojumu sniegšana lielajiem uzņēmumiem un finanšu iestādēm SEB pamata tirgos;
- Mazumtirdzniecības bankas darbība – mazumtirdzniecības banku pakalpojumu sniegšana privātpersonām un maziem un vidējiem uzņēmumiem (**MVU**) Zviedrijā, Vācijā un Baltijas valstīs, un karšu pakalpojumi Skandināvijas valstīs;
- Īpašuma pārvaldība – aktīvu pārvaldības un privātbankas pakalpojumu sniegšana iestādēm, nodibinājumiem un privātpersonām SEB pamata tirgos; un
- Saistītā (*unit-linked*) dzīvības apdrošināšana un tradicionālā dzīvības apdrošināšana galvenokārt Zviedrijā, Dānijā un Baltijas valstīs.

Uz 2008.gada 31.decemrbi SEB klientu bāze sastāvēja no aptuveni 2 500 lielajiem uzņēmumiem un institucionālajiem klientiem, 400 000 MVU un vairāk kā pieciem miljoniem privātpersonu. Uz to pašu datumu SEB bija aptuveni 660 filiāles Zviedrijā, Baltijas valstīs, Vācijā un citās valstīs. Ārpus tās pamata tirgiem, SEB ir stratēģiska klātbūtne, ar tās starptautisko 11 filiāļu un pārstāvniecību tīklu dažādos finanšu centros, galvenokārt tās lielo uzņēmumu un institucionālo klientu atbalstam un apkalpošanai. 2008.gada nogalē SEB nodarbināja 21 131 pilna laika darbinieku (PLD), no kuriem vairāk kā puse atradās ārpus Zviedrijas.

1) Augstāk norādītais summas ekvivalents EUR ir noteikts saskaņā ar 2008.gada beigu SEK/EUR valūtas maiņas kursu attiecībā uz aktīviem kopā un pašu kapitālu kopā, un 2008.gada vidējo SEK/EUR valūtas maiņas kursu attiecībā uz tīro peļņu, abos gadījumos kā norādīts sadaļā „Vispārējā informācija – Valūtas maiņas kursa informācija".

## Konkurences priekšrocības

SEB uzskata, ka tās privilēģijas nosaka spēcīgās ilgtermiņa klientu attiecības, tās produktu izcilība un konsultāciju kvalitāte. SEB reputācijas pamatā ir ilglaicīga pieredze bankas pakalpojumu un finanšu pakalpojumu sniegšanā lielajiem korporatīvajiem klientiem, finanšu institūcijām un privātpersonām Skandināvijas valstīs. Ņemot vērā SEB daudznozaru komercdarbību, SEB uzskata, ka tai ir lieliska izdevība notvert iespējas finanšu pakalpojumu nozarē tās pamata tirgos. Starp SEB konkurences priekšrocībām jāmin:

- Spēcīgas un ilgtermiņa attiecības ar klientiem;
- Vadošās tirgus pozīcijas tās pamata darbības jomās;
- Daudzveidīga ieņēmumu bāze un liels uzsvars uz darbības efektivitāti;
- Disciplinēta riska pārvaldība; un
- Labi diversificēta finansējuma bāze.

## Piedāvājuma iemesli

SEB ir ilglaicīga pieredze kapitāla pietiekamības uzturēšanā krietni virs regulatoru noteiktajiem minimālajiem līmeņiem. Emitenta valde uzskata, ka apdomīgi un visu SEB akcionāru labākajās interesēs ir proaktīvi nostiprināt SEB kapitāla pozīcijas un ir veikusi pasākumus SEB kapitāla bāzes palielināšanai par aptuveni 19,1 miljardiem SEK, (i) no šī Piedāvājuma tīrās peļņas un (ii) nepiedāvājot dividendes par 2008.gadu, kas palielinās Grupas kapitāla bāzi par 4,5 miljardiem SEK. Lēmumu par 2008.gada dividenžu nemaksāšanu un šo Piedāvājumu SEB akcionāri apstiprināja 2009.gada 6.martā noturētājā SEB Akcionāru gada pilnsapulcē.

Atspoguļojot gūtos neto ieņēmumus no Piedāvājuma, sākot no 2008.gada 31.decembra formāli SEB I. līmeņa kapitāla koeficients pieaugtu no 10,1% līdz aptuveni 12.1%, aprēķinus balstot uz Bāzeles komitejas kapitāla pietiekamības prasībām (Bāzele – II) bez pārejas noteikumiem. SEB Valde ir izvirzījusi jaunu ilgtermiņa mērķi savam I. līmeņa kapitāla koeficientam 10% apmērā, aprēķinus balstot uz Bāzele – II prasībām bez pārejas noteikumiem.

Veicot šos kapitāla pasākumus tieši pašreiz, SEB mēģina sasniegt sekojošo:

- *Turpināt palielināt kapitāla koeficientus, pielāgojoties mainīgajai videi.* Šie kapitāla pasākumi nodrošina ievērojamu atspērienu SEB kapitāla bāzē, kas ļaus SEB radīt vērtību un izturēt ļoti būtisku makroekonomisko apstākļu pasliktināšanos.
- *Palielināt SEB spējas būt par uzticamu sadarbības partneri SEB klientiem.* SEB uzskata tās palielinātās kapitāla privilēģijas, ko radīs šie kapitāla pasākumi, par savu pamata konkurences priekšrocību, kura sekmēs tās spēju būt par uzticamu sadarbības partneri saviem klientiem un spēcīgu līgumslēdzēju pusi finanšu tirgos.
- *Attaisnot tirgus cerības augstākajos kapitāla līmeņos banku nozarē.* Investoru cerības ir mainījušās vairāk pievēršoties augstākiem kapitāla līmeņiem un samazinot aizņemtos līdzekļus banku nozarē, palielinātas riska uztveramības dēļ. Tas atspoguļojas nesenajā kapitāla palielināšanas darbībās Eiropas un ASV finanšu iestāžu vidū. Ar iepriekš aprakstīto kapitāla pasākumu starpniecību, SEB plāno vairāk kā nepieciešami atrisināt šos jautājumus.

## Kopsavilkuma finanšu un citi dati

Turpmāk norādītajās tabulās konsolidētā veidā atspoguļoti vēsturiskie finanšu un citi dati par SEB uz un par katru no 2008.gada, 2007.gada un 2006.gada 31.decembra noslēgumu. Kopsavilkuma vēsturiskie finanšu dati iegūti no Emitenta auditētajiem konsolidētājiem finanšu pārskatiem un pievienotajiem pielikumiem, kas sastādīti saskaņā ar Eiropas Savienības apstiprinātiem Starptautiskajiem finanšu pārskatu standartiem, tai skaitā izmantojot Eiropas Savienības apstiprināto Starptautisko grāmatvedības standartu IAS 39 versiju attiecībā uz portfeļa riska ierobežošanu pret procentu likmju risku (SFPS), un kuru auditu veica PriceWaterhouseCooper AB („PwC"). SEB 2006.gada finanšu pārskati tika precizēti 2007.gadā, iekļaujot no 2007.gada 1.janvāra uzsāktos komercdarbības segmentus, un SEB 2007.gada finanšu pārskati tika precizēti 2008.gadā, lai atspoguļotu turpmāko reorganizāciju komercvirzienu iedalījumā. Tā rezultātā, ja vien nav noteikts citādi, 2006.gada finanšu dati šajā sadaļā nav pilnībā salīdzināmi ar 2007.gada un 2008.gada finanšu datiem.

Turpmāk norādītajās tabulās atspoguļotos kopsavilkuma vēsturiskos finanšu datus vajadzētu apskatīt kopā ar, un tie piemērojami atsaucoties uz Emitenta auditētajiem konsolidētajiem finanšu pārskatiem un pavadrakstiem par gadiem, kas noslēdzās 2008.gada, 2007.gada un 2006.gada 31.decembrī, un kas ir ietverti pilnā prospekta tekstā. Šo informāciju tāpat jāapskata kopā ar sadaļām par „Finanšu attīstības komentāru", "Izlases finanšu un citu informāciju" un "Izlases statistikas datiem".

### Peļņas un zaudējumu aprēķins

| Miljoni SEK | 2008 | 2007 | 2006 |
|---|---|---|---|
| Neto procentu ienākumi | 18 710 | 15 998 | 14 281 |
| Neto apkalpošanas un komisijas naudas ienākumi | 15 254 | 17 051 | 16 146 |
| Neto ienākumi no finanšu darbības | 2 970 | 3 239 | 4 036 |
| Neto ienākumi no dzīvības apdrošināšanas darbības | 2 375 | 2 933 | 2 661 |
| Pārējie neto ienākumi | 1 831 | 1 219 | 1 623 |
| **Pamatdarbības ienākumi kopā** | **41 140** | **40 440** | **38 747** |
| Personāla izmaksas | –16 241 | –14 921 | –14 363 |
| Pārējie izdevumi | –7 642 | –6 919 | –6 887 |
| Materiālo un nemateriālo aktīvu nolietojums, amortizācija un vērtības samazināšanās | –1 524 | –1 354 | –1 287 |
| **Pamatdarbības izdevumi kopā** | **–25 407** | **–23 194** | **–22 537** |
| Ieņēmumi mīnus zaudējumi no materiālajiem un nemateriālajiem aktīviem | 6 | 788 | 70 |
| Neto kredīta zaudējumi | –3 268 | –1 016 | –718 |
| **Pamatdarbības peļņa** | **12 471** | **17 018** | **15 562** |
| Ienākuma nodokļa izdevumi | –2 421 | –3 376 | –2 939 |
| **Neto peļņa no nepārtrauktās darbības** | **10 050** | **13 642** | **12 623** |
| Pārtrauktā darbība | | | |
| **Neto peļņa** | **10 050** | **13 642** | **12 623** |
| Attiecināma uz mazākuma akcionāriem | 9 | 24 | 18 |
| Attiecināma uz akciju kapitāla turētājiem | 10 041 | 13 618 | 12 605 |

## Bilance (perioda beigās)

| Miljoni SEK | 2008 | 2007 | 2006 |
|---|---|---|---|
| Kase un prasības uz pieprasījumu pret centrālajām bankām | 44 852 | 96 871 | 11 314 |
| Prasības pret kredītiestādēm | 266 363 | 263 012 | 180 478 |
| Aizdevumi | 1 296 777 | 1 067 341 | 950 861 |
| Patiesajā vērtībā novērtēti finanšu aktīvi | 635 454 | 661 223 | 614 288 |
| Pārdošanai pieejami finanšu aktīvi | 163 115 | 170 137 | 116 630 |
| Līdz termiņa beigām turēti ieguldījumi | 1 997 | 1 798 | 2 231 |
| Ieguldījumi saistītajās sabiedrībās | 1 129 | 1 257 | 1 085 |
| Materiālie un nemateriālie aktīvi | 29 511 | 24 697 | 22 914 |
| Pārējie aktīvi | 71 504 | 58 126 | 34 640 |
| **Aktīvi kopā** | **2 510 702** | **2 344 462** | **1 934 441** |
| Saistības pret kredītiestādēm | 429 425 | 421 348 | 368 326 |
| Noguldījumi un aizņēmumi | 841 034 | 750 481 | 643 849 |
| Saistības pret apdrošinājuma ņēmējiem | 211 070 | 225 916 | 203 719 |
| Parāda vērtspapīri | 525 219 | 510 564 | 394 357 |
| Patiesajā vērtībā novērtētās finanšu saistības | 295 533 | 216 390 | 151 032 |
| Pārējās saistības | 71 565 | 97 519 | 60 150 |
| Uzkrājumi | 1 897 | 1 536 | 2 066 |
| Subordinētās saistības | 51 230 | 43 989 | 43 675 |
| Pašu kapitāls kopā | 83 729 | 76 719 | 67 267 |
| **Saistības un pašu kapitāls kopā** | **2 510 702** | **2 344 462** | **1 934 441** |

## Pamata rādītāji

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| Pašu kapitāla atdeve[1] % | 13,1 | 19,3 | 20,8 |
| Pamatienākumi uz vienu akciju[2], SEK | 14,66 | 19,97 | 18,72 |
| Izmaksu/ienākumu koeficients [3] | 0,62 | 0,57 | 0,58 |
| Kredīta zaudējumu līmenis[4] % | 0,30 | 0,11 | 0,08 |
| Šaubīgo aizdevumu līmenis[5] % | 0,35 | 0,18 | 0,22 |
| Pašu kapitāla koeficients kopā (Bāzeles II. pārejas noteikumi)[6), 7), 8)] % (perioda beigās) | 10,62 | 11,04 | 11,47 |
| Pašu kapitāla koeficients kopā (Bāzeles II. pilnībā ieviestie)[6), 7)] % (perioda beigās) | 12,81 | 12,62 | – |
| I. līmeņa kapitāla koeficients (Bāzeles II. pārejas noteikumi) [7) 8) 9)] % (perioda beigās) | 8,36 | 8,63 | 8,19 |
| I. līmeņa kapitāla koeficients (Bāzeles II. pilnībā ieviestie) [7) 9)] % (perioda beigās) | 10,08 | 9,87 | – |
| Apgrozībā esošo akciju skaits (perioda beigās) (miljonos) | 685,0 | 683,5 | 678,3 |

1) Akcionāriem sadalāmās gada peļņas attiecība pret vidējo pašu kapitālu, ar ko saprotama pašu kapitāla summas, attiecīgi, uz gada sākumu, marta, jūnija, septembra un decembra beigām vidējā vērtība, ņemot vērā korekciju, kas izdarīta par gada laikā izmaksātajām dividendēm, kā arī pašu akciju atpirkšanu un pirkšanas tiesību emisiju.
2) Gada tīrās peļņas attiecība pret akciju vidējo skaitu.
3) Kopējo saimnieciskās darbības izdevumu attiecība pret kopējiem saimnieciskās darbības ienākumiem.
4) Kredītu zaudējumu un pārņemto aktīvu vērtības izmaiņu attiecība pret iedzīvotājiem un kredītiestādēm (izņemot bankas) izsniegtajiem kredītiem, pārņemtajiem aktīviem un aizdevumu nodrošinājumiem uz gada sākumu.
5) Neto kredītu vērtības samazinājuma attiecība pret iedzīvotājiem un kredītiestādēm (izņemot bankas) izsniegtajiem aizdevumiem un ar klientiem noslēgto iekārtu izpirkumnomas (līzinga) darījumu neto summu.
6) Finanšu sabiedrību grupas kopējā kapitāla, kas ietver Grupas sabiedrības (izņemot apdrošināšanas sabiedrības Grupas ietvaros un Grupā neietilpstošās saistītās sabiedrības), ņemot vērā korekciju, kas izdarīta saskaņā ar kapitāla pietiekamības prasībām, attiecība pret riska darījumiem.
7) Bāzeles II. noteikumu ieviešanas pilnu aprakstu, ciktāl tie piemērojami SEB, skatiet sadaļā “Kapitāla pārvaldība—jaunie Bāzeles II. kapitāla pietiekamības noteikumi”.
8) 2006.gada skaitli balstīti uz Bāzeles I. noteikumiem.
9) Finanšu sabiedrību grupas I. līmeņa kapitāla attiecība pret riska darījumiem.

## Kopsavilkuma dati par pakļautību riskam

Turpmāk norādītajās tabulās atspoguļots SEB pakļautības noteiktiem riskiem apjoms uz 2008.gada, 2007.gada un 206.gada 31.decembri.

### Kopsavilkuma dati par Grupas kredītu portfeli*

| Miljardi SEK (perioda beigās) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Uzņēmumi | 782 | 571 | 484 |
| Īpašuma pārvaldība | 262 | 212 | 192 |
| Kredīti mājsaimniecībām | 486 | 434 | 374 |
| – *no kuriem mājsaimniecību hipotekārie kredīti* | 371 | 331 | 270 |
| Publiskā pārvalde | 119 | 88 | 97 |
| **„Nebanku" kredīti kopā** | **1 649** | **1 304** | **1 146** |
| Banku kredīti | 286 | 248 | 169 |
| **Kopā** | **1 934** | **1 552** | **1 315** |
| Kredītu zaudējumu līmenis[1)] % | 0,30 | 0,11 | 0,08 |
| Šaubīgo aizdevumu līmenis[2)] % | 0,35 | 0,18 | 0,22 |

* Kredītu portfeļa dati par 2008.gadu, 2007.gadu un 2006.gadu iepriekš norādītājā tabulā atspoguļoti uz salīdzinājuma pamata saskaņā ar nozares kodu. Grupas kredītu portfeli veido Grupas aizdevumu portfelis (bruto pirms rezervēm, bet bez atpakaļpirkuma līgumiem un obligācijām), nosacīti pienākumi vai saistības (piemēram, kredīta saistības, akreditīvi un garantijas) un līgumslēdzēju riski, ko izraisa atvasināto finanšu instrumentu un valūtas maiņas līgumi (pēc neto ieskaita). Kredīta portfelī nav ietverts Grupas fiksēto ienākumu portfelis. Sīkāku informāciju par prasībām un saistībām skatiet Pielikumā Nr.38 2008.gada finanšu pārskatā un nepārgrozītā 2007.gada finanšu pārskatā, un par SEB atvasinātajiem finanšu instrumentiem - SEB konsolidētajā bilancē uz 2008.gada un 2007.gada 31.decembri.

1) Kredītu zaudējumu un pārņemto aktīvu vērtības izmaiņu attiecība pret iedzīvotājiem un kredītiestādēm (izņemot bankas) izsniegtajiem kredītiem, pārņemtajiem aktīviem un aizdevumu nodrošinājumiem uz gada sākumu.

2) Neto kredītu vērtības samazinājuma attiecība pret iedzīvotājiem un kredītiestādēm (izņemot bankas) izsniegtajiem aizdevumiem un ar klientiem noslēgto iekārtu izpirkumnomas (līzinga) darījumu neto summu.

### Kopsavilkuma dati par SEB kredītu portfeli Baltijas valstīs*

| Miljardi SEK (perioda beigās) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Uzņēmumi | 95 | 83 | 69 |
| Īpašuma pārvaldība | 32 | 26 | 20 |
| Kredīti mājsaimniecībām | 68 | 55 | 37 |
| – *no kuriem mājsaimniecību hipotekārie kredīti* | 55 | 44 | 28 |
| Publiskā pārvalde | 6 | 3 | 2 |
| **„Nebanku" kredītu darbība kopā** | **200** | **166** | **128** |
| Banku kredītu darbība | 2 | 3 | 3 |
| **Kopā** | **202** | **169** | **131** |
| Zaudēto kredītu līmenis[1)] % | 1,28 | 0,43 | 0,13 |
| Šaubīgo kredītu līmenis[2)] % | 1,33 | –0,06 | 0,08 |

* Kredītu portfeļa dati par 2008.gadu, 2007.gadu un 2006.gadu iepriekš norādītājā tabulā atspoguļoti uz salīdzinājuma pamata saskaņā ar nozares kodu. Grupas kredītu portfeli veido Grupas aizdevumu portfelis (bruto pirms rezervēm, bet bez atpakaļpirkuma līgumiem un obligācijām), nosacīti pienākumi vai saistības (piemēram, kredīta saistības, akreditīvi un garantijas) un līgumslēdzēju riski, ko izraisa atvasināto finanšu instrumentu un valūtas maiņas līgumi (pēc neto ieskaita). Kredīta portfelī nav ietverts Grupas fiksēto ienākumu portfelis. Sīkāku informāciju par prasībām un saistībām skatiet Pielikumā Nr.38 2008.gada finanšu pārskatā un nepārgrozītā 2007.gada finanšu pārskatā, un par SEB atvasinātajiem finanšu instrumentiem - SEB konsolidētajā bilancē uz 2008.gada un 2007.gada 31.decembri.

1) Kredītu zaudējumu un pārņemto aktīvu vērtības izmaiņu attiecība pret iedzīvotājiem un kredītiestādēm (izņemot bankas) izsniegtajiem kredītiem, pārņemtajiem aktīviem un aizdevumu nodrošinājumiem uz gada sākumu.

2) Neto kredītu vērtības samazinājuma attiecība pret iedzīvotājiem un kredītiestādēm (izņemot bankas) izsniegtajiem aizdevumiem un ar klientiem noslēgto iekārtu izpirkumnomas (līzinga) darījumu neto summu.

**Fiksēto ienākumu portfelis***

| Miljardi SEK (perioda beigās) | 2008 | 2007 |
|---|---|---|
| Investīciju portfelis | 133 | 131 |
| – *no kuriem finanšu iestādes* | 52 | 55 |
| – *no kuriem segtās obligācijas* | 13 | 5 |
| – *no kuriem strukturētie kredīti* | 68 | 71 |
| – *no kuriem ar hipotekāro ķīlu nodrošināti vērtspapīri* | 24 | 25 |
| – *no kuriem ar aktīviem nodrošināti vērtspapīri* | 11 | 13 |
| – *no kuriem nodrošināto aizdevumu saistības* | 13 | 11 |
| – *no kuriem nodrošināto hipotekāro aizdevumu saistības* | 9 | 10 |
| – *no kuriem ar hipotekāro ķīlu zīmju vērtspapīr* | 5 | 5 |
| – *no kuriem nodrošinātās parādsaistības* | 5 | 5 |
| – *no kuriem kredīti klientiem ar zemu maksātspēju* | 1 | 2 |
| Tirdzniecības portfelis | 59 | 62 |
| **Fiksēto ienākumu portfelis no lielapmēra banku darbības** | **192** | **193** |
| Grupas resursu nodaļas fiksēto ienākumu portfelis | 156 | 119 |
| Citu nodaļu fiksēto ienākumu portfelis | 7 | 19 |
| **SEB fiksēto ienākumu portfelis kopā** | **355** | **331** |

* Grupas fiksēto ienākumu vērtspapīru portfelis tiek uzturēts ieguldījumu, kā arī pašu un klientu tirdzniecības nolūkā. Fiksēto ienākumu vērtspapīrus galvenokārt veido valsts iekšējā aizņēmuma obligācijas, nodrošinātās obligācijas, finanšu institūciju emitētas obligācijas un uz aktīviem balstīti vērtspapīri. Lielākā daļa šo posteņu atrodas SEB Lielo darījumu pārvaldes (Mechant Banking Division) un Grupas resursu nodaļas (Group Treasury) pārziņā.

## Piedāvājuma kopsavilkums

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|---|---|
| *Tiesību piedāvājums.......* | Esošo akciju turētājiem, kas tādi ir Reģistrācijas dienā, tiek piedāvātas Jaunās A akcijas ar priekšrocību parakstīšanās tiesībām ar kopējo skaitu līdz 1'507'015'171 Jaunajām A akcijām. |
| *Parakstīšanās cena.........* | SEK 10 par katru Jauno A akciju, kas ir zemāka par Stokholmas NASDAQ OMX 2009. gada 3.martā kotēto noslēguma cenu SEK 31 apmērā par vienu A akciju. |
| *Parakstīšanās tiesības....* | Ievērojot piemērojamos vērtspapīru likumus, katra Esošā akcija, kura tiek turēta Reģistrācijas dienā, piešķir tās turētājam 11 Parakstīšanās tiesības. 5 Parakstīšanās tiesības pilnvaro turētāju parakstīties uz vienu Jauno A akciju.<br><br>To personu, kuras izlems nepiedalīties Tiesību piedāvājumā, līdzdalības proporcijas tiks samazināta par 69%, taču tām būs iespēja pārdot savas Parakstīšanās tiesības.<br><br>Parakstīšanās perioda laikā Parakstīšanās tiesības, kas piešķirtas akcionāriem, kuri nav tiesīgi piedalīties Piedāvājumā, tiks pārdotas šo akcionāru vārdā. Pārdošanas ieņēmumi, atskaitot jebkādu ieturējuma nodokli, tiks sadalīti starp akcionāriem proporcionāli attiecīgo akcionāru līdzdalībai. Netiks izmaksātas summas, kas mazākas par SEK 50.<br><br>Līdz Parakstīšanas perioda beigām vai tā beigās neīstenotās Parakstīšanās tiesības zaudēs spēku, kļūs nederīgas un izbeigsies kā bezvērtīgas bez jebkādas kompensācijas. |
| *Apņemšanās parakstīties uz un izpirkt nepārdotās akcijas............................* | Investor AB, Trygg-Stiftelsen, Alecta, AFA Försäkring, Fjärde AP-Fonden, Knut och Alice Wallenbergs Stiftelse, Andra AP-Fonden un SEB Stiftelsen (turpmāk tekstā – „Atbildīgie akcionāri"), kuri kopā pārstāv 43,7% no SEB nepārdotajām akcijām, ir kopīgi apņēmušies parakstīties uz un izpirkt 50,8% no Piedāvājuma. Pārējo Piedāvājuma daļu apņēmušies izpirkt Atbildīgie parakstītāji. |
| *Parakstīšanās uz un Jauno A akciju piešķīrums bez Parakstīšanās tiesībām; Sekundārie asignējumi....................* | Parakstīšanās perioda laikā Emitents sniegs iespēju akcionāriem un citām personām parakstīties uz papildu Jaunajām A akcijām. Pēc Parakstīšanās perioda notecējuma Valde veiks piešķirs Jaunās A akcijas, uz kurām nenotika parakstīšanās īstenojot parakstīšanās tiesības, Sekundārā asignējuma ietvaros šādā kārtībā: (i) pirmkārt, personām, kuras parakstījušās uz Jaunajām A akcijām saskaņā ar Parakstīšanās tiesībām, (ii) otrkārt, personām, kuras parakstījušās uz Jaunajām A akcijām bez parakstīšanās tiesībām, un (iii) attiecībā uz tām Jaunajām A akcijām, kuras atlikušas neparakstītas, Emitenta akcionāru grupai un Atbildīgajiem parakstītājiem, kuri piekrituši izpirkt atlikušās Jaunās A akcijas saskaņā ar noteiktiem noteikumiem un nosacījumiem. Iepriekš (iii) apakšpunktā aprakstītās Emitenta akcionāru grupas apņemšanās parakstīties un izpirkšanas rezultātā, Emitents nodrošina saistības parakstīties uz Piedāvājumu 100% apmērā. |
| *Tiesību piedāvājuma Reģistrācijas diena..........* | 2009.gada 11.marts |
| *Parakstīšanās periods.....* | No 2009.gada 13.marta līdz 2009.gada 27.martam. |
| *Parakstīšanas tiesību apgrozība.........................* | Paredzams, ka Parakstīšanās tiesības tiks tirgotas Stokholmas NASDAQ OMX ar apzīmējumu „SEB TR A" no 2009.gada 13.marta (ieskaitot) līdz 2009.gada 24.martam (ieskaitot). |

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| *Dividendes......................* | Jaunās A akcijas piešķirs tās turētājiem tiesības uz dividendēm, pieņemot, ka dividendes tie apstiprinātas jebkurā dividenžu reģistrācijas dienā sākot no brīža, kad Jaunās A akcijas ir reģistrētas Zviedrijas Komercreģistrā. Pēc reģistrācijas Jaunās A akcijas piešķirs tādas pašas tiesības uz dividendēm, kā SEB Esošās A akcijas. Jāpiezīmē, ka parasti Emitents pieņem lēmumu par dividenžu izmaksu tikai reizi gadā saistībā ar Emitenta Ikgadējo akcionāru pilnsapulci. Līdz ar to, Jaunās A akcijas faktiski nepiešķirs to turētājiem tiesības uz dividendēm, pieņemot, ka dividendes tiek apstiprinātas pirms jebkādu šādu dividenžu izziņošanas saistībā ar Emitenta 2010.gada Ikgadējo akcionāru pilnsapulci. |
| *Balsstiesības....................* | Jaunās A akcija piešķirs tādas pašas balsstiesības, kā Emitenta Esošās A akcijas. |
| *Parakstīšanās tiesību, Apmaksāto parakstīšanās akciju (Zv: betald tecknad aktie (BTA)) un Jauno A akciju atsavināšana............* | Parakstīšanās tiesību, BTA un Jauno A akciju pārdošanai un atsavināšanai piemērojami noteikti ierobežojumi. Skatiet „Parakstīšanās tiesību, BTA un Jauno A akciju pārdošanas un atsavināšanās ierobežojumi”. |
| *Vispārīgs piedāvājums..* | Atbildīgie parakstītāji ir tiesīgi pārdot saskaņā ar Sekundāro asignējumu tiem piešķirtās Jaunās A akcijas pasaules mēroga piedāvājumā ārzonas darījumos saskaņā ar Noteikumiem S un ievērojot citus piemērojamos vērtspapīru likumus vai Kvalificētiem institucionālajiem pircējiem ASV, balstoties uz 144A noteikumiem un ievērojot citus piemērojamos vērtspapīru likumus. Iespējamās metodes, kādās pasaules mērogā var izplatīt jebkādas Jaunās A akcijas, kuras iegādājušies Atbildīgie parakstītāji, ir rakstītas sadaļā „Izpirkšana un papildu informācija – Piedāvājums – Pasaules mēroga piedāvājums”. |
| *Norēķinu kārtība.............* | Parakstīšanās uz jaunajām A akcijām īstenojot Parakstīšanās tiesības notiek naudas maksājuma veidā. Maksājums par piešķirtajām Jaunajām A akcijām, uz kurām nenotika parakstīšanās īstenojot Parakstīšanās tiesības, tiek veikts saskaņā norādījumiem, kas noteikti līguma papildinājumā, kurš tiks nosūtīts šādiem akcionāriem, kuriem piešķirtas Jaunās A akcijas. |
| *Jauno A akciju nodošana.* | Pēc Jauno A akciju apmaksas un parakstīšanās uz tām īstenojot Parakstīšanās tiesības, Euroclear Sweden AB (Zviedrijas centrālais vērtspapīru depozitārijs) izsūtīs vērtspapīru (VP) paziņojumu, apstiprinot, ka BTA ir reģistrētas parakstītāja vērtspapīru (VP) kontā. BTA tiks pārreģistrētas par Jaunajām A akcijām, pēc Jauno A akciju reģistrācijas Zviedrijas komercreģistrā. Saistībā ar šo pārreģistrāciju netiks sniegts nekāds vērtspapīru (VP) paziņojums. Jauno A akciju, uz kurām parakstīšanās notika īstenojot Parakstīšanās tiesības, reģistrācija Zviedrijas komercreģistrā paredzētas 2009.gada 2.aprīlī vai ap šo laiku. |
| *Emisijas ieņēmumi.........* | Paredzams, ka Emitenta bruto ieņēmumi no Piedāvājuma sastādīs aptuveni 15’070 miljonus SEK, un aptuveni 14’600 miljonus SEK pēc ar darījumu saistīto izdevumu atskaitīšanas aptuveni 470 miljonu SEK apmērā. SEB plāno novirzīt neto ieņēmumus no Piedāvājuma savu kapitāla pozīciju nostiprināšanai, sadaļā „Piedāvājuma iemesli” aprakstīto iemeslu dēļ. |
| *Iekļaušana biržas sarakstā un pielaišana apgrozībā.........................* | Parakstīšanās tiesības un BTA tiks tirgotas Stokholmas NASDAQ OMX. Emitents pieteikties uz Jauno A akciju iekļaušanu biržas sarakstā un pielaišanu apgrozībā Stokholmas NASDAQ OMX saistībā ar Piedāvājuma noslēgšanu. |

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| *Apzīmējumi apgrozībai..* | A akcijas: | SEB A |
| | Parakstīšanās tiesības: | SEB TR A |
| | BTA 1: | SEB BTA A 1 |
| | BTA 2: | SEB BTA A 2 |
| *Starptautiskās vērtspapīru identifikācijas (ISIN) kodi....................* | A akcijas:<br>Parakstīšanās tiesības:<br>BTA 1:<br>BTA 2: | SE0000148884<br>SE0002768499<br>SE0002768507<br>SE0002768515 |

**Galveno riska faktoru kopsavilkums**

Ieguldījums Parakstīšanās tiesībās, BTA vai Jaunajās A akcijās saistās ar noteiktiem riskiem. Šajos riskos ietilpst, bet tie neaprobežojas ar turpmāk aprakstītajiem riskiem. Turpmākajās darbībās SEB ir vai var tikt pakļauta dažiem vai visiem no turpmāk aprakstītajiem riskiem, un papildu risa faktoriem, kas aprakstīti sadaļā „Riska faktori". Jebkurš no šiem riska faktoriem, kā arī papildu riski, kurus SEB nevar paredzēt, varētu ietekmēt arī SEB komercdarbību.

Investoriem ir rūpīgi jāizlasa turpmāk sniegtais risku apraksts, kā arī sadaļas „Riska faktori", „Riska vadība" un 'Kapitāla vadība" un jāiepazīstas ar visu šajā Prospektā ietverto informāciju pirms lēmuma pieņemšanas par Parakstīšanās tiesību vai BTA pirkšanu un/vai parakstīšanos uz Jaunajām A akcijām. Šo risku uzskaitījuma secība nenorāda uz to iestāšanās iespējamības, smaguma vai nozīmīguma pakāpi. Sīkāka informācija par turpmāk aprakstītajiem riska faktoriem, kā arī noteiktiem citiem riska faktoriem sniegta sadaļā „Riska faktori".

Prospekts tāpat satur apgalvojumus, kas vērsti uz nākotni un ir pakļauti turpmākiem notikumiem, riskiem un nenoteiktībai. Faktiskais iznākums varētu būtiski atšķirties no šajos uz nākotni vērstajos apgalvojumos paredzētā iznākuma, atkarībā no vairākiem faktoriem, ieskaitot, bet neaprobežojoties ar šeit turpmāk un Prospekta pilnajā tekstā aprakstītajiem riskiem. Skatiet „Vispārēja informācija – Nākotnes apgalvojumi."

***Ar SEB saistītie galvenie riska faktori***

- SEB komercdarbību, ieņēmumus un darbības rezultātus būtiski ietekmē situācija pasaules finanšu tirgos un ekonomiskā situācija pasaulē.
- Ekonomiskās situācijas pasliktināšanās valstīs, kurās darbojas SEB, ir negatīvi ietekmējusi SEB un ļoti iespējams, ka šis process turpināsies.
- Pašreizējos tirgus apstākļos pieaug šaubīgo aizdevumu risks, un vērojams aizdevuma zaudējumu pieaugums, īpaši Baltijas valstu reģionā.
- SEB ir pakļauta īpašuma vērtību kritumam, saistībā ar finanšu nodrošinājumu, kas sedz dzīvojamo un komerciālo nekustamo īpašumu kredītus.
- Tirgus svārstības un nepastāvība var negatīvi ietekmēt SEB pozīciju vērtību, samazināt tās komercdarbības apjomus un sarežģīt noteiktu tās aktīvu patiesās vērtības izvērtējumu.
- SEB pastāv risks, ka likviditāte var nebūt vienmēr nekavējoties pieejama; šo risku saasina pašreizējā situācija pasaules finanšu tirgos.
- SEB aizņēmumu izmaksas un tās piekļuvi piesaistītā kapitāla tirgum lielā mērā nosaka tās kredīta reitingi.
- SEB varētu negatīvi ietekmēt arī citu finanšu iestāžu un līgumslēdzēju pušu nestabilitāte vai šķietamā nestabilitāte, kas var novest pie būtiskām sistēmiskām likviditātes problēmām, zaudējumiem vai saistību neizpildes.
- SEB ir pakļauta riskam saistībā ar Lehman Brothers ekspozīciju.
- SEB var tikt piemērotas paaugstinātas kapitāla prasības vai normatīvi, jaunu valdības vai regulējošo prasību ieviešanas un izmaiņu pieņemtajos adekvātas kapitalizācijas līmeņos rezultātā, un tai var arī būt nākotnē nepieciešams papildu kapitāls ekonomisko apstākļu pasliktināšanās dēļ, jo šāds kapitāls būtu grūti iegūstams.

- Efektīva SEB kapitāla vadība ir būtiska, lai nodrošinātu tās spēju darboties un pilnveidot tās komercdarbību.
- Izmaiņas procentu likmēs ir ietekmējušas un turpinās ietekmēt SEB komercdarbību.
- SEB ir pakļauta valūtas maiņas riskam un jebkuras valūtas, kurā tā veic savu darbību, devalvācija vai vērtības zudums var atstāt būtisku negatīvu iespaidu uz tās aktīviem, ieskaitot aizdevumu portfeli, un tās darbības rezultātiem.
- SEB darbībai piemērojama virkne visdažādāko banku, apdrošināšanas un finanšu pakalpojumu sniegšanu regulējošo normatīvo aktu, kas varētu negatīvi ietekmēt tās komercdarbību.
- SEB varētu kļūt par saistošu pienākumu piedalīties un/vai finansēt Zviedrijas valdības kredītiestāžu atbalsta programmu.
- Noteiktos apstākļos Zviedrijas valdība ir tiesīga piespiedu kārtā iegūt Zviedrijas kredītiestādes akcijas, lai nodrošinātu nacionālās finanšu sistēmas stabilitāti.
- Zviedrijas valdības atbalsta programmas ietvaros noteiktās apņemšanās var ietekmēt SEB darbību un tās spēju piesaistīt un paturēt augstākā līmeņa vadošos darbiniekus, un šīs programmas ietvaros īstenotās Zviedrijas valdības kapitāla ieplūdes rezultātā var ietekmēt SEB akcionāriem piederošo kontroli vai akciju vērtību.
- Valdības likviditātes shēmas var tikt atceltas vai mainītas, kas varētu negatīvi ietekmēt finansējuma pieejamību SEB darbības tirgos.
- SEB darbojas konkurējošos tirgos, kuros vērojamas apvienošanās tendences, kas varētu atstāt negatīvu iespaidu un tās finanšu stāvokli un darbības rezultātiem.
- SEB var negatīvi ietekmēt faktiski vai šķietami interešu konflikti un krāpnieciska darbība.
- SEB darbība dzīvības apdrošināšanas jomā ir pakļauta tādiem riskiem, kā aktīvu tirgus vērtības pazemināšanās saistībā ar tās saistīto (unit-linked) dzīvības apdrošināšanu un darbību ar tradicionālajiem portfeļieguldījumiem, kā arī apdrošināšanai raksturīgiem riskiem.
- Krāpšana, kredītu zaudējumi un nolaidīga rīcība, kā arī izmaiņas normatīvajos aktos ietekmē SEB karšu darbību.
- SEB riska vadības vadlīnijas un politikas var izrādīties nepiemērotas tiem riskiem, ar kuriem tai jāsaskaras savā komercdarbībā.
- Vājības un trūkumi SEB iekšējos procesos un kārtībā un citi ar pamatdarbību saistītie riski varētu negatīvi ietekmēt tās finanšu stāvokli, darbību rezultātu, likviditāti un/vai izredzes, un varētu novest pie kaitējuma reputācijai.
- IT un citās sistēmās, no kurām SEB ir atkarīga sava ikdienas darbībā, varētu rasties traucējumi dažādu no SEB neatkarīgu iemeslu dēļ; SEB ir pakļauta infrastruktūras pārrāvumu riskam un citiem šādu sistēmu traucējumiem.
- Veiksmīgas, konkurētspējīgas darbības nodrošināšanai SEB ir nepieciešami augsti kvalificēti darbinieki; SEB varētu neizdoties paturēt vai piesaistīt vadošos speciālistus.
- SEB var būt nepieciešams veidot rezerves vai veikt papildu ieguldījumus tās pensiju shēmā gadījumā, ja pensiju fonda aktīvu vērtība nav pietiekama, lai segtu potenciālās saistības.
- SEB var rasties ievērojamas izmaksas attīstot un veicinot jaunu produktu un pakalpojumu tirdzniecību.
- SEB vairākuma akcionāram ir ievērojamas balsstiesības, līdz ar to tas varētu ietekmēt jautājumus, kuru izlemšanai nepieciešama akcionāra piekrišana.

### *Ar Piedāvājumu saistītie galvenie riska faktori*

- Nevienu A akciju cenu nākotnē nevar paredzēt iepriekš un nesenā Emitenta akciju cenu svārstība varētu turpināties arī turpmāk.
- Akcionāri, kuri nav savlaicīgi reaģējuši uz Piedāvājumu vai nu īstenojot vai pārdodot Parakstīšanās tiesības, nevarēs realizēt Parakstīšanās tiesību vērtību un saskarsies ar samazinājumu savā līdzdalībā Emitentā.
- Akcionāri ārpus Zviedrijas robežām ir pakļauti valūtas maiņas kursa riskam.
- Jaunās A akcijas nevar brīvi pārdot tālāk Amerikas Savienotajās Valstīs.
- Noteikti akcionāri var nebūt spējīgi piedalīties pašu kapitāla piedāvājumā ar Parakstīšanas tiesībām.
- Akciju dividendes var netikt pilnībā vai daļēji deklarētas.
- Akciju vai citu vērtspapīru turpmākas emisijas varētu samazināt esošo akcionāru līdzdalību un varētu būtiski ietekmēt A akciju tirgus cenu.
- Parakstīšanās apņemšanās saistībā ar Piedāvājumu nav nodrošinātas.
- Akcionāru lēmumi, ar kuriem tiek apstiprināti Statūtu grozījumi un kapitāla palielināšana, var tikt apstrīdēti.

### Cita nepieciešamā informācija

Emitenta Padomes sastāvā, izņemot darbinieku pārstāvjus, ietilpst Marcus Wallenberg (Priekšsēdētājs), Tuve Johannesson (Priekšsēdētāja vietniece), Jacob Wallenberg (Priekšsēdētāja vietnieks), Penny Hughes, Urban Jansson, Hans-Joachim Körber, Tomas Nicolin, Christine Novakovic, Jesper Ovesen, Carl Wilhelm Ros un Annika Felkengren. Grupas Valdes sastāvā ietilpst Annika Felkengren (Prezidente un izpilddirektore), Bo Magnusson (Prezidentes vietnieks un izpilddirektors), jan Erik Back, Fredrik Boheman, Magnus Karlsson, Ingrid Engström, Hans Larsson, Anders Mossberg un Mats Torstendahl. SEB auditors ir „PwC", kura vadošais auditors ir Peter Clemedtson. Skatiet sadaļu „Padomes sastāvs, grupas vadība un auditori".

Emitenta juridiskā adrese atrodas Kungsträdgårdsgatan 8, SE-106 40, Stokholmā, Zviedrijā (telefons: +46 (0) 771 62 10 00). Emitents ir reģistrēts Zviedrijas Komercreģistra banku reģistrā ar uzņēmuma reģistrācijas numuru 502032-9081.

# Annex B-5 – Summary in Lithuanian

## Santrauka

*Ši santrauka turėtų būti laikoma įžanga į Prospektą. Joje pateikiama pagrindinė informacija, išsamiai išdėstyta pačiame Prospekte. Santrauka nėra išsami ir joje nėra visos informacijos, kuri turėtų būti įvertinta prieš priimant sprendimą dėl investavimo į Naująsias A akcijas. Prieš investuodami, turėtumėte įdėmiai perskaityti visą Prospektą, įskaitant skirsnius „Rizikos veiksniai“ (Risk factors), „Finansinės plėtros komentaras“ (Commentary on financial development), „Rizikos valdymas“ (Risk management) ir „Kapitalo valdymas“ (Capital management) bei finansinę atskaitomybę. Kiekvienas sprendimas dėl investavimo į Naująsias A akcijas turėtų būti pagrįstas visos Prospekte pateiktos informacijos įvertinimu. Investuotojui, inicijavusiam bylą teisme dėl Prospekte skelbiamos informacijos, gali tekti apmokėti Prospekto vertimo išlaidas. Asmuo gali būti patrauktas atsakomybėn dėl informacijos, kuri yra pateikta šioje santraukoje, kuri joje praleista, arba dėl šios santraukos vertimo tik jeigu santrauka arba jos vertimas yra klaidinantys, netikslūs arba prieštaringi skaitant juos kartu su kitomis Prospekto dalimis.*

Šiame prospekte „**Emitentas**“ yra akcinė bendrovė „Skandinaviska Enskilda Banken AB (publ)“; „**SEB**“ reiškia „Skaninaviska Enskilda Banken AB (publ)“, arba konsoliduotą įmonių grupę, kurioje, atsižvelgiant į kontekstą, Emitentas yra patronuojanti bendrovė; „**Grupė**“ reiškia įmonių grupę, kurioje Emitentas yra patronuojanti bendrovė.

## Emitentas

SEB yra viena iš pirmaujančių finansų įstaigų Šiaurės Europoje, teikiančių paslaugas verslo klientams, finansų įstaigoms ir gyventojams. Pagrindinės jos veiklos rinkos yra Šiaurės šalys: Švedija, Danija, Suomija ir Norvegija, Baltijos šalys: Estija, Latvija ir Lietuva, bei Vokietija, o pagrindinės stipriausios veiklos sritys – didmeninė bankininkystė, investicinė bankininkystė, asmeninio turto valdymas ir su investiciniais vienetais susietas draudimas. Per ataskaitinį metų laikotarpį iki 2008 m. gruodžio 31 d. viso SEB turto vertė buvo 2 511 milijardų SEK (231 milijardų EUR), savininkų nuosavybės vertė – 83,7 milijardo SEK (7,7 milijardo EUR), o SEB grynasis pelnas siekė 10,1 milijardo SEK (1,05 milijardo EUR).[1)]

Grupės vykdoma veikla skirstoma į keturias sritis:

- Komercinė bankininkystė – didmeninės ir investicinės bankininkystės paslaugos didelėms bendrovėms ir finansų įstaigoms pagrindinėse SEB veiklos rinkose;
- Mažmeninė bankininkystė – mažmeninės bankininkystės paslaugos gyventojams ir mažoms bei vidutinio dydžio įmonėms (***MVDĮ***) Švedijoje, Vokietijoje ir Baltijos šalyse, ir kortelės Šiaurės šalyse;
- Asmeninio turto valdymas – turto valdymo ir privačios bankininkystės paslaugos įstaigoms, fondams ir gyventojams pagrindinėse SEB veiklos rinkose;
- Gyvybės draudimas – su investiciniais vienetais susietas bei įprastinis gyvybės draudimas, daugiausia Švedijoje, Danijoje ir Baltijos šalyse.

2008 m. gruodžio 31 d. duomenimis SEB klientų bazę sudarė apie 2 500 didelių įmonių ir institucinių klientų, 400 000 MVDĮ ir daugiau negu penki milijonai gyventojų. Tuo pat metu SEB turėjo apie 660 klientų aptarnavimo padalinių Švedijoje, Baltijos šalyse, Vokietijoje bei kitur. Kitose nei savo pagrindinėse rinkose SEB atstovauja vienuolikos skyrių ir atstovybių tarptautinis tinklas, pasiskirstęs įvairiuose finansų centruose, kur daugiausia aptarnaujami dideli verslo bei instituciniai klientai. 2008 m. pabaigoje SEB visu etatu dirbo 21 131 darbuotojų (**VED**), daugiau negu pusė jų – ne Švedijoje.

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1) Ekvivalentiškos viso turto ir savininkų nuosavybės sumos eurais apskaičiuotos taikant SEK/EUR keitimo kursą, galiojusį 2008 m. laikotarpio pabaigoje, o grynojo pelno sumos – taikant 2008 m. laikotarpio SEK/EUR keitimo kurso vidurkį, kaip nurodyta skirsnyje „Bendroji informacija – Informacija apie keitimo kursą“ (*General information – Exchange rate information*).

### Atsparumas konkurencijai

SEB įsitikinęs, kad jo frančizės pagrindas – tvirti ilgalaikiai ryšiai su klientais, produktų tobulumas ir aukšta konsultacijų kokybė. Jo reputacija yra paveldėta iš senų laikų, teikiant bankininkystės ir finansines paslaugas dideliems verslo klientams, finansų įstaigoms bei gyventojams Šiaurės šalyse. Atsižvelgdamas į savo įvairialypę veiklą, SEB mano esąs gerai įsitvirtinęs, kad galėtų operatyviai pasinaudoti finansinių paslaugų industrijos galimybėmis pagrindinėse savo veiklos rinkose. SEB atsparumą konkurencijai sudaro:

- Tvirti ir ilgalaikiai ryšiai su klientais;
- Pirmaujanti padėtis rinkoje pagrindinėse veiklos srityse;
- Diversifikuota pajamų bazė ir veiklos efektyvumui teikiama ypatinga svarba;
- Sistemingas rizikos valdymas;
- Puikiai diversifikuota finansavimo bazė.

### Kodėl teikiamas siūlymas

SEB jau nuo seno įprato išlaikyti kapitalo pakankamumą gerokai didesnį už minimalų, priežiūros institucijų nustatytą, lygį. Emitento valdybos nuomone veiksmingai stiprinti SEB kapitalo poziciją yra apdairu ir atitinka visų SEB suinteresuotų asmenų interesus, todėl ji ėmėsi priemonių padidinti SEB kapitalo bazę maždaug 19,1 milijardų SEK tam panaudojant (i) šio realizuoto Siūlymo grynąsias pajamas ir (ii) numatant neišmokėti dividendų už 2008 finansinius metus, tokiu būdu padidinant ir sustiprinant Grupės kapitalo bazę 4,5 milijardais SEK. Sprendimą neišmokėti dividendų už 2008 metus ir šį Siūlymą patvirtino SEB akcininkai 2009 m. kovo 6 d. metiniame visuotiniame SEB akcininkų susirinkime.

Įvertinant grynąsias pajamas, gautas išplatinus Siūlomas akcijas, 2008 m. gruodžio 31 d. duomenimis pro forma pagrindu SEB pirmojo lygio kapitalo rodiklis būtų padidėjęs nuo 10,1% iki apytiksliai 12,1%, skaičiuojant remiantis „Bazelis II“ pagrindais, netaikant pereinamojo laikotarpio taisyklių. SEB valdyba nustatė naują ilgalaikį tikslą pirmojo lygio kapitalo 10% rodiklio atžvilgiu, jo apskaičiavimui taikant „Bazelis II“ pagrindus ir netaikant pereinamojo laikotarpio taisyklių.

Taikydamas dabar šias kapitalo priemones, SEB siekia šių tikslų:

- *Atsižvelgiant į kintančias sąlygas, toliau didinti kapitalo rodiklius.* Šios kapitalo priemonės sudaro solidžią SEB kapitalo bazės apsaugą, kurios dėka SEB galės kurti vertę ir išgyventi smarkiai blogėjančiomis makroekonomikos sąlygomis.
- *Padidinti SEB gebėjimą būti stipriu savo klientų verslo partneriu.* Šių kapitalo priemonių dėka sutvirtėjusį savo kapitalą SEB vertina kaip esminį konkurencinį pranašumą, padidinsiantį SEB gebėjimą būti stipriu savo klientų partneriu ir tvirtu konkurentu finansinėse rinkose.
- *Atitikti rinkos lūkesčius dėl aukštesnių lygių kapitalo bankininkystės sektoriuje.* Suvokdami padidėjusią riziką, investuotojai bankininkystės sektoriuje pradėjo labiau tikėtis aukštesnių lygių kapitalo ir mažesnio įsiskolinimo laipsnio. Tai atsispindi pastarojo meto Europos ir JAV finansų įstaigų vykdomoje kapitalo pritraukimo veikloje. Taikydamas aukščiau minėtas kapitalo priemones, SEB siekia kuo geriau spręsti šiuos rūpimus klausimus.

## Finansinių bei kitų duomenų suvestinė

Toliau esančiose lentelėse pateikiamos konsoliduotos SEB ankstesniųjų finansinių bei kitų duomenų suvestinės už tris vienerių metų laikotarpius iki 2008, 2007 ir 2006 metų gruodžio 31 d. Istorinių finansinių duomenų suvestinės sudaromos pagal audito patikrintą Emitento konsoliduotą finansinę atskaitomybę ir pridedamą aiškinamąjį raštą, kurie parengti pagal Europos Sąjungos patvirtintus Tarptautinius finansinės atskaitomybės standartus bei pritaikius Europos Sąjungos patvirtintą 39 Tarptautinės apskaitos standartą (TAS) atskaitomybėje parodant portfelio apdraudimą nuo palūkanų normos kitimo rizikos (**TFAS**); auditą atliko „PricewaterhouseCoopers“ AB (**PwC**). SEB 2006 m. finansinė atskaitomybė atstatyta 2007 metais, kad atspindėtų 2007 m. sausio 1 d. įgyvendintus verslo segmentus, o 2007 m. SEB finansinė atskaitomybė atstatyta 2008 metais, kad joje atsispindėtų tolesnis padalinių reorganizavimas. Dėl šios priežasties, jeigu nėra nurodyta kitaip, 2006 m. finansiniai duomenys šiame skirsnyje ne visai atitinka 2007 m. ir 2008 m. finansinius duomenis.

Toliau esančiose lentelėse pateikiamos konsoliduotos SEB ankstesniųjų finansinių duomenų suvestinės turi būti skaitomos kartu su audito patikrinta 2008, 2007 ir 2006 metų gruodžio 31 dienos Emitento finansine atskaitomybe, jos išlygomis ir pridedamais aiškinamaisiais raštais, kurie pateikiami kituose Prospekto puslapiuose. Ši informacija taip pat turėtų būti skaitoma kartu su „Finansinės plėtros komentaru“ (*Commentary on financial development*), „Rinktine finansine bei kita informacija“ (*Selected financial and other information*) ir „Rinktiniais statistiniais duomenimis“ (*Selected statistical data*).

**Pelno (nuostolio) ataskaita**

| mln. SEK | 2008 | 2007 | 2006 |
|---|---|---|---|
| Grynosios palūkanų pajamos | 18 710 | 15 998 | 14 281 |
| Grynosios pajamos už paslaugų ir komisinius mokesčius | 15 254 | 17 051 | 16 146 |
| Grynosios finansinės pajamos | 2 970 | 3 239 | 4 036 |
| Grynosios gyvybės draudimo pajamos | 2 375 | 2 933 | 2 661 |
| Kitos grynosios pajamos | 1 831 | 1 219 | 1 623 |
| **Veiklos pajamos iš viso** | **41 140** | **40 440** | **38 747** |
| Išlaidos personalui | –16 241 | –14 921 | –14 363 |
| Kitos išlaidos | –7 642 | –6 919 | –6 887 |
| Nusidėvėjimas, amortizacija ir materialiojo bei nematerialiojo turto vertės sumažėjimas | –1 524 | –1 354 | –1 287 |
| **Veiklos išlaidos iš viso** | **–25 407** | **–23 194** | **–22 537** |
| Prieaugis atėmus materialiojo ir nematerialiojo turto nuostolį | 6 | 788 | 70 |
| Grynasis kreditų nuostolis | –3 268 | –1 016 | –718 |
| **Veiklos pelnas** | **12 471** | **17 018** | **15 562** |
| Pajamų mokesčio išlaidos | –2 421 | –3 376 | –2 939 |
| Grynasis pelnas iš nuolatinės veiklos | **10 050** | **13 642** | **12 623** |
| Nutrauktos operacijos | | | |
| **Grynasis pelnas** | **10 050** | **13 642** | **12 623** |
| Priskirtinas mažumos akcininkams | 9 | 24 | 18 |
| Priskirtinas akcininkams | 10 041 | 13 618 | 12 605 |

## Balansas (laikotarpio pabaigos)

| mln. SEK | 2008 | 2007 | 2006 |
|---|---|---|---|
| Pinigai ir pinigų likučiai centriniuose bankuose | 44 852 | 96 871 | 11 314 |
| Paskolos kredito įstaigoms | 266 363 | 263 012 | 180 478 |
| Paskolos gyventojams | 1 296 777 | 1 067 341 | 950 861 |
| Finansinis turtas tikrąja verte | 635 454 | 661 223 | 614 288 |
| Finansinis turtas pardavimui | 163 115 | 170 137 | 116 630 |
| Investicijos laikomos iki termino pabaigos | 1 997 | 1 798 | 2 231 |
| Investicijos į asocijuotas įmones | 1 129 | 1 257 | 1 085 |
| Materialusis ir nematerialusis turtas | 29 511 | 24 697 | 22 914 |
| Kitas turtas | 71 504 | 58 126 | 34 640 |
| **Turtas iš viso** | **2 510 702** | **2 344 462** | **1 934 441** |
| Kredito įstaigų indėliai | 429 425 | 421 348 | 368 326 |
| Indėliai ir paskolos iš gyventojų | 841 034 | 750 481 | 643 849 |
| Įsipareigojimai draudimo liudijimo turėtojams | 211 070 | 225 916 | 203 719 |
| Skolos vertybiniai popieriai | 525 219 | 510 564 | 394 357 |
| Finansiniai įsipareigojimai tikrąja verte | 295 533 | 216 390 | 151 032 |
| Kiti įsipareigojimai | 71 565 | 97 519 | 60 150 |
| Atidėjiniai | 1 897 | 1 536 | 2 066 |
| Antraeiliai įsipareigojimai | 51 230 | 43 989 | 43 675 |
| Nuosavas kapitalas iš viso | 83 729 | 76 719 | 67 267 |
| **Įsipareigojimai ir nuosavybė iš viso** | **2 510 702** | **2 344 462** | **1 934 441** |

## Pagrindiniai rodikliai

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| Nuosavybės grąža[1)] % | 13,1 | 19,3 | 20,8 |
| Vienos akcijos bazinis pajamingumas[2)] SEK | 14,66 | 19,97 | 18,72 |
| Sąnaudų/pajamų koeficientas[3)] | 0,62 | 0,57 | 0,58 |
| Kreditų nuostolių lygis[4)] % | 0,30 | 0,11 | 0,08 |
| Abejotinų paskolų lygis[5)] % | 0,35 | 0,18 | 0,22 |
| Kapitalo rodiklis iš viso (BazelisI II pereinamojo laikot. taisyklės)[6), 7), 8)] % (laikotarpio pabaigoje) | 10,62 | 11,04 | 11,47 |
| Kapitalo rodiklis iš viso (Bazelis II visiškai įgyvendintas)[6), 7)] % (laikotarpio pabaigoje) | 12,81 | 12,62 | – |
| Pirmojo lygio kapitalo rodiklis (BazelisI II pereinamojo laikot. taisyklės) [7), 8), 9,] % (laikotarpio pabaigoje) | 8,36 | 8,63 | 8,19 |
| Pirmojo lygio kapitalo rodiklis (Bazelis II visiškai įgyvendintas) [7), 9),] % (laikotarpio pabaigoje) | 10,08 | 9,87 | – |
| Išleista akcijų (laikotarpio pabaigoje) mln. | 685,0 | 683,5 | 678,3 |

1) Akcininkams priskiriamas grynasis metų pelnas, išreiškiamas kaip akcininkų nuosavybės vidurkis procentais, apibrėžiamas kaip nuosavybės vidurkis metų pradžioje ir, atitinkamai, kovo, birželio, rugsėjo ir gruodžio pabaigoje, patikslintas pagal per metus išmokėtus dividendus, nuosavų akcijų išpirkimą ir teisių emisijas.
2) Grynasis metų pelnas padalytas iš akcijų skaičiaus vidurkio.
3) Visos metų išlaidos padalytos iš visų veiklos pajamų.
4) Kreditų nuostoliai ir perimto turto vertės pokyčiai padalyti iš paskolų gyventojams ir kredito įstaigoms (išskyrus bankus), perimtas turtas ir paskolų garantijos metų pradžioje.
5) Abejotinos paskolos (grynąja verte) padalytos iš paskolų gyventojams ir kredito įstaigoms (išskyrus bankus), ir klientams išnuomota įranga (grynąja verte).
6) Finansinės įmonių grupės, kurios sudėtyje yra Grupės įmonių (išskyrus Grupės draudimo bendroves) ir nekonsoliduotų susijusių bendrovių, kapitalas iš viso, patikslintas pagal kapitalo pakankamumo taisykles ir išreikštas pagal riziką įvertinto turto procentiniu santykiu.
7) Visas SEB taikomas „Bazelis II“ įgyvendinimo aprašymas pateikiamas skirsnyje „Kapitalo valdymas – Naujosios „Bazelis II“ kapitalo pakankamumo taisyklės“ (Capital management—New Basel II capital adequacy rules).
8) 2006 duomenys pagal „Bazelis I“.
9) Finansinės įmonių grupės pirmojo lygio kapitalas, išreikštas pagal riziką įvertinto turto procentiniu santykiu.

## Rizikos rūšių suvestinė

Toliau pateikiamose lentelėse parodoma kai kurių SEB rizikos rūšių apimtis 2008, 2007 ir 2006 m. gruodžio 31 d. duomenimis.

### Grupės kreditų portfelio rizikos duomenų atskleidimo suvestinė*

| mlrd. SEK (laikotarpio pabaigoje) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Įmonės | 782 | 571 | 484 |
| Turto valdytojai | 262 | 212 | 192 |
| Namų ūkiai | 486 | 434 | 374 |
| – iš kurių hipoteka užtikrintos būsto paskolos | 371 | 331 | 270 |
| Viešojo administravimo subjektai | | 88 | 97 |
| **Ne bankai iš viso** | **1 649** | **1 304** | **1 146** |
| Bankai | 286 | 248 | 169 |
| **Iš viso** | **1 934** | **1 552** | **1 315** |
| Kreditų nuostolio lygis[1)] % | 0,30 | 0,11 | 0,08 |
| Abejotinų paskolų lygis[2)]% | 0,35 | 0,18 | 0,22 |

* Aukščiau esančioje lentelėje 2008, 2007 ir 2006 m. kreditų rizikos duomenys pateikiami lyginamuoju pagrindu pagal pramonės šakos kodą. Grupės kreditų portfelį sudaro Grupės paskolų portfelis (iš viso iki atidėjimų į rezervus, bet išskyrus perpirkimo sutartis ir obligacijas), nenumatyti įsiskolinimai ir įsipareigojimai (kaip antai kredito įsipareigojimai, akredityvai ir garantijos) ir partnerių rizika, kylanti iš išvestinių finansinių priemonių ir užsienio valiutos keitimo kurso susitarimų (po tarpusavio užskaitų). Grupės fiksuotų pajamų portfelis nėra įtrauktas į kreditų portfelį. Smulkiau apie įsiskolinimus ir įsipareigojimus žiūrėkite 38 pastabą prie 2008 m. finansinės atskaitomybės ir 2007 m. atstatytos finansinės atskaitomybės, o apie SEB išvestines finansines priemones – SEB 2008 m. ir 2007 m. konsoliduotus balansus.

1) Kreditų nuostoliai ir perimto turto vertės pokyčiai padalyti iš paskolų gyventojams ir kredito įstaigoms (išskyrus bankus), perimtas turtas ir paskolų garantijos metų pradžioje.

2) Abejotinos paskolos (grynąja verte) padalytos iš paskolų gyventojams ir kredito įstaigoms (išskyrus bankus), ir klientams išnuomota įranga (grynąja verte).

### SEB Baltijos šalių kreditų portfelio duomenų atskleidimo suvestinė*

| mlrd. SEK (laikotarpio pabaigoje) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Įmonės | 95 | 83 | 69 |
| Turto valdytojai | 32 | 26 | 20 |
| Namų ūkiai | 68 | 55 | 37 |
| – iš kurių hipoteka užtikrintos būsto paskolos | 55 | 44 | 28 |
| Viešojo administravimo subjektai | | 3 | 2 |
| **Ne bankai iš viso** | **200** | **166** | **128** |
| Bankai | 2 | 3 | 3 |
| **Iš viso** | **202** | **169** | **131** |
| Kreditų nuostolio lygis[1)] % | 1,28 | 0,43 | 0,13 |
| Abejotinų paskolų lygis [2)] % | 1,33 | –0,06 | 0,08 |

* Aukščiau esančioje lentelėje 2008, 2007 ir 2006 m. kreditų rizikos duomenys pateikiami lyginamuoju pagrindu pagal pramonės šakos kodą. Grupės kreditų portfelį sudaro Grupės paskolų portfelis (iš viso iki atidėjimų į rezervus, bet išskyrus perpirkimo sutartis ir obligacijas), nenumatyti įsiskolinimai ir įsipareigojimai (kaip antai kredito įsipareigojimai, akredityvai ir garantijos) ir partnerių rizika, kylanti iš išvestinių finansinių priemonių ir užsienio valiutos keitimo kurso susitarimų (po tarpusavio užskaitų). Grupės fiksuotų pajamų portfelis nėra įtrauktas į kreditų portfelį. Smulkiau apie įsiskolinimus ir įsipareigojimus žiūrėkite 38 pastabą prie 2008 m. finansinės atskaitomybės ir 2007 m. atstatytos finansinės atskaitomybės, o apie SEB išvestines finansines priemones – SEB 2008 m. ir 2007 m. konsoliduotus balansus.

1) Kreditų nuostoliai ir perimto turto vertės pokyčiai padalyti iš paskolų gyventojams ir kredito įstaigoms (išskyrus bankus), perimtas turtas ir paskolų garantijos metų pradžioje.

2) Abejotinos paskolos (grynąja verte) padalytos iš paskolų gyventojams ir kredito įstaigoms (išskyrus bankus), ir klientams išnuomota įranga (grynąja verte).

## Fiksuotų pajamų vertybinių popierių portfelis*

| mlrd. SEK (laikotarpio pabaigoje) | 2008 | 2007 |
|---|---|---|
| Investicijų portfelis | 133 | 131 |
| – *finansų įstaigos* | 52 | 55 |
| – *užtikrintos obligacijos* | 13 | 5 |
| – *struktūrizuoti kreditai* | 68 | 71 |
| – *gyventojų hipoteka užtikrinti vertyb. popieriai* | 24 | 25 |
| – *turtu užtikrinti vertyb. popieriai* | 11 | 13 |
| – *užtikrintų paskolų įsipareigojimai* | 13 | 11 |
| – *hipoteka užtikrinti įsipareigojimai* | 9 | 10 |
| – *komerciniu turtu užtikrinti vertyb. popieriai* | 5 | 5 |
| – *užtikrintas skolinis įsipareigojimas* | 5 | 5 |
| – *padidintos rizikos nekilnojam. turtas (sub prime)* | 1 | 2 |
| Prekybos portfelis | 59 | 62 |
| **Komercinės bankininkystės fiksuotų pajamų vertybinių popierių portfelis** | **192** | **193** |
| Grupės iždo fiksuotų pajamų vertybinių popierių portfelis | 156 | 119 |
| Kitų padalinių fiksuotų pajamų vertybinių popierių portfelis | 7 | 19 |
| **Visas SEB fiksuotų pajamų vertybinių popierių portfelis** | **355** | **331** |

* Grupės fiksuotų pajamų vertybinių popierių portfelis yra tvarkomas investavimo, iždo ir prekybos tikslais. Fiksuotų pajamų vertybinius popierius daugiausiai sudaro vyriausybės obligacijos, užtikrintos obligacijos, finansų įstaigų išleistos obligacijos ir turtu užtikrinti vertybiniai popieriai. Didžioji šių pozicijų dalis yra SEB Komercinės bankininkystės ir Grupės iždo padaliniuose.

**Siūlymo santrauka**

| | |
|---|---|
| *Teisė pasinaudoti Siūlymu.........................* | Pirmumo teisė pasirašyti iš viso iki 1 507 015 171 Naujųjų A akcijų siūloma tiems, kurie Registracijos dieną turi Esamų akcijų. |
| *Pasirašymo kaina...........* | 10 SEK už vieną Naująją A akciją. Tai yra mažesnė negu prekybos pabaigos 31 SEK kaina už A akciją, skelbiamą NASDAQ OMX Stokholmo biržoje 2009 m. kovo 3 d. |
| *Pasirašymo teisės ...........* | Pagal galiojančius vertybinių popierių įstatymus kiekviena Registracijos dieną turima Esama akcija suteiks jos turėtojui teisę į 11 Pasirašymo teisių. 5 Pasirašymo teisės suteikia turėtojui teisę pasirašyti vieną Naująją A akciją.<br><br>Nusprendusiems nepasinaudoti teise įsigyti siūlomų akcijų priklausanti skirstomo grynojo pelno dalis bus sumažinta 69%, tačiau jie turės galimybę parduoti savo Pasirašymo teises.<br><br>Per pasirašymo laikotarpį šių akcininkų vardu Pasirašymo teisės bus parduodamos akcininkams, neturintiems teisės pasinaudoti Siūlymu. Pajamos iš pardavimo, atskaičius mokesčius prie pajamų šaltinio, bus paskirstytos proporcingai atitinkamų akcininkų turimų akcijų skaičiui. Mažesnės negu 50 SEK sumos nebus išmokamos.<br><br>Pasirašymo teisės, kuriomis nebus pasinaudota per Pasirašymo laikotarpį, neteks galios ir už jas nebus kompensuojama. |
| *Įsipareigojimas pasirašyti akcijas ir garantuoti jų išplatinimą.....................* | Investor AB, Trygg-Stiftelsen, Alecta, AFA Försäkring, Fjärde AP-Fonden, Knut och Alice Wallenbergs Stiftelse, Andra AP-Fonden ir SEB Stiftelsen (**Įsipareigoję akcininkai)**, atstovaujantys iš viso 43,7% išleistų SEB akcijų, įsipareigojo pasirašyti 50,8% siūlomų akcijų ir garantuoti jų išplatinimą. Likusios Siūlymui pateiktų akcijų dalies pardavimą garantuoja Tarpininkai. |
| *Pasirašymas Naujosioms A akcijoms ir jų paskirstymas nesant Pasirašymo teisių. Antrinis paskirstymas..................* | Per Pasirašymo laikotarpį Emitentas leis akcininkams ir kitiems asmenims pasirašyti papildomas Naująsias A akcijas. Pasibaigus Pasirašymo laikotarpiui Valdyba paskirstys nepasirašytas Naująsias A akcijas Antrinio paskirstymo pagrindais, atsižvelgdama į pasinaudojimą Pasirašymo teisėmis: (i) pirma – asmenims, pasinaudojusiems Pasirašymo teise ir pasirašiusiems Naująsias A akcijas , (ii) antra – asmenims, kurie pasirašė Naująsias A akcijas neturėdami Pasirašymo teisių, ir (iii) likusias nepasirašytas Naująsias A akcijas – Emitento akcininkams ir Tarpininkams, kurie sutiko garantuoti likusių Naujųjų A akcijų išplatinimą tam tikromis sąlygomis. Dėka (iii) punkte minėtų Emitento akcininkų įsipareigojimo pasirašyti akcijas ir Tarpininkų garantijos Emitentas gavo įsipareigojimus dėl 100% siūlomų akcijų pasirašymo. |
| *Teisės pasinaudoti Siūlymu Registracijos diena ...* | 2009 m. kovo 11 d. |
| *Pasirašymo laikotarpis....* | Nuo 2009 m. kovo 13 d. iki 2009 m. kovo 27 d. |
| *Pasirašymo teisių platinimas......................* | Numatoma, kad Pasirašymo teisėmis bus prekiaujama NASDAQ OMX Stokholmo biržoje su simboliu „SEB TR A“ nuo 2009 m. kovo 13 d. iki 2009 m. kovo 24 d. imtinai. |

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| *Dividendai* .................... | Naujosios A akcijos suteikia teisę jų turėtojams gauti dividendą (jeigu dividendų išmokėjimas yra patvirtinamas) bet kurią dividendų registracijos dieną po Naujųjų A akcijų registracijos Švedijos įmonių registre (**ŠĮR**). Po šios registracijos Naujosios A akcijos suteiks tokias pat teises į dividendus, kaip ir SEB Esamos A akcijos. Įsidėmėtina, kad Emitentas paprastai dividendų išmokėjimo klausimą svarsto tik kartą per metus Emitento metiniame visuotiniame susirinkime. Vadinasi, iš tiesų už Naująsias A akcijas nebus galima gauti dividendų iki jų paskelbimo 2010 m. visuotiniame susirinkime (jeigu dividendų išmokėjimas bus patvirtintas). |
| *Balsavimo teisės*............. | Naujosios A akcijos suteikia tokias pat balsavimo teises, kaip ir Emitento Esamos A akcijos. |
| *Pasirašymo teisių, laikinųjų akcijų ir Naujųjų A akcijų perleidimas*....... | Pasirašymo teisių, laikinųjų akcijų ir Naujųjų A akcijų pardavimui ir perleidimui taikomi tam tikri apribojimai. Žiūrėkite skirsnį „Pasirašymo teisių, laikinųjų akcijų ir Naujųjų A akcijų pardavimui ir perleidimui taikomi apribojimai“ (*Restrictions on sale and transfer of Subscription Rights, BTAs and New A Skares*). |
| *Bendrasis siūlymas*......... | Tarpininkai turi teisę pardavinėti jiems Antrinio paskirstymo pagrindais paskirstytas Naująsias A akcijas, paskelbdami bendrąjį siūlymą visame pasaulyje ir sudarydami užsienio jurisdikcijose sandorius pagal S taisyklę bei pagal kitus galiojančius vertybinių popierių įstatymus, arba parduodami jas JAV kvalifikuotiems instituciniams pirkėjams pagal Taisyklę 144A bei kitus galiojančius vertybinių popierių įstatymus. Tarpininkų Antriniame paskirstyme įsigytų Naujųjų A akcijų galimų platinimo būdų pasaulyje aprašymą rasite skirsnyje „Išplatinimo garantavimas ir papildoma informacija – Siūlymas – Bendrasis siūlymas“ (*Underwriting and supplementary information—The Offering—Global Offering*). |
| *Atsiskaitymai*................. | Naujųjų A akcijų pasirašymas pasinaudojant Pasirašymo teisėmis vykdomas už pinigus. Už paskirtas Naująsias A akcijas, įsigytas nepasinaudojus Pasirašymo teisėmis, apmokama pagal nurodymus, esančius sutarties sąlygose, kurios bus išsiųstos šiuo būdu pasirašiusiems Naująsias A akcijas asmenims, kuriems paskirtos Naujosios A akcijos. |
| *Naujųjų A akcijų įregistravimas*......................... | Įvykdžius mokėjimą ir pasirašius Naująsias A akcijas pasinaudojant Pasirašymo teisėmis, „Euroclear Sweden“ išsiuntinės pranešimus apie vertybinius popierius, patvirtinančius, kad laikinosios akcijos įregistruotos jas pasirašiusiojo asmens vertybinių popierių sąskaitoje. Laikinosios akcijos bus perregistruotos kaip Naujosios A akcijos po to, kai Naujosios A akcijos bus įregistruotos ŠĮR. Apie šį registravimą pranešimai apie vertybinius popierius nesiunčiami. Numatoma, kad Naujosios A akcijos, pasirašytos pasinaudojus Pasirašymo teisėmis, bus įregistruotos ŠĮR apytikriai 2009 m. balandžio 2 d. |
| *Emisijos pajamos*........... | Numatoma, kad Emitentas iš Siūlymo iš viso gaus apie 15 070 mln. SEK pajamų, o atėmus apie 470 mln. sandorių išlaidų – 14 600 mln. SEK. Grynąsias Siūlymo pajamas SEB numato panaudoti savo kapitalo pozicijos stiprinimui. Kodėl tai būtina, aprašyta skirsnyje „Kodėl teikiamas siūlymas“ (*– Reasons for the Offering*). |
| *Įrašymas į oficialųjį sąrašą ir leidimas platinti*........................... | Pasirašymo teisėmis ir laikinosiomis akcijomis bus prekiaujama NASDAQ OMX Stokholmo biržoje. Pasibaigus Siūlymui, Emitentas kreipsis dėl Naujųjų A akcijų įtraukimo į oficialųjį NASDAQ OMX Stokholmo biržos sąrašą ir dėl leidimo jas platinti. |

| | | |
|---|---|---|
| *Prekybos simboliai..........* | A akcijos: | SEB A |
| | Pasirašymo teisės:: | SEB TR A |
| | Laikinosios akcijos 1: | SEB BTA A 1 |
| | Laikinosios akcijos 2: | SEB BTA A 2 |
| *ISIN kodai.......................* | A akcijos: | SE0000148884 |
| | Pasirašymo teisės: | SE0002768499 |
| | Laikinosios akcijos 1: | SE0002768507 |
| | Laikinosios akcijos 2: | SE0002768515 |

### Pagrindinių rizikos veiksnių santrauka

Investavimas į Pasirašymo teises, laikinąsias akcijas, ar Naująsias A akcijas susijęs su rizika. Ši rizika apima, be apribojimų, toliau aprašomus rizikos veiksnius. SEB patiria ar gali patirti kai kurias arba visas toliau aprašomas rizikos rūšis, o su papildomais rizikos veiksniais, aprašytais skirsnyje „Rizikos veiksniai" (Risk factors), gali susidurti ateityje. Bet kurie iš šių rizikos veiksnių, taip pat ir papildoma, SEB nežinoma, rizika taip pat gali paveikti SEB verslą.

Prieš nuspręsdami, ar pirkti Pasirašymo teises, laikinąsias akcijas, ar pasirašyti Naująsias A akcijas, investuotojai turėtų atidžiai perskaityti toliau pateikiamą rizikos rūšių aprašymą skirsniuose „Rizikos veiksniai" (Risk factors), „Rizikos valdymas" (*Risk management*) ir „Kapitalo valdymas" (*Capital management*), taip pat ir visą Prospekte pateikiamą informaciją. Eilės tvarka, kuria pateikiamas rizikos rūšių aprašymas, nereiškia, kad būtent tokia tvarka rizikos rūšys bus patiriamos, nei jų stiprumo ar reikšmingumo. Plačiau apie toliau minimus bei kitus rizikos veiksnius galima pasiskaityti skirsnyje „Rizikos veiksniai" (*Risk factors*).

Prospekte taip pat pateikiama informacija apie ateityje galimas pasekmes, kurios priklausys nuo ateityje vyksiančių įvykių, būsimos rizikos ir neapibrėžtumo. Dėl įvairių veiksnių, įskaitant be apribojimų dėl toliau bei kitur Prospekte aprašomos rizikos, faktinės pasekmės gali iš esmės skirtis nuo čia aprašomų numatomų pasekmių. Žiūrėkite skirsnį „Bendroji informacija – Galimos pasekmės" (*General information—Forward-looking statements*).

### *Pagrindiniai rizikos veiksniai, susiję su SEB*

- SEB veiklai, pajamoms ir veiklos rezultatams esminės įtakos turi pasaulio finansų rinkose susidariusi padėtis ir pasaulinės ekonomikos sąlygos.
- Blogėjančios ekonomikos sąlygos šalyse, kuriose SEB vykdo veiklą, neigiamai paveikė SEB ir atrodo, kad tai tęsis toliau.
- Dėl dabartinių rinkos sąlygų padidėjo paskolų negrąžinimo rizika ir paskolų nuostoliai didėja, ypač Baltijos regione.
- SEB patiria riziką dėl mažėjančios turto, kuriuo užtikrinamos būsto paskolos ir kitos komerciniu nekilnojamuoju turtu užtikrinamos paskolos, vertės.
- Svyravimai rinkoje ir jos nepastovumas gali neigiamai paveikti SEB pozicijų vertę, susiaurinti jo veiklą ir apsunkinti tam tikro jo turto tikrosios vertės nustatymą.
- Yra rizikos, kad SEB ne visuomet turės likvidumą; šią riziką apsunkina dabartinė padėtis pasaulio finansų rinkose.
- SEB paskolų sąnaudos ir jo galimybė įeiti į skolos instrumentų rinkas žymiu mastu priklauso nuo jo kreditų reitingo.

- SEB neigiamos įtakos galėjo padaryti kitų finansų įstaigų tvirta, arba laikoma tvirta, padėtis, dėl kurios galėjo atsirasti žymių sistemos likvidumo problemų, nuostolių ar kitų finansų įstaigų arba partnerių įsipareigojimų nevykdymų.
- SEB riziką kelia „Lehman Brothers“.
- SEB kapitalui gali būti taikomi padidinti reikalavimai pagal vyriausybės ar priežiūros institucijos naujai priimtus teisės aktus, numatomi pakankamos kapitalizacijos lygiai gali pakisti, dėl blogėjančių ekonomikos sąlygų ateityje SEB gali prireikti papildomo kapitalo, kurį gali būti sunku gauti.
- Efektyvus SEB kapitalo valdymas turi lemiamos įtakos SEB gebėjimui vykdyti ir plėsti savo veiklą.
- Palūkanų normos kitimas jau paveikė SEB veiklą ir šis poveikis tęsis.
- SEB patiria riziką dėl užsienio valiutos, todėl bet kurios valiutos, su kuria SEB vykdo operacijas, devalvavimas at nuvertėjimas gali turėti esminį neigiamą poveikį SEB turtui, taip pat paskolų portfeliui bei veiklos rezultatams.
- Savo veikloje SEB privalo vadovautis įvairiais bankininkystės, draudimo ir finansinių paslaugų įstatymais bei kitais teisės aktais, kurie galėtų padaryti neigiamos įtakos SEB verslui.
- SEB gali būti priverstas dalyvauti Švedijos Vyriausybės pagalbos finansų įstaigoms programoje arba jos finansavime.
- Tam tikromis sąlygomis, kad apsaugotų šalies finansų sistemos stabilumą, Švedijos Vyriausybė turi teisę privalomai įsigyti Švedijos kredito įstaigos akcijas.
- Įsipareigojimai, kuriuos reikalaujama prisiimti pagal Švedijos paramos ūkiui programą gali paveikti SEB veiklą ir gebėjimą pritraukti bei išlaikyti vadovus, o pagal šią programą Švedijos Vyriausybės vykdomos kapitalo injekcijos galėtų susilpninti SEB akcininkus.
- Vyriausybės likvidumo planai gali būti atšaukiami arba keičiami, o tai gali neigiamai paveikti galimybę gauti finansavimą rinkose, kuriose SEB vykdo veiklą.
- SEB vykdo veiklą konkurencingose rinkose, kurios gali konsoliduotis, o tai gali neigiamai paveikti SEB finansinę padėtį ir veiklos rezultatus.
- Interesų konfliktai, nesvarbu, ar esami, ar numanomi, ir nesąžiningos veikos gali neigiamai paveikti SEB.
- SEB vykdoma gyvybės draudimo veikla, be įprastinės rizikos, yra susijusi su rizika, kad rinkoje mažėja turto, kuris naudojamas su investiciniais vienetais susietoje veikloje, ir tradicinių portfelių vertė.
- SEB kortelių veiklai turi įtakos sukčiavimai, kreditų nuostoliai ir smulkūs nusikaltimai bei teisės aktų pakeitimai.
- SEB rizikos valdymo gairės ir politika gali būti nepakankamos toms rizikos rūšims, su kuriomis SEB susiduria savo veikloje.
- SEB vidaus procesų ir procedūrų trūkumai ir nesėkmės bei kita veiklos rizika gali turėti neigiamos įtakos jo finansų būklei, veiklos rezultatams, likvidumui ir / arba perspektyvoms, o visa tai gali pakenkti jo reputacijai.
- Informacinių technologijų sistema, nuo kurios priklauso visos kasdienės operacijos, gali sutrikti dėl įvairių, nuo SEB nepriklausančių, priežasčių; SEB IT sistemai riziką sudaro infrastruktūros sutrikimai bei kiti poveikiai.
- Kad galėtų sėkmingai konkuruoti, SEB turi turėti aukštos kvalifikacijos darbuotojus; gali būti, kad SEB nesugebės išlaikyti ar pritraukti pagrindinius talentingus darbuotojus.

- Iš SEB gali būti pareikalauta daryti atidėjimus arba įnašus į pensijų planus, jeigu pensijų fondo turto vertė bus nepakankama potencialiems įsipareigojimams įvykdyti.
- SEB gali patirti reikšmingų išlaidų kurdama ir reklamuodama naujus produktus ir paslaugas.
- Pagrindinis SEB akcininkas turi reikšmingą balsų persvarą ir gali daryti įtaką akcininkų tvirtinamiems sprendimams.

***Pagrindiniai rizikos veiksniai, susiję su Siūlymu***

- Neįmanoma numatyti, kokia ateityje bus A akcijų kaina, o dabartinis Emitento akcijų kainų nepastovumas gali tęstis ir ateityje.
- Į Siūlymą neatsiliepusiems akcininkams, kurie nepasinaudojo Pasirašymo teisėmis ar laiku jų nepardavė, bus sumažinta jiems Emitento kapitale priklausanti skirstomo grynojo pelno dalis.
- Ne Švedijos akcininkai patiria valiutų kurso kitimo riziką.
- Naujosios A akcijos negali būti laisvai perparduodamos Jungtinėse Amerikos Valstijose.
- Kai kurie akcininkai gali neturėti galimybės dalyvauti akcijų siūlymuose su Pasirašymo teise.
- Gali būti, kad dividendai už A akcijas bus skelbiami ne visi, arba iš viso nebus skelbiami.
- Būsimos akcijų ar kitų vertybinių popierių emisijos gali sumažinti dabartiniams akcininkams tenkančią skirstomo grynojo pelno dalį ir iš esmės paveikti A akcijų rinkos kainą.
- Pasirašymo įsipareigojimai Siūlymo atžvilgiu nėra užtikrinti.
- Akcininkų nutarimai, patvirtinantys įstatų pakeitimus ir įstatinio kapitalo padidinimą, gali būti užprotestuoti.

**Kita reikalinga informacija**

Į Emitento valdybą, išskyrus darbuotojų atstovus, įeina Marcus Wallenberg (pirmininkas), Tuve Johannesson (pirmininko pavaduotojas), Jacob Wallenberg (pirmininko pavaduotojas), Penny Hughes, Urban Jansson, Hans-Joachim Körber, Tomas Nicolin, Christine Novakovic, Jesper Ovesen, Carl Wilhelm Ros ir Annika Falkengren. Grupės vykdomojo komiteto nariai: Annika Falkengren (prezidentė ir generalinė direktorė), Bo Magnusson (prezidentės pavaduotojas ir vyr. vykdantysis vadovas), Jan Erik Back, Fredrik Boheman, Magnus Carlsson, Ingrid Engström, Hans Larsson, Anders Mossberg ir Mats Torstendahl. SEB auditoriai yra PwC, vyr. auditorius – Peter Clemedtson. Žiūrėkite skirsnį „Valdyba, Grupės vadovai ir auditoriai“ (*Board of directors, group management and auditors*).

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