

Annual Accounts 2007

STOCKHOLM 7 FEBRUARY 2008

SEB 2007 – operating profit SEK 17.0bn (15.6)

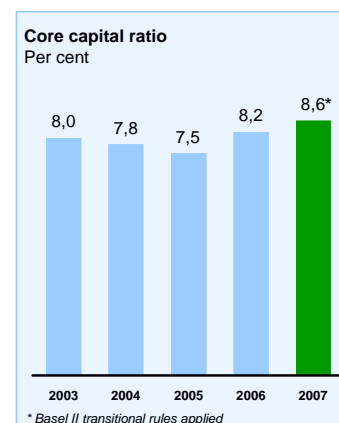
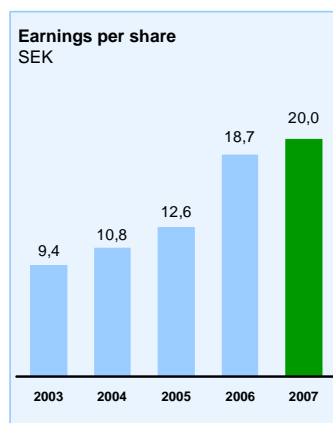
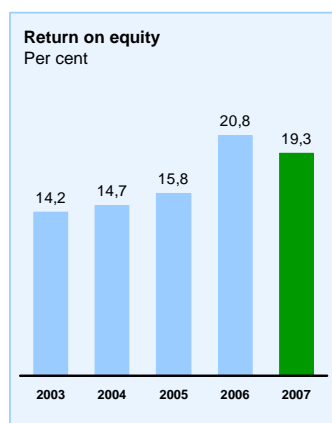
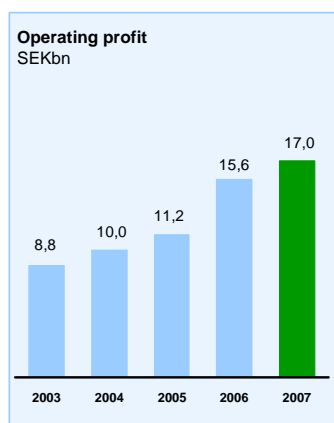
- Operating profit for 2007 increased by 9 per cent, to SEK 17,018m. Net profit rose by 8 per cent, to SEK 13,642m. Operating income increased by 4 per cent. Operating expenses rose by 3 per cent.
- Business volumes were high. Loans to the public increased by SEK 116bn and deposits from the public by SEK 106bn. Net inflows of Assets under Management amounted to SEK 57bn.
- Dislocations in the credit markets in the second half of the year led to lower valuations of fixed-income securities, which affected Net financial income negatively by SEK 1,769m.
- Collective provisioning for the Baltic credit exposures increased the net credit loss level to 0.11 (0.08)
- Return on equity was 19.3 per cent (20.8); earnings per share were SEK 19.97 (18.72).
- The Board of Directors proposes a dividend of SEK 6.50 (6.00).

SEB's fourth quarter – operating profit SEK 4.6bn (4.1)

- Operating profit for the last quarter of 2007 was SEK 4,581m, 11 per cent up from the corresponding quarter of 2006 and 23 per cent better than in the previous quarter. Business flows remained high; lending and deposits grew by 4 and 6 per cent, respectively. Mark-to-market losses on fixed-income securities portfolios was SEK 990m. The capital gain from the sales of SEB's Baltic real estate amounted to SEK 785m. Net profit amounted to SEK 3,757m. Return on equity was 20.2 per cent.

“High customer activity generated strong income growth also in these turbulent financial markets. The capital base has continued to be strengthened in order to further enhance SEB's credit worthiness and the execution of our growth strategy.”

Annika Falkengren, President and Chief Executive Officer



President's comment

The past year was characterised by strong underlying performance in SEB's customer business but also by increasingly challenging conditions in the capital markets.

A turn in sentiment

2007 was the year when the prolonged period of abundant liquidity and historically low risk premiums came to an end. As is often the case with market corrections, few predicted the triggering event, the sharpness of the correction and the repercussions on the wider markets and the economy. During the first half of the year, a positive market sentiment spurred activity levels in all segments. The second half of the year followed a downward spiral of rising uncertainty, faltering confidence among market participants and widening credit spreads.

Financial turbulence affected investment portfolios

The credit spread widening also affected SEB. Mark-to-market losses on fixed-income securities portfolios amounted to SEK 2,467m, of which SEK 1,769m impacted operating profit. These portfolios reflect SEB's size and position in wholesale banking and are held for investment, treasury and to a smaller extent client trading purposes. Portfolios are also held to secure liquidity for pledging with central banks.

A diversified business mix

Despite the turbulent financial market, continued high customer activity generated strong income growth reflecting SEB's diversified business mix.

Retail Banking, Wealth Management and Life all delivered record results and double digit profit growth driven by growth in both net interest income and commissions. In Retail Banking the controlled slowdown of credit growth in the Baltic countries continued, reflecting SEB's view on the macroeconomic imbalances – quarterly credit growth more than halved during the year.

Profit in Merchant Banking was weakened by the reduction in net financial income as a result of the mark-to-market losses in the fixed-income portfolios. However, continued high customer activity yielded strong results in equity and transaction related areas.

Improved integration and higher customer satisfaction

SEB has taken several steps in the past year to create a more integrated bank in order to make all of SEB's services and product offerings more accessible to customers.

The new Group structure with customer-oriented divisions and common support functions have enabled SEB to leverage on its size and free-up resources which can be reapplied in customer interaction, product development and growth segments. It also supports global and more standardized processes. In 2007, efficiency measures have enabled realization of cost gains of SEK 546m. Thus, the plan to deliver SEK 1.5-2.0bn in cost-efficiency gains over a three-year period is on track.



SEB Way, our operational excellence programme, last year involved more than a third of all employees. It has come far also in developing management capabilities to drive continuous improvement.

During 2007 steps have been taken to a more consolidated IT-platform. Being a transaction and knowledge intensive industry, IT plays a crucial role in developing efficient processes that can cater for cutting-edge product technology.

We have edged closer to our goal to have the most satisfied customers within our selected segments. SEB was again top ranked in areas such as Nordic investment banking and custody as well as within retail banking in Estonia and Lithuania. The recognised global lead of our FX research and cash management products are important landmarks in the highly competitive international banking market. In Swedish retail banking, customer satisfaction improved. SEB was in terms of market share number one or two within unit-linked not only in Sweden and Denmark but also in all Baltic countries. Wealth Management confirmed its leading position towards institutional clients.

A solid capital base supports profitable growth

Concurrently with the past years' expansion with strong income growth in SEB, we have lowered costs, established a more efficient organisation and raised the quality of our product offering. The capital base has continued to be strengthened in order to further enhance SEB's credit worthiness and the execution of our growth strategy.

SEB has an attractive franchise with a multiple growth engine. Capturing this growth will depend on our ability to develop long-term customer relationships. Our customers demand the best – and they should. Only by delivering top quality services will SEB be the number one preferred supplier of banking services.

SEB is well prepared for more uncertain times ahead. The aim remains the same – to be the leading North European bank in terms of customer satisfaction and financial performance.

Annika Falkengren

The Group

Fourth quarter isolated

Operating profit and net profit

Operating profit for the fourth quarter amounted to SEK 4,581m (4,124), an increase of 11 per cent compared with the last quarter of 2006 and up 23 per cent from the previous quarter. *Net profit* was SEK 3,757m (3,790).

Income

Total operating income amounted to SEK 10,035m, unchanged compared with the corresponding quarter of last year, but up by 6 per cent from the previous quarter.

Net interest income increased compared both with the fourth quarter of last year and with the previous quarter, mainly due to higher lending and deposit volumes during the quarter. Lending margins were lower, even though lending margins on new Swedish household mortgage lending improved. Deposit margins improved.

Net fee and commission income was stable.

Net financial income was down by 63 per cent compared with the corresponding quarter of 2006 as an effect of the mark-to-market losses of SEK 990m on fixed-income securities due to the credit spread widening. Compared with the previous quarter, net financial income improved.

Net life insurance income grew in comparison with the fourth quarter of 2006 but was down somewhat from the previous quarter, due to volatile investment markets and short term interest rate trends.

Net other income of SEK 345m included no one-offs.

Expenses

Total operating expenses amounted to SEK 5,928m, an increase of 4 per cent compared with the fourth quarter of 2006 and by 6 per cent from the previous quarter, mainly due to higher staff and IT costs. Net recruitments within Merchant Banking and Retail Banking in the Baltic countries increased the number of full-time equivalents with 354.

Credit losses

Net credit losses increased by SEK 124m compared with the previous quarter due to higher collective provisions following the growing lending volumes in the Baltic countries and continued macro-economic imbalances.

Tax expenses

Tax expenses were positively affected, mainly by the non-taxable gains of the sales of SEB's Baltic real estate. The tax rate was 18 per cent.

Capital gain from tangible assets

The capital gain from the sale of SEB's Baltic real estate amounted to SEK 785m.

The full year 2007

Operating profit and net profit

Operating profit for 2007 increased by 9 per cent, to SEK 17,018m (15,562). *Net profit* improved by 8 per cent, to SEK 13,642m (12,623).

Income

Total operating income increased by 4 per cent, to SEK 40,440m (38,747).

Net interest income was positively affected by volume growth and improved by 12 per cent, to SEK 15,998m (14,281). Deposits grew by 17 per cent, while lending to the public was 12 per cent higher than twelve months ago. Deposit margins improved following higher short-term rates and more than offset the effect from reduced lending margins in the Retail division. As a consequence, customer-driven net interest income grew by 16 per cent compared with 2006.

Net fee and commission income rose by 6 per cent, to SEK 17,051m (16,146). Both payment and securities commissions increased compared with last year.

Net financial income dropped by 20 per cent to SEK 3,239m (4,036), due to increased credit spreads resulting in lower valuations of fixed-income securities since the summer. The valuation loss recognised in income on these holdings amounted to SEK 1,769m.

Net life insurance income improved by 10 per cent, to SEK 2,933m (2,661), mainly due to increased unit-linked fund values. A complete description of Life's operations, including changes in surplus values, is found in "Additional information" on www.sebgroup.com.

Net other income dropped to SEK 1,219m (1,623) due to negative hedge accounting effects, partially offset by capital gains. One-off capital gains amounted to SEK 110m.

Expenses

Total operating expenses increased by 3 per cent, to SEK 23,194m (22,537). Excluding redundancy costs and performance-related remuneration, underlying expenses were up by 3 per cent compared with last year. SEK 281m was provisioned for redundancy costs. Costs related to the long-term incentive programmes amounted to SEK 71m.

Staff costs rose by 4 per cent, to SEK 14,921m (14,363). The average number of full time equivalents decreased by 166, to 19,506 (19,672). Net reductions of close to 300 employees during the year, primarily in Sweden and Germany, were balanced by net recruitments of some 500 persons, primarily in the Baltic business.

Other expenses were unchanged at SEK 6,919m (6,887) benefiting from increased scalability in the operations. IT costs increased due to investments in infrastructure and compliance with new EU regulation, e.g. SEPA and MiFID.

The incremental cost-income ratio for the Group in 2007 was 0.39 compared with last year. Excluding the lower valuations of the fixed-income securities it was 0.19.

The measures under the three-year programme to increase long-term cost-efficiency by SEK 1.5-2.0bn rendered gains of SEK 546m during its first year.

Credit losses

The Group's *net credit losses*, including changes in the value of assets taken over, amounted to SEK 1,016m (718), mainly due to higher collective provisioning following the continued macro-economic imbalances and growing lending volumes in the Baltic countries. The credit loss level was 0.11 per cent (0.08). Overall asset quality remained sound and stable.

Tax expenses

Total *tax expenses* amounted to SEK 3,376m (2,939). The total tax rate for 2007 was 19.8 per cent. The rate for 2008 is estimated at around 23 per cent.

Business volumes

Total assets continued to grow. The Group's total balance sheet of SEK 2,344bn as per 31 December represented an increase of 21 per cent since year-end 2006, due to growing lending and trading volumes. Currency effects contributed to the volume increase by SEK 36bn, despite a weaker US-dollar.

SEB's total credit exposure increased to SEK 1,552bn (1,315 at year-end 2006). Lending to the corporate sector showed strong growth, particularly in the Nordic countries. Lending to credit institutions increased by SEK83bn to SEK 263bn. Lending to households grew by 16 per cent, primarily due to new mortgage lending volumes. The Baltic banks' lending growth decelerated significantly during the year.

As of 31 December 2007, assets under management amounted to SEK 1,370bn, up by SEK 108bn or 9 per cent compared with year-end 2006. Net inflow during the year was SEK 57bn (61), while the change in value was SEK 51bn (78). SEB remained the market leader within net sales of mutual funds in Sweden, gaining the majority of total net inflows during 2007. SEB is the number one Nordic custodian with assets of SEK 5,314bn (5,234) under custody. SEB was the second largest retail distributor of Swedish registered structured bonds with a 15 per cent market share of all issues.

Fixed-income securities portfolios

Within primarily Merchant Banking and Group Treasury, SEB holds total net positions in fixed-income securities of SEK 331bn (339) for investment, treasury and to a smaller extent client trading purposes. Holdings consist mainly of covered bonds, senior bank bonds and asset-backed securities.

Primarily the investment portfolio, which resides in Merchant Banking, was negatively affected by the dislocations in the credit markets during the third and fourth quarters. The mark-to-market loss on this portfolio amounted to SEK 2,467m, of which SEK 1,769m affected Net financial income and SEK 698m was recorded as a

valuation loss in equity for Available-for-sale portfolios. SEK 1,056m of the mark-to-market loss refers to holdings in asset-backed securities and SEK 713m to other financial instruments, mainly bonds issued by financial institutions.

At prevailing credit market conditions, SEB views the risk of default on the holdings in the portfolios as unlikely.

The holdings of asset-backed securities amounted to SEK 71bn, a reduction from SEK 75bn in mid-2007. 99.3 per cent of these securities are AAA-rated; negative rating actions during 2007 only affected three out of 748 positions and the eligibility as collateral with central banks has been sustained. The average economic duration of the holdings is around four years. Some 60 per cent of the asset-backed exposures are related to the European markets and 40 per cent to the US market. Direct and indirect asset-backed securities exposures to the US subprime mortgage sector amounted to SEK 2.3bn, all of which have had their AAA-ratings affirmed during the fourth quarter.

Market risk

During 2007, the Group's Value at Risk in the trading operations averaged SEK 92m (96). This means that the Group on average, with 99 per cent probability, would not expect to lose more than this amount during a ten-day period. The VaR level was considerably higher during the second half of 2007 than during the first, as a consequence of the turmoil on the financial markets. The sensitivity in net interest income from a one per cent upward parallel shift in the yield curve was SEK +100m (-500). The change is a consequence of increased term funding to strengthen the balance sheet and a continued reduction of interest rate risk in the German treasury portfolio.

Capital position

SEB has during the year continued to strengthen its capital base, further supported by the issue of EUR 500m of core capital contribution securities in December. New capital adequacy regulation (Basel II) is in force since 1 February 2007. Adjusted for the supervisory transitional rules during the first Basel II years, SEB reported a core capital ratio of 8.6 per cent (8.2) and a total capital ratio of 11.0 per cent (11.5). Reporting according to the previous (Basel I) regulation would give capital ratios of 8.1 and 10.4 per cent, respectively. Risk-weighted assets (Basel I) have grown by 21 per cent or SEK 151bn. Currency effects contributed by SEK 15bn. Appendix 3 exposes details of capital adequacy.

Risks and uncertainties

SEB views its reputation and the credibility of the banking industry as key to maintaining long-term customer and counterparty relationships. The macro-economic environment is the major driver of risk to the Group's earnings and financial stability. In particular, it affects the asset quality and thereby the credit risk of the Group (details on the credit portfolio are described in Appendix 2). Also, there are financial risks mainly in the form of price risks (details on market risks are described in Appendix 4).

Credit and market risks as well as other risks in 2007 and risk management of all risks for the Group and the Parent Company are described in SEB's annual report for 2006 (see pp 38-44 and Note 44).

In addition to the risk disclosure in the annual report, increased economic imbalances and signs of overheating in Latvia and Estonia have accentuated during 2007. SEB monitors the situation closely and has implemented revised and stricter credit standards to mitigate risks, while maintaining a balanced growth of lending volumes.

Furthermore, the tight liquidity conditions in the credit and interbank markets prevailing since the summer have put stable funding and liquidity management in focus. In addition to the growing deposit base of the Group, activities during the year to maintain a strong balance sheet included the raising of core capital contribution securities, increased utilisation of covered bonds as a high-quality funding source and an increased match-funding requirement of net cash inflows and outflows of above six months compared to the normal three-month horizon.

The general credit spread widening across all asset classes in the third and fourth quarters has resulted in mark-to-market losses on SEB's fixed-income securities portfolios. Since these portfolios are mark-to-market, results will continue to be affected by further volatility. Given the long-term intention of these holdings, and to limit further income volatility, SEB over time intends to further increase the part of the total holdings in the Available-for-sale portfolio, while reducing the part held on the Held-for-trading portfolio.

Investments in Ukraine and asset management

In December, SEB acquired 97.25 per cent of Factorial Bank (Ukraine). The agreement implies a maximum consideration of USD 120m (approximately SEK 780m) at a 100 per cent holding. Following the acquisition, SEB has about 13,000 corporate customers and 100,000 private clients in Ukraine. Total assets amounted to SEK 3.6bn as of 31 December 2007.

In November, SEB reached an agreement to acquire 100 per cent of the shares in KAM Group Limited ("Key Asset Management"), a leading European fund of hedge funds manager with SEK 20bn of assets under management. The addition of KAM takes SEB's assets under management in hedge funds at year-end to SEK 49bn.

Divestments and restructuring

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 110m.

The sale of the properties owned by SEB's Baltic subsidiary banks was finalised in December, with a capital gain of SEK 785m: Estonia SEK 298m, Latvia SEK 255m and Lithuania SEK 232m.

In line with SEB's integration of operations, SEB Finans AB and SEB Bolån AB were merged with the parent company as of 1 October, 2007. The covered bonds issued

by SEB Bolån AB have been grandfathered by the Bank and Moodys' Aaa rating for these issues has been confirmed.

Rating

During the year, Moody's changed SEB's outlook from stable to positive (currently Aa2). The ratings by DBRS (AA low), Fitch (A+, positive outlook) and Standard and Poor's (A+) have been affirmed. SEB has a AA-rating target.

Dividend

The Board proposes a dividend of SEK 6.50 (6.00) per Class A and Class C share respectively. The total dividend amounts to SEK 4,467m (4,123), calculated on the total number of issued shares as per 31 December 2007, including repurchased shares. This proposal corresponds to 33 per cent (32) of earnings per share. The SEB share will be traded ex dividend on 9 April 2008.

Events after year-end

On 28 January 2008, SEB launched its solution for the Single Euro Payments Area (SEPA). It will reduce the overall cost for customers as they will benefit from paying and receiving payments in euro under the same basic terms and conditions regardless of their domicile or whether the payment is domestic or cross-border.

Stockholm, 7 February 2008

Annika Falkengren

President and Chief Executive Officer

These Annual Accounts have been prepared in accordance with International Financial Reporting Standards IFRS/IAS, endorsed by the European Commission, and therefore complies with IAS 34 Interim Financial Reporting. The accounting regulations of the Swedish Financial Supervisory Authority require some additional disclosures.

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

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

Financial information during 2008

7 February	Annual Accounts for 2007
8 April	Annual General Meeting in Stockholm
30 April	Interim Report January-March
16 July	Interim Report January-June
23 October	Interim Report January-September

Access to telephone conference and video web cast

The telephone conference at 15.00 (CET) on 7 February 2008 with CEO Annika Falkengren and CFO Per-Arne Blomquist can be accessed by telephone, +44 (0) 20 7162 0025, not later than 10 minutes in advance. A replay of the conference call will be available on www.sebgroup.com.

A video web-cast with Per-Arne Blomquist will be available on www.sebgroup.com.

Further information is available from

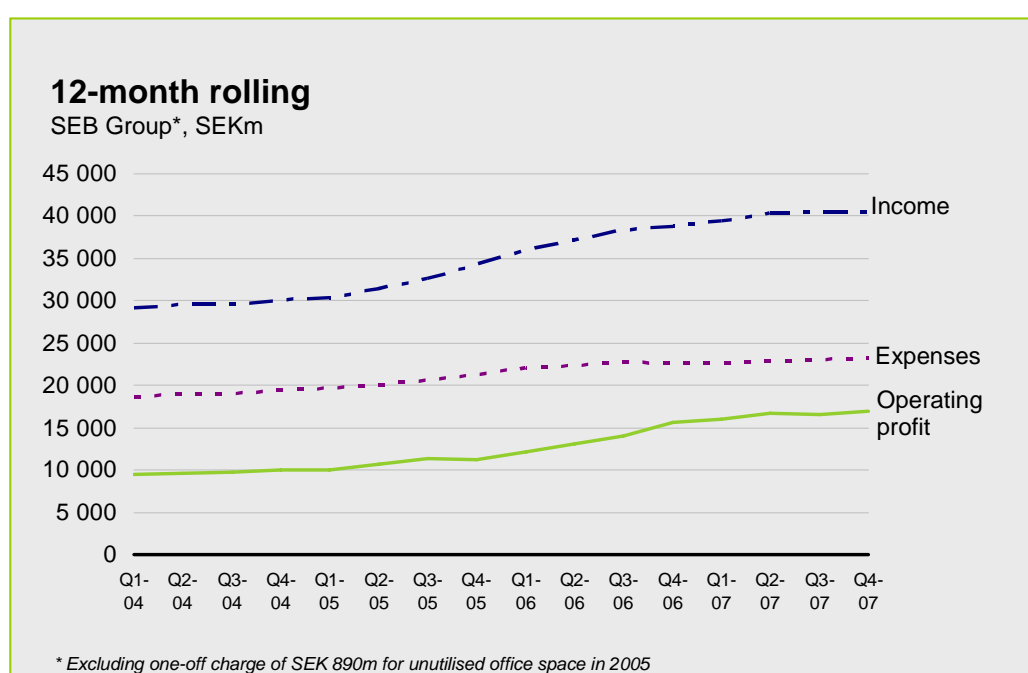
Per-Arne Blomquist, Chief Financial Officer
Tel: +46 8 22 19 00
Ulf Grunnesjö, Head of Investor Relations
Tel. + 46 8 763 85 01, +46 70 763 85 01
Annika Halldin, Financial Information Officer
Tel. +46 8 763 85 60, +46 70 379 00 60

Skandinaviska Enskilda Banken AB (publ)
SE-106 40 Stockholm, Sweden
Telephone: +46 771 62 10 00
www.sebgroup.com
Corporate organisation number: 502032-9081

The SEB Group

Income statement – SEB Group

Condensed SEKm	Q4			Q3			Q4			Jan - Dec		
	2007	2007	%	2006	%	2007	2006	%	2007	2006	%	
Net interest income	4 375	3 917	12	3 604	21	15 998	14 281	12				
Net fee and commission income	4 129	4 101	1	4 274	-3	17 051	16 146	6				
Net financial income	420	163	158	1 120	-63	3 239	4 036	-20				
Net life insurance income	766	782	-2	732	5	2 933	2 661	10				
Net other income	345	530	-35	274	26	1 219	1 623	-25				
Total operating income	10 035	9 493	6	10 004	0	40 440	38 747	4				
Staff costs	-3 787	-3 564	6	-3 735	1	-14 921	-14 363	4				
Other expenses	-1 782	-1 691	5	-1 634	9	-6 919	-6 887	0				
Depreciation of assets	-359	-325	10	-311	15	-1 354	-1 287	5				
Total operating expenses	-5 928	-5 580	6	-5 680	4	-23 194	-22 537	3				
Gains less losses from tangible and intangible assets	787	2		22		788	70					
Net credit losses incl. changes in value of seized assets	-313	-189	66	-222	41	-1 016	-718	42				
Operating profit*	4 581	3 726	23	4 124	11	17 018	15 562	9				
Income tax expense	-824	-625	32	-334	147	-3 376	-2 939	15				
Net profit	3 757	3 101	21	3 790	-1	13 642	12 623	8				
Attributable to minority interests	5	7	-29	3	67	24	18	33				
Attributable to equity holders **	3 752	3 094	21	3 787	-1	13 618	12 605	8				
* Life's operating profit	475	501	-5	459	3	1 802	1 520	19				
Change in surplus values, net	431	275	57	359	20	1 273	1 655	-23				
Life's business result	906	776	17	818	11	3 075	3 175	-3				
** Basic earnings per share, SEK	5.49	4.59		5.61		19.97	18.72					
** Diluted earnings per share, SEK	5.48	4.57		5.55		19.88	18.53					



Key figures - SEB Group

	Q4 2007	Q3 2007	Q4 2006	Jan - Dec	
				2007	2006
Return on equity, %	20.2	17.3	23.2	19.3	20.8
Return on total assets, %	0.67	0.57	0.78	0.63	0.64
Return on risk-weighted assets, %	1.78	1.49	2.04	1.68	1.71
Basic earnings per share, SEK	5.49	4.59	5.61	19.97	18.72
Weighted average number of shares, millions*	683	673	675	682	673
Diluted earnings per share, SEK	5.48	4.57	5.55	19.88	18.53
Weighted average number of diluted shares, millions**	685	677	682	685	680
Cost/income ratio	0.59	0.59	0.57	0.57	0.58
Credit loss level, %	0.13	0.08	0.10	0.11	0.08
Reserve ratio for impaired loans, %	76.1	78.5	75.1	76.1	75.1
Level of impaired loans, %	0.18	0.17	0.22	0.18	0.22
Basel II (95% of RWA in Basel I):					
Total capital ratio, incl net profit, %	11.04	10.70		11.04	
Core capital ratio, incl net profit, %	8.63	8.30		8.63	
Risk-weighted assets, SEK billion	842	797		842	
Basel I:					
Total capital ratio, incl net profit, %	10.42	10.09	11.47	10.42	11.47
Core capital ratio, incl net profit, %	8.15	7.82	8.19	8.15	8.19
Risk-weighted assets, SEK billion	892	846	741	892	741
Number of full time equivalents***	19 794	19 440	19 597	19 506	19 672
Number of e-banking customers, thousands	2 911	2 850	2 597	2 911	2 597
Assets under management, SEK billion	1 370	1 385	1 262	1 370	1 262

* Issued number of shares was 687,156,631 at year-end 2006. SEB then owned 8.9 million Class A shares for the employee stock option programme. During 2007 5.2 million of these shares have been sold as employee stock options have been exercised. Thus, as of 31 December SEB owned 3.7 million Class A-shares with a market value of SEK 612m.

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

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

Income statement on a quarterly basis - SEB Group

SEKm	2007:4	2007:3	2007:2	2007:1	2006:4
Net interest income	4 375	3 917	3 939	3 767	3 604
Net fee and commission income	4 129	4 101	4 544	4 277	4 274
Net financial income	420	163	1 345	1 311	1 120
Net life insurance income	766	782	642	743	732
Net other income	345	530	249	95	274
Total operating income	10 035	9 493	10 719	10 193	10 004
Staff costs	-3 787	-3 564	-3 774	-3 796	-3 735
Other expenses	-1 782	-1 691	-1 768	-1 678	-1 634
Depreciation of assets	- 359	- 325	- 342	- 328	- 311
Total operating expenses	-5 928	-5 580	-5 884	-5 802	-5 680
Gains less losses from tangible and intangible assets	787	2	- 1		22
Net credit losses**	- 313	- 189	- 280	- 234	- 222
Operating profit*	4 581	3 726	4 554	4 157	4 124
Income tax expense	- 824	- 625	-1 032	- 895	- 334
Net profit	3 757	3 101	3 522	3 262	3 790
Attributable to minority interests	5	7	8	4	3
Attributable to equity holders***	3 752	3 094	3 514	3 258	3 787
* SEB Trygg Liv's operating profit	475	501	368	458	459
Change in surplus values, net	431	275	323	244	359
SEB Trygg Liv's business result	906	776	691	702	818
** Including change in value of seized assets					
*** Basic earnings per share, SEK	5.49	4.59	5.21	4.81	5.61
Diluted earnings per share, SEK	5.48	4.57	5.21	4.76	5.55

Income statement, by division - SEB Group

Jan-Dec 2007, SEKm	Merchant Banking	Retail Banking	Wealth Management	Life*	Other incl elimi- nations	SEB Group
Net interest income	5 540	9 888	843	- 28	- 245	15 998
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
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 of 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**	- 323	- 718	- 7		32	-1 016
Operating profit	6 447	6 591	2 637	1 802	- 459	17 018

* Business result in Life amounted to SEK 3,075m (3,175), of which change in surplus values was net SEK 1,273m (1,655).

** Including change in value of seized assets.

Merchant Banking

Merchant Banking has two large business areas - Trading and Capital Markets and Global Transaction Services. The other business units, e.g. the CRM function, Commercial Real Estate, Corporate Finance and Structured Finance, are consolidated in Corporate Banking.

Profit and loss account

SEK m	Q4			Q3			Q4			Jan- Dec		
	2007	2007	%	2006	%		2007	2006	%	2007	2006	%
Net interest income*	1 498	1 370	9	1 072	40		5 540	4 809	15			
Net fee and commission income	1 351	1 357	0	1 515	-11		5 890	5 874	0			
Net financial income*	169	-28		1 259	-87		2 285	3 676	-38			
Net other income	166	403	-59	165	1		784	779	1			
Total operating income	3 184	3 102	3	4 011	-21		14 499	15 138	-4			
Staff costs	-1 033	-908	14	-1 058	-2		-4 217	-4 082	3			
Other expenses	-867	-882	-2	-756	15		-3 432	-3 227	6			
Depreciation of assets	-24	-18	33	-25	-4		-82	-89	-8			
Total operating expenses	-1 924	-1 808	6	-1 839	5		-7 731	-7 398	5			
Profit before credit losses etc	1 260	1 294	-3	2 172	-42		6 768	7 740	-13			
Gains less losses on assets	2			13	-85		2	-2	-200			
Net credit losses	-63	-32	97	-101	-38		-323	-320	1			
Operating profit	1 199	1 262	-5	2 084	-42		6 447	7 418	-13			
Cost/Income ratio	0,60	0,58		0,46			0,53	0,49				
Business equity, SEK bn	26,4	26,4		24,9			26,4	24,9				
Return on equity, %	13,1	13,8		24,1			17,6	21,4				
Number of full time equivalents	2 303	2 209		2 423			2 327	2 537				

* Isolated quarterly effects from structured products in 2006, shifting income to net interest income from net financial income, were: Q1: SEK 5m; Q2: SEK 41m; Q3: SEK 72m; Q4: SEK 201m

- **Operating profit down 13 per cent; up 10 per cent excluding mark-to-market losses.**
- **Strong customer activity, predominately in transaction services and equity-related areas.**
- **Top rankings for investment banking, FX forecasting, custody and cash management.**

Comments on 2007

Operating profit reflected a year in which record revenues and profits were posted in the first six months while financial market turbulence led to lower earnings in the second half. Although customer activity remained at a high level throughout the year, mark-to-market losses of SEK 1,769m were recorded on fixed-income securities portfolios. These losses more than offset the positive development of the net interest income with the result that total operating income decreased by 4 per cent. Costs rose by 5 per cent mainly due to staff recruitments.

Preparations for the new European payments and securities trading regimes intensified during the year and also contributed to higher IT costs. The division's SEB Way programme continued to render productivity gains. Operating profit was down by 13 per cent.

Within Trading and Capital Markets, FX continued to show improved revenues and profitability and the equities businesses benefited from high market activity and equity financing demand. The credit market turmoil had a negative effect on the fixed income business.

SEB maintained its leading market share on the Nordic stock exchanges, with a first position in Norway and

Sweden. Issuance of structured products grew by 30 per cent during 2007 and SEB had a 15 per cent market share of such products registered with the Swedish VPC.

Global Transaction Services continued to perform well, both in terms of profitability and customer satisfaction. Assets under custody reached all-time high during the year, transaction volumes having five-folded in three years.

Within Corporate Banking most units delivered higher operating profit offsetting the lower corporate finance income that resulted from postponed transactions.

SEB's position as a leading Nordic wholesale bank was in 2007 confirmed in several top rankings and awards e.g. top Nordic in brokerage, equity research and corporate finance by Prospera and for cash and liquidity management by Global Finance. FX research was top ranked globally by FX Week/Reuters and custody in the Global Custodian Survey of Central and Eastern Europe.

Going forward, profit growth will be supported by improved risk reward pricing, robust corporate demand for financing and increased scalability of operations.

Retail Banking

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

Profit and loss account

SEK m	Q4			Q3			Q4			Jan-Dec		
	2007	2007	%	2006	%	2007	2006	%	2007	2006	%	
Net interest income	2 629	2 495	5	2 231	18	9 888	8 514	16				
Net fee and commission income	1 647	1 517	9	1 518	8	6 274	5 752	9				
Net financial income	245	156	57	219	12	812	614	32				
Net other income	98	60	63	52	88	248	235	6				
Total operating income	4 619	4 228	9	4 020	15	17 222	15 115	14				
Staff costs	-1 333	-1 315	1	-1 237	8	-5 169	-4 885	6				
Other expenses	-1 153	-1 020	13	-1 079	7	-4 314	-4 203	3				
Depreciation of assets	-111	-106	5	-101	10	-435	-440	-1				
Total operating expenses	-2 597	-2 441	6	-2 417	7	-9 918	-9 528	4				
Profit before credit losses etc	2 022	1 787	13	1 603	26	7 304	5 587	31				
Gains less losses on assets	2	3	-33	11	-82	5	45	-89				
Net credit losses	-293	-146	101	-125	134	-718	-412	74				
Operating profit	1 731	1 644	5	1 489	16	6 591	5 220	26				
Cost/Income ratio	0,56	0,58		0,60		0,58	0,63					
Business equity, SEK bn	24,8	24,8		22,4		24,8	22,4					
Return on equity, %	21,7	20,8		20,6		20,8	18,1					
Number of full time equivalents	10 926	10 794		10 651		10 763	10 661					

- **Operating profit improved by 26 per cent, growth across all geographies.**
- **High activity and volume growth throughout the year. Strong focus on savings products.**
- **Continued measures to control SEB's credit growth in the Baltic countries.**

Comments on 2007

Operating profit increased by 26 per cent following high customer activity and cost control. Growth remained high throughout the year, with the fourth quarter being the strongest in terms of business volumes, income and profit.

Within Retail Sweden, household mortgages and deposits grew by 13 and 21 per cent, respectively, both with increasing market shares. Also for the savings market in total, the market share increased according to SEB's Savings Barometer. SME customer growth exceeded both the market and the previous year. The new full-service-offering "Enkla firman" for the smaller SME segment attracted 11,000 customers already during the first three months. It was also awarded "SME Product of the Year" by Privata Affärer. Mortgage margin pressure was fierce but decelerated during the year and in fact margins improved on new lending towards the end of the year. The focus on operational efficiency continued to yield result as costs decreased by 2 per cent.

The controlled slowdown of credit growth in the Baltic countries continued. Quarterly credit growth more than halved during the year and in the fourth quarter credit growth in Latvia was 1 per cent, in Estonia 3 per cent and in Lithuania 4 per cent. The slowdown reduced lending

market shares, particularly in Latvia and Estonia, throughout the year. SEB Latvia and SEB Lithuania received approval from the Swedish Financial Supervisory Authority to apply the Internal Rating Based approach for Basel II purposes starting 1 January 2008. During the fourth quarter, SEB's position in the region was confirmed by the award as "Bank of the Year" in Estonia and Lithuania by The Banker. Earlier in 2007, SEB in Latvia was awarded "Best Bank" by Euromoney. A refined collective provisioning based on growing lending volumes explained the division's higher net credit losses.

In Germany, the work to reach satisfactory profitability continued, with income growth, sales activity and customer growth developing favourably.

Card's turnover increased by 9 per cent, which more than compensated for higher funding costs during 2007. Strong focus was given to product development to safeguard the leading position for Nordic charge cards.

The solid underlying customer and business growth together with the division's strong position in attractive areas such as Baltic savings products and SMEs, provide an attractive basis for future profit growth.

Wealth Management

This division has two business areas - Asset Management and Private Banking.

Profit and loss account

SEK m	Q4			Q3			Q4			Jan-Dec		
	2007	2007	%	2006	%	2006	2007	2006	%	2007	2006	%
Net interest income	245	214	14	179	37	843	644	31				
Net fee and commission income	979	988	-1	1 094	-11	4 077	3 836	6				
Net financial income	46	3		12		79	55	44				
Net other income	40	13		11		86	60	43				
Total operating income	1 310	1 218	8	1 296	1	5 085	4 595	11				
Staff costs	-386	-357	8	-376	3	-1 475	-1 440	2				
Other expenses	-258	-222	16	-207	25	-902	-801	13				
Depreciation of assets	-14	-13	8	-15	-7	-63	-51	24				
Total operating expenses	-658	-592	11	-598	10	-2 440	-2 292	6				
Profit before credit losses etc	652	626	4	698	-7	2 645	2 303	15				
Gains less losses on assets						-1	29	-103				
Net credit losses	10	-8		4	150	-7	25	-128				
Operating profit	662	618	7	702	-6	2 637	2 357	12				
Cost/Income ratio	0,50	0,49		0,46		0,48	0,50					
Business equity, SEK bn	5,5	5,5		4,0		5,5	4,0					
Return on equity, %	34,7	32,4		50,5		34,5	42,4					
Number of full time equivalents	1 236	1 215		1 320		1 251	1 300					

- **Operating profit increased by 12 per cent.**
- **Captured major part of net sales of Swedish mutual funds and alternative investments.**

Comments on 2007

The 12 per cent operating profit increase reflected a year that started with strong new sales, strong investment performance and growing assets under management, which ended with a dramatic shift of market sentiment and investment performance due to the credit market turmoil. Operating income was up by 11 per cent during the year, which included performance and transaction fees of SEK 556m (465). Higher asset values and net sales also generated growth of net fee and commission income. Operating expenses increased by 6 per cent. Effects from higher operational efficiency are limited as yet, as the SEB Way programme will intensify during 2008.

The client shift to alternative asset products continued and SEB launched additional products in this area, attracting SEK 22bn in new volumes during 2007. In total, SEB captured SEK 55bn of net new assets (58). In the Swedish mutual fund market SEB gained an inflow of SEK 14bn (18), while market inflow was only SEK 19bn (70).

The division's total assets under management grew to SEK 1,285bn, an increase of SEK 93bn or 8 per cent from year-end as a result of higher asset values and net sales. Asset values declined slightly towards the end of the year.

Investment performance was adversely affected by the recent market developments. 49 per cent of portfolios (61

and 54 per cent (79) of assets under management were ahead of their respective benchmarks.

Asset Management's operating profit improved by 16 per cent compared with 2006, driven by the 11 per cent increase of net fee and commission income. Several new products have been launched in 2007. In order to facilitate the investment process of funds for SEB customers, SEB has launched a selected number of external and SEB funds in a new core offering which is also available for unit-linked customers.

Sales in Private Banking almost doubled, to SEK 23bn (13), with a strong demand for alternative asset products. Brokerage income declined due to margin pressure and lower client trading activity. Operating profit improved by 5 per cent. The Norwegian and Danish operations have been restructured and integrated during 2007.

The acquisition of KAM Group Limited ("Key Asset Management") was finalised in January 2008, adding approximately SEK 20bn in assets under management. It will consolidate SEB's leading Nordic position in alternative investments. Significant income synergies are expected through SEB's distribution capacity. KAM will be used for launching of new alternative products.

Life

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

Profit and loss account

SEK m	Q4			Q3			Q4			Jan-Dec		
	2007	2007	%	2006	%	2007	2006	%	2007	2006	%	
Net interest income	-7	-6	17	-4	75	-28	-15	87				
Net life insurance income	1 031	1 039	-1	934	10	3 958	3 471	14				
Total operating income	1 024	1 033	-1	930	10	3 930	3 456	14				
Staff costs	-284	-251	13	-258	10	-1 055	-1 008	5				
Other expenses	-121	-147	-18	-108	12	-525	-474	11				
Depreciation of assets	-144	-134	7	-105	37	-548	-454	21				
Total operating expenses	-549	-532	3	-471	17	-2 128	-1 936	10				
Operating profit	475	501	-5	459	3	1 802	1 520	19				
Change in surplus values, net	431	275	57	359	20	1 273	1 655	-23				
Business result	906	776	17	818	11	3 075	3 175	-3				
Cost/Income ratio	0,54	0,52		0,51		0,54	0,56					
Business equity, SEK bn	7,5	7,5		7,0		7,5	7,0					
Return on equity, %												
based on operating profit	22,3	23,5		23,1		21,1	19,1					
based on business profit	42,5	36,4		41,1		36,1	39,9					
Number of full time equivalents	1 218	1 206		1 221		1 206	1 280					

- **Operating profit increased by 19 per cent.**
- **Sales in the Baltic markets up by 76 per cent; International's share above 10 per cent.**

Comments on 2007

Operating profit improved by 19 per cent, mainly as a result of higher average unit-linked fund values. The declining stock markets since the credit turmoil started have not significantly affected unit-linked fund values and thus income so far. The results for traditional life and risk products such as sickness insurance and care products developed largely as expected and were in line with last year. However, the volatile investment markets and short term interest rate trends have affected quarterly profits during the year.

Operating expenses increased, chiefly due to investments in new markets and related volume growth. Excluding the effect of increased depreciation of deferred acquisition costs, expenses increased by 7 per cent. The number of staff was stable during the year despite investments in growth markets. The focus on efficiency has continued, especially in the more mature markets.

Unit-linked insurance remained the most important product group, representing 80 per cent of total sales. The share of corporate pension was 72 per cent (67).

Total sales, weighted volume, rose by 6 per cent compared with last year, excluding the effect of the legislative initiatives in Sweden which stopped the high volume product "Kapitalpension". Increased competition from new entrants reduced sales of corporate pension through the broker channel in Sweden, while sales of

regular endowment policies increased in all channels. As a consequence, the sales margin on new business decreased slightly, to 23.7 per cent (24.5). The changed sales mix, lower sales volumes and some provisions made to consider reduced personal tax deductibility in Sweden also affected surplus values.

Sales in Denmark were somewhat higher than last year and premiums paid rose by 11 per cent, while sales in the Baltic countries rose by 76 per cent. Also, sales of the Portfolio Bond in Sweden through SEB Life & Pension International grew. International showed a strong trend and increased its share of business volume to 10 per cent (7) in total. SEB sold its first life insurance policy in Ukraine, marking the start-up of Life's sixth geographical market.

Total premium income (premiums paid) amounted to SEK 26.4bn compared with SEK 31.1bn last year. Excluding the effect of the legislative actions in Sweden, including the stop for transfers, premium income rose by SEK 3.1bn, or 14 per cent.

The total value of unit-linked funds increased by 14 per cent, to SEK 136bn, compared with SEK 120bn last year. The positive trend is a result of increasing fund values, premium payments and a low level of surrenders in general. Total assets under management (net assets) increased by 3 per cent from last year, to SEK 408bn.

Result by geography 2007

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

- **Strong profit growth in most markets, especially in the Baltic countries.**
- **Increased cost efficiency in Sweden.**
- **Business volumes outside Sweden generated 50 per cent of operating profit.**

Comments on 2007

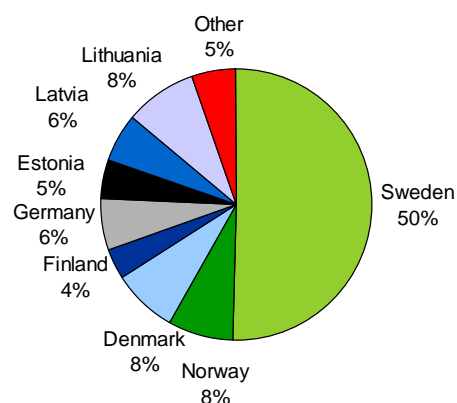
The business climate in *Sweden* remained strong during 2007 and all of SEB's business areas continued to report improved revenues, with the exception of Trading and Capital Markets, which in the second half of the year was adversely affected by the turbulent credit markets. As an example, Retail increased risk-weighted assets (Basel I) by 14 per cent during the year. The cost increase of 2 per cent reflected the higher operational efficiency, including staff reductions. Operating profit rose by 9 per cent.

SEB's operations in *Denmark* and *Finland* developed favourably, mainly due to a strong development for Life in Denmark and for Merchant Banking and Wealth Management in Finland. SEB in *Norway* consolidated its market position within investment banking and maintained the strong business flow from last year.

Business in *Estonia*, *Latvia* and, particularly, *Lithuania* remained strong. Income was supported by 285,000 new customers and a capital gain of SEK 785m from the sale of SEB's Baltic real estate. Net interest income growth ranged between 40 and 60 per cent by country, mainly due to improved deposit margins and volume growth. Quarterly credit growth more than halved during the year. SEB's measures to create a controlled slowdown of credit growth included tightened lending requirements for customers borrowing in non-local currencies and a cautious view of the real estate sector.

The strengthened focus on savings products in the three Baltic countries continued to yield results; deposit-related net interest income grew by 87 per cent and commission income by 27 per cent in the region. Sales of structured products increased by 60 per cent. SEB remains focused on quality and risk-adjusted returns rather than on volumes and market share. Collective provisioning increased net credit losses reflecting growing business volumes and continued macro-economic imbalances.

Operating profit per country, Jan-Dec 2007
Excluding capital gains of Baltic real estate sale



Operating profit in *Germany* decreased by 36 per cent, mainly as a result of mark-to-market losses in the fixed-income securities portfolios of Merchant Banking due to the turbulent credit markets. The overall German customer-related business increased operating profit by 3 per cent compared with last year. The operating profit of SEB's customer business at SEK 1.4bn is six times higher than the corresponding operating profit in 2005.

Business in *new markets*, i.e. *Ukraine* and *Russia*, developed according to plan. The acquisition of Factorial Bank in December will accelerate SEB's growth strategy in the Ukraine. Following the acquisition, SEB has 13,000 corporate customers and 100,000 private clients in Ukraine. SEB also sold its first life insurance policy in Ukraine.

Distribution by country Jan - Dec	Total operating income			Total operating expenses			Operating profit		
	2007	2006	%	2007	2006	%	2007	2006	%
Sweden	20 489	19 811	3	-12 265	-12 130	1	8 145	7 449	9
Norway	2 942	3 042	-3	-1 546	-1 674	-8	1 302	1 383	-6
Denmark	2 823	2 633	7	-1 555	-1 487	5	1 232	1 122	10
Finland	1 177	976	21	-589	-579	2	579	392	48
Germany	6 148	6 564	-6	-4 810	-4 618	4	996	1 545	-36
Estonia	1 660	1 295	28	-649	-518	25	1 090	788	38
Latvia	1 649	1 183	39	-602	-503	20	1 192	659	81
Lithuania	2 386	1 603	49	-876	-705	24	1 621	873	86
Other countries and eliminations	1 166	1 640	-29	-302	-323	-7	861	1 351	-36
Total	40 440	38 747	4	-23 194	-22 537	3	17 018	15 562	9

The SEB Group

Net fee and commission income – SEB Group

SEKm	Q4			Q3			Q4			Jan - Dec		
	2007	2007	%	2006	%	2007	2006	%	2007	2006	%	
Issue of securities	61	45	36	98	-38	335	290	16				
Secondary market shares*	711	779	-9	759	-6	3 153	3 100	2				
Secondary market other	148	107	38	205	-28	598	531	13				
Custody and mutual funds	1 763	1 787	-1	1 662	6	7 165	6 184	16				
Securities commissions	2 683	2 718	-1	2 724	-2	11 251	10 105	11				
Payments	463	440	5	463		1 808	1 787	1				
Card fees	1 087	1 010	8	985	10	4 093	3 730	10				
Payment commissions	1 550	1 450	7	1 448	7	5 901	5 517	7				
Advisory	316	321	-2	456	-31	1 473	1 742	-15				
Lending	294	204	44	231	27	1 055	946	12				
Deposits	23	22	5	36	-36	89	124	-28				
Guarantees	66	68	-3	71	-7	264	278	-5				
Derivatives	92	94	-2	82	12	363	384	-5				
Other	235	275	-15	253	-7	1 004	849	18				
Other commissions	1 026	984	4	1 129	-9	4 248	4 323	-2				
Fee and commission income	5 259	5 152	2	5 301	-1	21 400	19 945	7				
Securities commissions*	-195	-208	-6	-198	-2	-902	-698	29				
Payment commissions	-619	-576	7	-589	5	-2 373	-2 150	10				
Other commissions	-316	-267	18	-240	32	-1 074	-951	13				
Fee and commission expense	-1 130	-1 051	8	-1 027	10	-4 349	-3 799	14				
Securities commissions, net	2 488	2 510	-1	2 526	-2	10 349	9 407	10				
Payment commissions, net	931	874	7	859	8	3 528	3 367	5				
Other commissions, net	710	717	-1	889	-20	3 174	3 372	-6				
Net fee and commission income	4 129	4 101	1	4 274	-3	17 051	16 146	6				

* Adjusted for gross fees for securities lending in 2006, SEK 200m.

Net financial income – SEB Group

SEKm	Q4			Q3			Q4			Jan - Dec		
	2007	2007	%	2006	%	2007	2006	%	2007	2006	%	
Equity instruments and related derivatives	157	90	74	-68		520	342	52				
Debt instruments and related derivatives	-477	-782	-39	529	-190	-101	1 424	-107				
Capital market related	-320	-692	-54	461	-169	419	1 766	-76				
Currency-related	740	855	-13	659	12	2 820	2 270	24				
Net financial income	420	163	158	1 120	-63	3 239	4 036	-20				

Net credit losses – Group

SEKm	Q4			Q3			Q4			Jan - Dec		
	2007	2007	%	2006	%		2007	2006	%	2007	2006	%
<i>Provisions:</i>												
Net collective provisions	15	- 71	-121	212	-93		- 390	- 108				
Specific provisions	- 231	- 100	131	- 455	-49		- 653	- 888	-26			
Reversal of specific provisions no longer required	163	80	104	173	-6		405	544	-26			
Net provisions for contingent liabilities	- 24	8		10			8	31	-74			
Net provisions	- 77	- 83	-7	- 60	28		- 630	- 421	50			
<i>Write-offs:</i>												
Total write-offs	- 562	- 350	61	- 444	27		-1 395	-1 308	7			
Reversal of specific provisions utilized for write-offs	242	214	13	221	10		711	704	1			
Write-offs not previously provided for	- 320	- 136	135	- 223	43		- 684	- 604	13			
Recovered from previous write-offs	85	30	183	62	37		293	322	-9			
Net write-offs	- 235	- 106	122	- 161	46		- 391	- 282	39			
Net credit losses	- 312	- 189	65	- 221	41		-1 021	- 703	45			
Change in value of seized assets	- 1			- 1			5	- 15	-133			
Net credit losses incl change in value	- 313	- 189	66	- 222	41		-1 016	- 718	42			

Balance sheet – SEB Group

Condensed SEKm	31 December 2007	31 December 2006
Cash and cash balances with central banks	96 871	11 314
Loans to credit institutions	263 012	180 478
Loans to the public	1 067 341	950 861
Financial assets at fair value *	661 223	614 288
Available-for-sale financial assets *	170 158	116 630
Held-to-maturity investments *	1 798	2 231
Asset held for sale / Discontinued operations		2 189
Investments in associates	1 236	1 085
Tangible and intangible assets	24 697	22 914
Other assets	58 126	32 451
Total assets	2 344 462	1 934 441
Deposits by credit institutions	421 348	368 326
Deposits and borrowing from the public	750 481	643 849
Liabilities to policyholders	225 916	203 719
Debt securities	510 564	394 357
Financial liabilities at fair value	216 390	151 032
Other liabilities	97 519	60 150
Provisions	1 536	2 066
Subordinated liabilities	43 989	43 675
Total equity	76 719	67 267
Total liabilities and equity	2 344 462	1 934 441
* Of which bonds and other interest bearing securities inclusive derivatives.	607 895	560 844

Memorandum items – SEB Group

SEKm	31 December 2007	31 December 2006
Collateral and comparable security pledged for own liabilities	308 342	354 694
Other pledged assets and comparable collateral	207 363	189 730
Contingent liabilities	66 984	60 156
Commitments	394 128	346 517

Statement of changes in equity – SEB Group

SEKm	Minority interests	Reserve for cash flow hedges	Reserve for afs financial assets	Share capital	Restricted reserves	Retained earnings	Total
Jan-Dec 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						- 4 123	- 4 123
Dividend, own holdings of shares						44	44
Neutralisation of PL impact and utilisation of employee stock options*						- 428	- 428
Eliminations of repurchased shares for employee stock option programme***						897	897
Other changes	37				-544	879	372
Closing balance	191	160	- 438	6 872	29 757	40 177	76 719
Jan-Dec 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						- 3 264	- 3 264
Dividend, own holdings of shares						75	75
Neutralisation of PL impact and utilisation of employee stock options*						580	580
Eliminations of repurchased shares for employee stock option programme***						1 232	1 232
Other changes					1 505	- 1 505	
Closing balance	130	380	392	6 872	30 203	29 290	67 267

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

** Reclassification from equity instruments to financial instruments.

*** As of 31 December 2006 SEB owned 8.9 million Class A shares for the employee stock option programme. The acquisition cost for these shares is deducted from shareholders' equity. During 2007 5.2 million of these shares have been sold as employee stock options have been exercised. Thus, as of 31 December SEB owned 3.7 million Class A-shares with a market value of SEK 612m for hedging of the long-term incentive programmes.

Cash flow statement – SEB Group

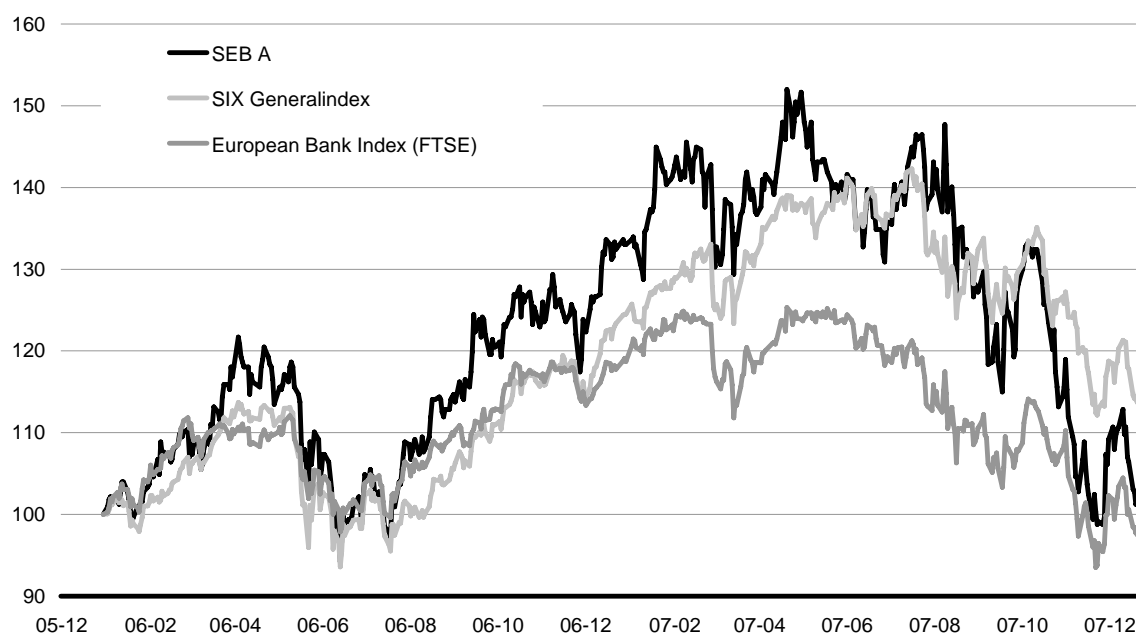
SEKm	Jan - Dec		
	2007	2006	%
Cash flow from the profit and loss statement	17 476	15 490	13
Increase (-)/decrease (+) in trading portfolios	-32 503	-69 110	-53
Increase (+)/decrease (-) in issued short term securities	72 454	10 581	
Increase (-)/decrease (+) in lending to credit institutions	-45 995	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	
Cash flow from investment activities ¹⁾	-2 350	-12	
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 difference 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 period²⁾	194 985	73 751	164
1) Including investments in subsidiaries			
Cost of acquisitions	-759	-130	
Less cash acquired	102	113	-10
Outflow on acquisition	-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.

Impaired loans and seized assets – SEB Group

SEKm	31 December 2007	31 December 2006
Non-performing impaired loans	7 619	7 123
Performing impaired loans	772	1 403
Impaired loans gross*	8 391	8 526
Specific reserves	-3 787	-4 234
<i>of which reserves for non-performing loans</i>	-3 456	-3 630
<i>of which reserves for performing loans</i>	-331	-604
Collective reserves	-2 602	-2 170
Impaired loans net	2 002	2 122
Reserves for off-balance sheet items	-209	-215
Total reserves	-6 598	-6 619
 Level of impaired loans	 0.18%	 0.22%
(Impaired loans, net in relation to lending, at end of period)		
 Reserve ratio for impaired loans	 76.1%	 75.1%
(Specific and collective reserves in relation to impaired loans gross, per cent)		
 <i>Specific reserve ratio for impaired loans</i>	 45.1%	 49.7%
 Pledges taken over		
Properties	23	86
Shares	39	42
Total volume of pledges taken over	62	128

The SEB share



Rating

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

In July 2007, Moody's changed SEB's outlook from stable to positive.

SEB's major shareholders

December 2007	Share of capital, per cent
Investor AB	20.0
Trygg Foundation	9.6
Alecta	3.6
Swedbank Robur Funds	2.6
AFA Försäkring	2.5
SHB/SPP mutual funds	1.9
SEB mutual funds	1.5
Wallenberg Foundations	1.5
Nordea mutual funds	1.4
Foreign shareholders	23.6

Source: VPC/SIS Ägarservice