

Interim report January - June 2009

STOCKHOLM 20 JULY 2009

SEB's first half year – operating profit SEK 2.4bn (5.9)

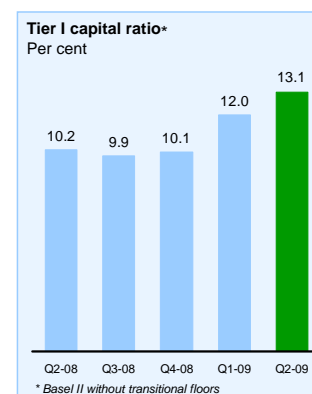
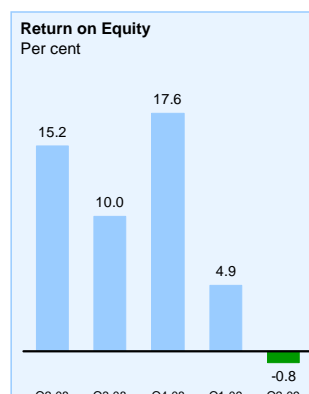
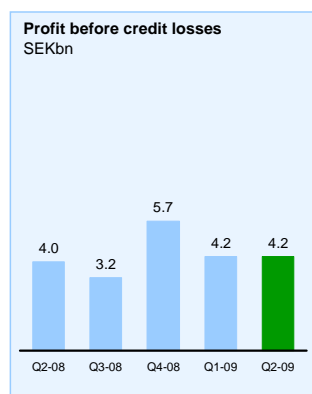
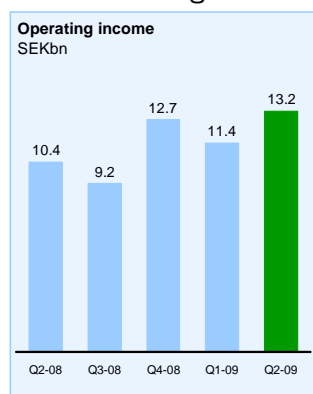
- Profit before provisions for credit losses for the first half of 2009 amounted to SEK 8,348m (6,725), an increase of 24 per cent compared with the corresponding period of 2008. Adjusted for impairment charges and capital gains on repurchased subordinated debt, profit was SEK 10,036m; up by 49 per cent.
- Operating profit amounted to SEK 2,420m (5,917) and net profit to SEK 857m (4,657).
- Operating income increased by 28 per cent. Net interest income rose by 30 per cent and Net fee and commission income decreased by 9 per cent. Net other income included a capital gain of SEK 1.3bn.
- Impairment charges of SEK 3.0bn were made for all remaining goodwill related to SEB's investment in Eastern Europe. Excluding these impairments and FX effects, operating expenses were flat.
- Provisions for credit losses amounted to SEK 5,953m (812). The credit loss level was 0.89 per cent (0.15).
- Return on equity was 1.8 per cent (12.4) and earnings per share SEK 0.67 (6.80).
- The Tier 1 capital ratio was 13.1 per cent and the core Tier 1 capital ratio 11.3 per cent.

SEB's second quarter – operating profit SEK 0.6bn (3.5)

- Profit before provisions for credit losses amounted to SEK 4,162m (3,954); adjusted for impairment charges and the capital gain, profit was SEK 5,256m, up by 33 per cent.
- Operating income improved by 27 per cent compared with the second quarter of 2008. Excluding the capital gain, income was 14 per cent higher.
- Impairment charges of close to SEK 2.4bn were made for all goodwill on SEB's investments in the Baltic region and Russia. Excluding these impairments and FX effects, operating expenses fell by 5 per cent.

“SEB generated overall strong income growth and strengthened its customer franchise, particularly within wholesale banking. A robust balance sheet with a strong Tier 1 capital ratio will enable us to support our customers and reinforce SEB's market position in a difficult macro environment.”

Annika Falkengren



President's comment

We are grateful for the firm commitment of our customers and shareholders to the bank. Over the last six months, the customer dialogue has been intense and business volumes high. In the oversubscribed rights issue, the shareholders gave our business franchise a vote of confidence.

The macroeconomic outlook is gradually stabilising. While the first quarter was marked by downward revisions of the economic outlook, sentiment turned a bit less pessimistic in the second quarter. The first green shoots for a recovery in the world economy were noted and the conditions in the financial markets improved somewhat. Notwithstanding this quarter's strong underlying result, I am mindful that we are not out of the woods yet. The quarters ahead will be challenging not just for SEB but for the markets and economies in which we operate.

Strong income generation capacity

Throughout these challenging times, SEB has continued to generate strong income, which during the first six months of 2009 has been more than 20 per cent higher than last year. This reflects SEB's unique customer franchise. On a like-for-like basis, i.e. adjusted for provisions for credit losses, goodwill impairments, portfolio valuation losses and capital gains, profit increased by SEK 2,809m to SEK 10,472m for the first half of 2009.

Reinforced position with large Nordic corporates

As global banks have reduced their presence in the Nordic markets, Merchant Banking has further reinforced its market position with large corporates. Customer interaction was especially high in corporate banking and advisory services within capital markets and foreign exchange. Retail Sweden and Cards held up well with continued volume growth. Life recorded strong results on the back of improving market valuations and net inflows. Private Banking has reaffirmed its leading position with strong net sales.

Improved productivity

The efforts to increase the integration of the Bank and to increase productivity continue – our Road to Excellence. SEK 1,470m have been realized in cost-efficiency gains since the start of the cost-management programme in 2007. Over the last year we have reduced cost per transaction by 6 per cent. Since year-end, the number of staff has decreased by 922, while income has increased.

Asset quality stable outside Eastern Europe

Despite the economic downturn, SEB's asset quality remains sound and stable outside Eastern Europe with provisions for net credit losses below 0.30 per cent. However, increases in the number of bankruptcies have been reported in Sweden. For SEB this is mirrored in increased impaired assets.



Reserve ratio 68 per cent in the Baltic countries

The economic situation in the Baltic countries remains challenging. Impaired assets increased by 56 per cent during the quarter. Provisions for possible credit losses on an annualised basis were 6 per cent, of which 65 per cent were collective provisions. The reserve ratio in the Baltic countries was 68 per cent and for the Group 72 per cent. SEB continues to manage its credit portfolio in a cautious and proactive manner. We aim to address credit problems at an early stage. Our special credits team has reviewed all Baltic loans above one million euro and are now executing on concrete action plans for each client.

Write-off of goodwill in the Baltic countries and Russia

The goodwill write-off in the second quarter, SEK 2,317m in the Baltic countries and SEK 77m in Russia, should be seen in light of the severe economic situation with lower lending volumes and a sharp increase in impaired loans in the region. At the end of June, SEB had no remaining accounting goodwill in Eastern Europe. However, it should be underlined that our positive view on the long-term potential for SEB in the Baltic countries remains unchanged. We are committed to and will continue to serve our 2.5 million customers in this region.

Further improved resilience in challenging environment

Even as the economic situation is stabilising, the road to recovery may be long and winding. I am convinced that we so far have taken the right strategic measures to manage the unprecedented situation. We have substantially strengthened our capital. We have restored liquidity to the levels of last summer. We have pro-actively addressed asset quality. We have utilised the competitive situation to deepen customer relations and to generate income growth.

We feel confident that SEB is well positioned in the new financial landscape where relationship banking is key to success. We have the financial stability to support our existing customers and to seize growth opportunities on a selective basis.

The Group

Second quarter isolated

SEB's *profit before provisions for credit losses* for the second quarter amounted to SEK 4,162m (3,954), an increase of 5 per cent compared with the corresponding quarter of 2008 and 1 per cent down from the previous quarter.

As the result includes goodwill impairment charges and the capital gain on the repurchased SEB subordinated debt, the on-going business excluding these items generated a pre-provision income of SEK 5,256m. (See below where income and costs have been adjusted accordingly). The pre-provision income represented an increase of 33 per cent compared with the second quarter of 2008 and 10 per cent higher than the previous quarter.

Operative income statement SEK m	Q2		Q1	Q2	
	2009	2009	%	2008	%
Operating income	11 874	11 430	4	10 399	14
Operating expenses	-6 618	-6 650	0	-6 445	3
Pre-provision income	5 256	4 780	10	3 954	33
Net tangible and intangible assets	23	2		1	
Net credit provisions	-3 567	-2 386	49	-448	
Operating profit ongoing business	1 712	2 396	-29	3 507	-51
Capital gain on subord. debt	1 300				
Impairment of goodwill	-2 394	-594			
Operating profit	618	1 802	-66	3 507	-82

Operating profit amounted to SEK 618m (3,507), including a positive effect of SEK 219m from the depreciation of the Swedish krona.

Net profit (after tax) amounted to SEK -170m (2,809).

Income

Total operating income amounted to SEK 13,174m (10,399), an improvement of 27 per cent compared with the second quarter of last year, and 15 per cent up from the first quarter of 2009. Excluding the capital gain of SEK 1.3bn, it was 11,874m. A positive foreign exchange translation effect contributed SEK 614m.

Net interest income rose by SEK 949m, or 21 per cent, compared with the corresponding quarter of 2008. Customer-driven net interest income grew by SEK 463m, or 12 per cent, mainly due to the net volume contribution of SEK 434m, while the net margin contribution was SEK 30m. Net interest income from other activities, mainly bond portfolios, other trading and treasury, increased by SEK 486m, or 30 per cent. Net interest income includes a quarterly accrued cost of SEK 75m for the charge to the Swedish stability fund and SEK 28m to the Swedish deposit insurance system.

Compared with the previous quarter, net interest income dropped by 9 per cent due to lower returns on the bond investment portfolio. The net margin and volume effects were flat compared with the previous quarter.

Net fee and commission income decreased by 3 per cent compared with the second quarter last year, but increased by 18 per cent compared with the previous quarter due to higher capital market advisory income and increased

equity market activity.

Net financial income was up by 27 per cent compared with the corresponding quarter in 2008 and by 30 per cent from the first quarter of 2009. This was mainly due to a combination of higher foreign exchange activities and valuation gains of SEK 19m in the investment portfolio, which during the last seven quarters has recorded valuation losses.

Net life insurance income improved by 47 per cent compared with the second quarter of 2008 and by 10 per cent compared with the previous quarter. The increase was mostly due to higher market values and improved premium income.

Net other income rose to SEK 1,585m, mainly due to the capital gain from the buy-back of GBP 400m of SEB's subordinated debt at 75 per cent of face value.

Expenses

Excluding the goodwill impairments, *total operating expenses* amounted to SEK 6,618m (6,445), up by 3 per cent compared with the second quarter 2008 and flat compared with the previous quarter. Adjusted for currency translation effects, operating expenses decreased by 5 per cent compared with the second quarter of 2008; effects between the quarters were limited. Higher pension costs inflated costs by SEK 242m compared to last year.

Goodwill impairment charges for the Baltics and Russia

The rapid macroeconomic deterioration in the Baltic region is expected to cause subdued income generation and high loan loss provisions in the near future. Also, the cost of equity for the region has increased. As a consequence, the full goodwill of SEK 2,317m created by SEB's investments in the Baltic countries has been impaired. For the same reasons, the goodwill of SEK 77m related to SEB's Russian investment has been impaired.

Net of credit provisions and losses

Net credit losses increased to SEK 3,567m (448). The credit loss level rose to 1.07 per cent (0.17). Provisions made for the Baltic region amounted to SEK 2,642m (283), 74 per cent of the total, corresponding to a net credit loss level of 6.00 per cent (0.81). In the previous quarter it was 3.70 per cent.

Individually assessed impaired loans increased by SEK 3,708m, or 29 per cent, during the quarter. The quarterly increase in the Baltic region was SEK 2,904m, or 56 per cent. Outside the region, impaired loans grew by SEK 804m, or 10 per cent. Impaired loans in Germany continued to decrease slightly.

The Group's *past due portfolio assessed loans* (homogeneous groups) rose by SEK 1,810m, or 47 per cent, compared with 31 March 2009. The quarterly increase in the Baltic region was SEK 1,412m, or 48 per cent. Outside this region, they grew by SEK 398m, or 44 per cent.

Half-yearly results

SEB's *profit before provisions for credit losses* for the first half of 2009 amounted to SEK 8,348m (6,725), an increase of 24 per cent compared with the corresponding period 2008.

As the result includes goodwill impairment charges and the capital gain on the repurchased SEB subordinated debt, the on-going business excluding these items generated a pre-provision income of SEK 10,036m (6,725), an increase of SEK 3,282m or 49 per cent.

Operative income statement SEK m	Jan - Jun		
	2009	2008	%
Operating income	23 304	19 197	21
Operating expenses	-13 268	-12 472	6
Pre-provision income	10 036	6 725	49
Net tangible and intangible assets	25	4	
Net credit provisions	-5 953	-812	
Operating profit ongoing business	4 108	5 917	-31
Capital gain on subord. debt	1 300		
Impairment of goodwill	-2 988		
Operating profit	2 420	5 917	-59

Operating profit amounted to SEK 2,420m (5,917), a decrease of 59 per cent, including a positive effect of SEK 162m from the depreciation of the Swedish krona.

Net profit was down by 82 per cent to SEK 857m (4,657).

Income

Total operating income increased by 28 per cent to SEK 24,604m (19,197), excluding the SEK 1.3bn capital gain SEK 23,304m. A positive foreign exchange translation effect contributed SEK 1,297m.

Net interest income improved by 2,630m, or 30 per cent, to SEK 11,274 (8,644). Customer-driven net interest income grew by SEK 1,035m, or 13 per cent, mainly due to the net volume contribution of SEK 985m, while the net margin contribution was SEK 49m. Average deposit volumes grew by 10 per cent year-on-year, while average lending to the public was 17 per cent higher than at the end of June 2008.

Reduced short-term funding rates of fixed-income securities portfolios had a large positive effect on net interest income. Together with shortened funding duration and pull-to-par effects of SEK 240m on the bond investment portfolio the combined effect accounted for 61 per cent of the increased net interest income, or SEK 1,595m. Net interest income also includes an accrued cost of SEK 150m for the charge to the Swedish stability fund and SEK 55m to the Swedish deposit insurance system.

Net fee and commission income amounted to SEK 7,017m (7,710). The 9 per cent decrease was mostly an effect of declining fees from lower assets under management and lower performance fees within the Wealth Management division. Commission from payments, cards and other non-capital market-related business rose by 8 per cent.

Net financial income more than doubled, to SEK 2,604m (1,000). The improvement was an effect of high market volatility, foreign exchange and fixed income related activities within the trading and capital market areas. The

impact from valuations over income on the bond investment portfolio amounted to SEK -435m (-938m).

Net life insurance income rose by 33 per cent, to SEK 1,808m (1,355), as a result of increased market values, improved unit-linked income and partly recovered provisions in the traditional life portfolios. A complete description of Life's operations, including changes in surplus values, is found in "Additional information" on www.sebgroup.com.

Net other income rose to SEK 1,901m (488), mainly due to the above-mentioned capital gain of SEK 1.3bn.

Expenses

Total operating expenses – excluding goodwill impairment in the Baltic countries, Russia and Ukraine – rose by 6 per cent, to SEK 13,268m (12,472). The increase of SEK 796m was fully ascribed to the foreign exchange translation effects of SEK 880m. Cost-efficiency measures more than offset inflation, higher pension costs and redundancy charges.

The cost-efficiency gains during January-June amounted to SEK 441m, resulting in an accumulated gain of SEK 1,470m since the start of the efficiency programme in 2007.

Staff costs rose by 10 per cent, to SEK 8,653m (7,892). Salaries increased to SEK 6,033m (5,594), pension costs to SEK 828m (391) from falling asset values and falling returns on planned assets and redundancy cost to SEK 215m (146). Short- and long-term performance-related remuneration (including social benefit charges) dropped by 10 per cent, to SEK 1,204m (1,341). The quarterly number of full time equivalents decreased by 1,215, to 20,430 (21,645). Excluding temporary staff, the number of staff has decreased by 922 since year-end, of which 464 in Sweden, 163 in the Baltic countries and 295 in other countries.

Other expenses decreased by 3 per cent, to SEK 3,756m (3,854), mostly due to lower costs for marketing, travelling and consultants.

Goodwill impairment charges for Eastern Europe

The impairment of SEB's investments in the Baltic countries and Russia, totalling SEK 2,394m, and Ukraine, SEK 594m, brings the Group's total impairment for all goodwill in Eastern Europe to SEK 2,988m. Following these impairments, SEB has no goodwill left related to its operations in Eastern Europe.

Net of credit provisions and losses

Net credit losses increased to SEK 5,953m (812). The credit loss level rose to 0.89 per cent (0.15). The total reserve ratio for individually assessed impaired loans was stable at 72 per cent compared with the previous quarter and increased from 68 per cent at year-end.

Higher collective provisions to meet the deteriorating Baltic economies increased the total provisions for credit

losses in the region to SEK 4,344m (507). Collective provisions accounted for 66 per cent. The net credit loss level in the Baltic countries was 4.93 per cent (1.28).

Net credit provisions and losses in Sweden increased to SEK 736m (57) and in the other Nordic countries to SEK 243m (174). In Ukraine, SEB provisioned SEK 283m and in Russia SEK 15m, equal to a net credit loss level of 18.11 (0.95) and 1.23 per cent (0.13), respectively.

Individually assessed impaired loans more than doubled, to SEK 16,690m (7,604), compared with a year ago. This corresponded to a level of impaired loans of net 0.64 per cent (0.28) and gross 1.10 per cent (0.56). The level of impaired loans in the Baltic countries was net 3.40 per cent (0.22) and gross 5.08 per cent (0.68).

The Group's *past due portfolio assessed loans* (homogeneous groups) amounted to SEK 5,651m (1,489). In the Baltic region, these loans amounted to SEK 4,351m.

Tax costs

Total tax amounted to SEK 1,573m (1,261). The total tax rate of 65 per cent reflects the non-tax deductibility of the goodwill impairment charges, which added 23 percentage points to the effective tax rate. Furthermore, it is affected by the increased credit provisions in the Baltic countries, where tax rates are between 0-20 per cent; for this reason the total tax rate is expected to remain high.

Business volumes

The Group's total balance sheet of SEK 2,374bn as per 30 June represented a decrease of 5 per cent since year-end 2008. Lending to banks decreased, while lending to the public increased slightly. Negative currency effects amounted to SEK 2bn.

SEB's total credit exposure decreased to SEK 1,806bn (1,934 at year-end) during the first six months. Corporate lending decreased across the board while Swedish household lending continued to grow. Lending in the Baltic banks decreased by SEK 16bn during the year to SEK 159bn.

SEB's total net positions in fixed-income securities for investment, treasury and client trading purposes decreased to SEK 332bn (338).

As of 30 June 2009, assets under management amounted to SEK 1,267bn (1,201 at year-end). Net inflow during the first six months was SEK 22bn (20), while the change in value was SEK 44bn (-112).

Assets under custody amounted to SEK 4,505bn (3,891).

Bond investment portfolio

As per 30 June, the bond investment portfolio of Merchant Banking had decreased to SEK 113bn from SEK 126bn a year earlier. The holdings of structured credits in the investment portfolio amounted to SEK 57bn (61) and the holdings of covered bonds and bonds issued by financial institutions in the investment portfolio amounted to SEK 56bn (65).

The decrease of the portfolio from amortizations and sales of SEK 29bn was partially offset by foreign exchange

translation effects of SEK 16bn, applying the currency exchange rates in effect on 30 June 2008.

The valuation gains and losses are shown below:

Bond investment portfolio, SEK m	Q2	Q1	Q2	Jan - Jun	
	2009	2009	2008	2009	2008
Structured credits	26	- 503	- 41	- 477	- 835
Financial institutions	- 7	39	- 78	32	- 156
Covered bonds etc.		10	53	10	53
Income effect	19	- 454	- 66	- 435	- 938
Structured credits	225	- 27	- 15	198	- 1 005
Financial institutions	90	221	- 52	311	- 490
Covered bonds etc.	248	- 635	11	- 387	- 191
Equity effect	563	- 441	- 56	122	- 1 686
Total	582	- 895	- 122	- 313	- 2 624

The fair value losses during the first six months of 2009 on reclassified financial assets in the bond investment portfolio amounted to SEK 4,099m.

Based on SEB's long-term investment view, risk management has been focused on limiting further income volatility and on select divestments. Thus, and including the reclassification within the portfolio, the Held-for-Trading holdings decreased to SEK 4bn (14) and the Available-for-Sale holdings to SEK 15bn (112), while securities classified as Loans and Receivables increased to SEK 93bn (0).

Under prevailing credit market conditions, SEB views material defaults on the holdings in the investment portfolio as unlikely. The risk for impairment charges has increased in the structured credits portfolio but they are deemed unlikely to be material.

83.3 per cent of the holdings of structured credits in the investment portfolio are AAA-rated and 7.1 per cent have a sub-investment grade rating. There are no impaired assets in the portfolio and no 'level 3' assets. The current average remaining life of the holdings is approximately four years.

67 per cent of the structured credits are related to the European markets, 32 per cent to the U.S. market while other markets make up 1 per cent. 63 per cent of the bonds issued by financial institutions involve European institutions, 33 per cent U.S. institutions and 4 per cent Australian institutions. 100 per cent of the holdings of covered bonds are European.

Market risk

During the first half of 2009, the Group's Value at Risk in trading operations averaged SEK 136m (151 for calendar year 2008). 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. Reduced exposure to interest rates and equity prices are the main factors behind the lower risk level.

Liquidity and funding

The funding markets, which have been severely disrupted since September 2008, are gradually returning to a more normal situation. Nevertheless, credit spreads remain high. With a deposit-to-loan ratio of 63 per cent, and having

raised the equivalent of SEK 75bn of long-term funding during the first six months of 2009, SEB has restored its maturity profile to the situation a year ago.

On 2 July – i.e. subsequent to the reporting period - SEB issued a GBP 750m five-year bond issue. The issue was more than 50 per cent oversubscribed and more than 150 investors took part. The Sterling issue was one of several large loans that SEB has raised since the end of March.

On 30 June, the match-funding of net cash inflows and outflows was approximately twelve months, taking liquidity reserves into consideration. SEB continued to maintain a large pool of assets eligible for pledging with central banks in excess of SEK 200bn.

SEB has received approval to issue securities within the Swedish Funding Guarantee Programme. No securities have been issued.

Capital position

As per 30 June 2009, Basel II risk weighted assets (RWA) amounted to SEK 790bn, leading to a Tier 1 capital ratio of 13.1 per cent (10.1) and a core Tier 1 capital ratio of 11.3 per cent (8.6). The total capital ratio was 14.9 per cent (12.8).

SEB's SEK 15.1bn rights issue, completed by the end of April, contributed to these strong ratios. The Tier 1 capital has been further strengthened by the capital gain of SEK 1.3bn from the completed tender to buy back GBP 400m of subordinated debt at 75 per cent of face value. Both loans included in the tender had short remaining maturity to call date; GBP 225m of the acquired volume referred to a subordinated loan with a call date in 2010 and GBP 175m to a call date in 2011. The tender reduced the capital base by SEK 3.9bn.

The impairment of goodwill related to SEB's Eastern European business is neutral to the Tier 1 capital and the capital base, since goodwill is already deducted from Tier 1 capital.

Risk-weighted assets have decreased by SEK 28bn, or 3 per cent, during the first six months of 2009. This is the net effect of risk class migration, Basel II methodology advances and a reduction of business volumes while currency effects during the period were small.

Adjusted for the supervisory transitional rules during the first Basel II years, SEB reports RWA of SEK 849bn (986), a Tier 1 capital ratio of 12.2 per cent (8.4) and a total capital ratio of 13.8 per cent (10.6). The lowering in 2009 of Basel II implementation floors (from 90 to 80 per cent of Basel I requirements) is reflected in these ratios.

Appendix 3 exposes details of capital adequacy.

Risks and uncertainties

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

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 and risk management of all the risks of the Group and the Parent Company are described in SEB's annual report for 2008 (see pp 36-51 and Note 44). This view is still valid.

The economic imbalances in the Baltic countries and the short-term orientation of the funding markets constitute specific risks and uncertainties for the Group.

Continued credit spread widening cannot be ruled out, which would affect the mark-to-market valuation of SEB's fixed-income securities portfolios (see under Fixed-income securities portfolios). The risk for impairment charges has increased but is unlikely to be material.

Rating

In March 2009, Standard & Poors changed its outlook from stable to negative, but affirmed SEB's long-term A rating. In April, Moody's lowered SEB's rating from Aa2 to A1, with a negative outlook. In June 2009, Fitch affirmed SEB's long-term rating at A+ with stable outlook, whereas DBRS affirmed the rating of AA(low) in February but put it under review in April. The rating agencies refer to the Baltic macroeconomic challenges as the main rating driver.

Organisational changes

SEB has consolidated its retail operations and all loan activities in Estonia, Latvia and Lithuania within a separate division - SEB Baltic. The internal financial reporting for SEB Baltic started as of 1 July 2009 and restated figures will be released in connection with the interim report for the third quarter. The Head of SEB Baltic and the Head of Group Credits & Risk Control are adjunct members to the Group Executive Committee.

Subsequent events

At the beginning of July, SEB reached an agreement to transfer its 51 per cent share in the car financing operations in Norway, Møller BilFinans. In early July, SEB also divested its 24 per cent share of Privatgirot. Privatgirot provides giro services for the largest Swedish banks.

Both transactions will have limited impact on the Group's financials.

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

Stockholm, 20 July 2009

Marcus Wallenberg
Chairman

Tuve Johannesson
Deputy Chairman

Jacob Wallenberg
Deputy Chairman

Penny Hughes
Director

Urban Jansson
Director

Hans-Joachim Körber
Director

Göran Lilja
*Director**

Cecilia Mårtensson
*Director**

Tomas Nicolin
Director

Christine Novakovic
Director

Jesper Ovesen
Director

Carl Wilhelm Ros
Director

Annika Falkengren
President and Chief Executive Officer
Director

** appointed by the employees*

Accounting policies

This Interim Report has been prepared in accordance with International Financial Reporting Standards IFRS/IAS, endorsed by the European Commission, and therefore comply with IAS 34 Interim Financial Reporting. The accounting regulations of the Swedish Financial Supervisory Authority require some additional disclosures.

Changes in accounting standards

Changes in the value of assets taken over are accounted for in the item Net other income as from January 2009.

IAS 1 "Presentation of financial statements" - an additional statement for Other comprehensive income (changes in equity besides owner transactions) has been added and the Statement of changes in equity has been amended. The Group has implemented IFRS 8 "Operating segments". The new standard states that the segment reporting is to be presented according to management view and follow the internal reporting. The implementation of IFRS 8 has had no impact on the operating segments presented. The implementation of the revised IAS 23 "Borrowing costs" has no material impact on the Group.

Otherwise, the same accounting policies and methods of computation are followed in the interim financial statements as those applied to the most recent annual financial statements.

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

Appendix 1	The Life division
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)

Financial information during 2009

5 February	Annual Accounts for 2008
20 February	Annual Report on www.sebgroup.com
6 March	Annual General Meeting in Stockholm
24 April	Interim Report January-March 2009
20 July	Interim Report January-June 2009
21 October	Interim Report January-September 2009

Access to telephone conference and video web cast

The telephone conference at 15.00 (CEST) on 20 July 2009 with President and CEO Annika Falkengren and CFO Jan Erik Back can be accessed by telephone, +44 (0) 20 7162 0025, at least 10 minutes in advance. A replay of the conference call will be available on www.sebgroup.com.

A video web-cast with CFO Jan Erik Back will be available on www.sebgroup.com.

Further information is available from

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Review report

We have reviewed this report for the period 1 January 2009 to 30 June 2009 for Skandinaviska Enskilda Banken AB (publ). The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Act for Credit institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

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

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

Stockholm, 20 July 2009

PricewaterhouseCoopers AB

Peter Clemedtson
Authorised Public Accountant
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Peter Nyllinge
Authorised Public Accountant

The SEB Group

Income statement – SEB Group

Condensed SEK m	Q2		Q1		Q2		Jan - Jun			Full year 2008
	2009	2009	%	2008	%	2009	2008	%		
Net interest income	5 370	5 904	-9	4 421	21	11 274	8 644	30	18 710	
Net fee and commission income	3 802	3 215	18	3 909	-3	7 017	7 710	-9	15 254	
Net financial income	1 471	1 133	30	1 161	27	2 604	1 000	160	2 970	
Net life insurance income	946	862	10	642	47	1 808	1 355	33	2 375	
Net other income	1 585	316		266		1 901	488		1 795	
Total operating income	13 174	11 430	15	10 399	27	24 604	19 197	28	41 104	
Staff costs	-4 262	-4 391	-3	-3 993	7	-8 653	-7 892	10	-16 241	
Other expenses	-1 918	-1 838	4	-2 098	-9	-3 756	-3 854	-3	-7 642	
Depreciation of assets	-2 832	-1 015	179	-354		-3 847	-726		-1 524	
Total operating expenses	-9 012	-7 244	24	-6 445	40	-16 256	-12 472	30	-25 407	
Profit before credit losses etc	4 162	4 186	-1	3 954	5	8 348	6 725	24	15 697	
Gains less losses from tangible and intangible assets	23	2		1		25	4		5	
Net credit provisions	-3 567	-2 386	49	-448		-5 953	-812		-3 231	
Operating profit	618	1 802	-66	3 507	-82	2 420	5 917	-59	12 471	
Income tax expense	-792	-781	1	-699	13	-1 573	-1 261	25	-2 421	
Net profit from continuing operations	-174	1 021	-117	2 808	-106	847	4 656	-82	10 050	
Discontinued operations	4	6	-33	1		10	1			
Net profit	-170	1 027	-117	2 809	-106	857	4 657	-82	10 050	
Attributable to minority interests	23	2		3		25	4		9	
Attributable to equity holders *	-193	1 025	-119	2 806	-107	832	4 653	-82	10 041	
* Basic earnings per share, SEK	-0.09	1.03		4.10		0.67	6.80		14.66	
Diluted earnings per share, SEK	-0.09	1.03		4.09		0.66	6.78		14.65	

Statement of comprehensive income

SEK m	Q2		Q1		Q2		Jan - Jun			Full year 2008
	2009	2009	%	2008	%	2009	2008	%		
Net profit	-170	1 027	-117	2 809	-106	857	4 657	-82	10 050	
Translation of foreign operations	-172	-248	-31	24		-420	-204	106	152	
Available-for-sale financial assets	417	-153		-397		264	-1 586	-117	-2 624	
Cash flow hedges	-413	-67		-534	-23	-480	-603	-20	1 607	
Other	110	63	75	171	-36	173	-19		2 066	
Other comprehensive income (net of tax)	-58	-405	-86	-736	-92	-463	-2 412	-81	1 201	
Total comprehensive income	-228	622	-137	2 073	-111	394	2 245	-82	11 251	
Attributable to minority interests	17	15	13	4		32	-11		1	
Attributable to equity holders	-245	607	-140	2 069	-112	362	2 256	-84	11 250	

Key figures - SEB Group

	Q2	Q1	Q2	Jan - Jun		Full year
	2009	2009	2008	2009	2008	2008
Return on equity, %	-0.8	4.9	15.2	1.8	12.4	13.1
Return on total assets, %	-0.03	0.16	0.48	0.07	0.40	0.42
Return on risk-weighted assets, %	-0.09	0.44	1.33	0.18	1.08	1.13
Basic earnings per share, SEK	-0.09	1.03	4.10	0.67	6.80	10.40
Weighted average number of shares, millions*	2 193	991	684	1 250	684	966
Diluted earnings per share, SEK	-0.09	1.03	4.09	0.66	6.78	10.39
Weighted average number of diluted shares, millions**	2 195	992	686	1 252	686	967
Net worth per share, SEK	49.18	48.75	122.51	49.18	122.51	134.10
Average equity, SEK billion	98.7	84.5	73.8	91.6	75.2	76.4
Cost/income ratio	0.68	0.63	0.62	0.66	0.65	0.62
Net credit provision level, %	1.07	0.70	0.17	0.89	0.15	0.30
Total reserve ratio for individually assessed impaired loans, %	71.7	71.6	74.9	71.7	74.9	68.5
Net level of impaired loans, %	0.64	0.46	0.21	0.64	0.21	0.41
Gross level of impaired loans, %	1.10	0.81	0.56	1.10	0.56	0.73
Basel II (Legal reporting with transitional floor) :***						
Total capital ratio, incl net profit, %	13.81	13.20	10.77	13.81	10.77	10.62
Tier 1 capital ratio, incl net profit, %	12.15	11.10	8.64	12.15	8.64	8.36
Risk-weighted assets, SEK billion	849	897	871	849	871	986
Basel II (without transitional floor):						
Total capital ratio, incl net profit, %	14.85	14.26	12.67	14.85	12.67	12.81
Tier 1 capital ratio, incl net profit, %	13.07	11.99	10.17	13.07	10.17	10.08
Risk-weighted assets, SEK billion	790	830	740	790	740	818
Basel I:						
Total capital ratio, incl net profit, %	10.88	10.41	9.65	10.88	9.65	9.29
Tier 1 capital ratio, incl net profit, %	9.56	8.75	7.74	9.56	7.74	7.32
Risk-weighted assets, SEK billion	1 080	1 137	972	1 080	972	1 127
Number of full time equivalents****	20 430	20 656	21 645	20 578	21 230	21 291
Assets under custody, SEK billion	4 505	3 991	4 728	4 505	4 728	3 891
Assets under management, SEK billion	1 267	1 187	1 295	1 267	1 295	1 201

* The number of issued shares was 2,194,171,802 after the rights issue in March 2009 (687,156,631 at year-end 2008). SEB owned 2.2 million Class A shares for the employee stock option programme at year-end 2008. During 2009 0.5 million net of these shares have been sold as employee stock options have been exercised. Thus, as of 30 June SEB owned 1.7 million Class A-shares with a market value of SEK 56m.

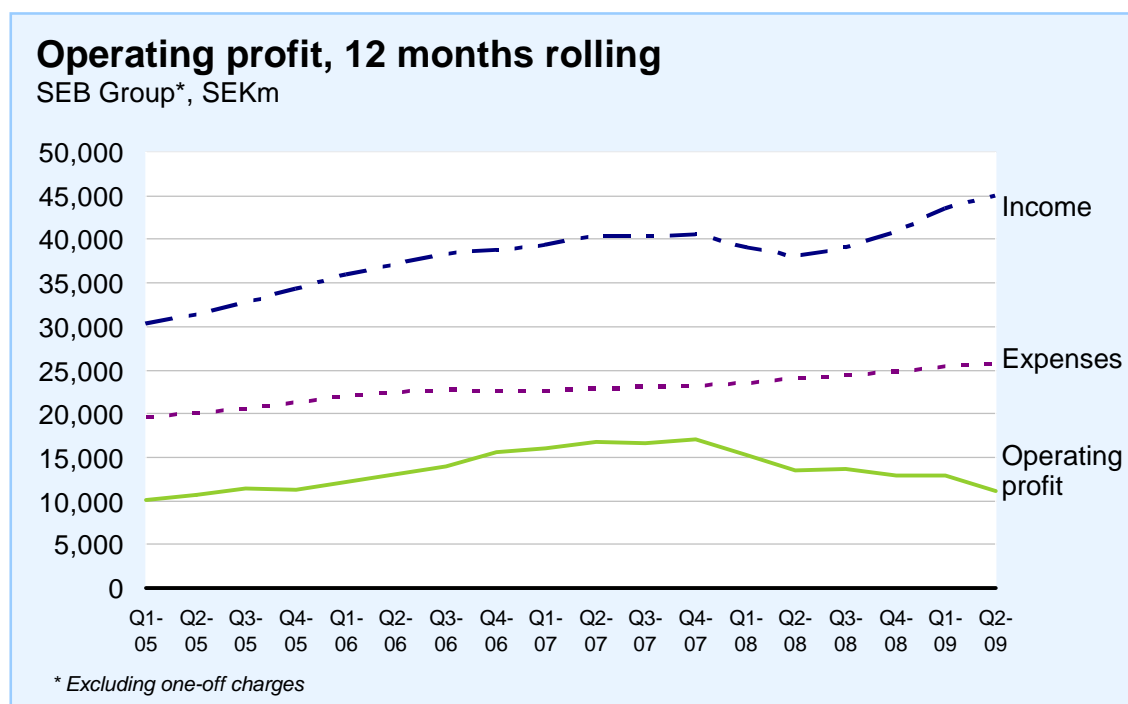
** Calculated dilution based on the estimated economic value of the long-term incentive programmes.

*** 80 per cent of RWA in Basel I for 2009 and 90 per cent of RWA in Basel I for 2008.

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

Income statement on quarterly basis - SEB Group

SEK m	2009:2	2009:1	2008:4	2008:3	2008:2
Net interest income	5 370	5 904	5 513	4 553	4 421
Net fee and commission income	3 802	3 215	3 790	3 754	3 909
Net financial income	1 471	1 133	1 723	247	1 161
Net life insurance income	946	862	516	504	642
Net other income	1 585	316	1 153	154	266
Total operating income	13 174	11 430	12 695	9 212	10 399
Staff costs	-4 262	-4 391	-4 597	-3 752	-3 993
Other expenses	-1 918	-1 838	-1 968	-1 820	-2 098
Depreciation of assets	-2 832	-1 015	-400	-398	-354
Total operating expenses	-9 012	-7 244	-6 965	-5 970	-6 445
Profit before credit losses etc	4 162	4 186	5 730	3 242	3 954
Gains less losses from tangible and intangible assets	23	2	1		1
Net credit losses	-3 567	-2 386	-1 703	-716	-448
Operating profit	618	1 802	4 028	2 526	3 507
Income tax expense	-792	-781	-519	-641	-699
Net profit from continuing operations	-174	1 021	3 509	1 885	2 808
Discontinued operations	4	6	-2	1	1
Net profit	-170	1 027	3 507	1 886	2 809
Attributable to minority interests	23	2	1	4	3
Attributable to equity holders*	-193	1 025	3 506	1 882	2 806
* Basic earnings per share, SEK	-0.09	1.03	5.12	2.75	4.10
Diluted earnings per share, SEK	-0.09	1.03	5.12	2.74	4.09



Income statement, by Division - SEB Group

Jan-Jun 2009, SEK m	Merchant Banking	Retail Banking	Wealth Management	Life*	Other incl eliminations	SEB Group
Net interest income	5 602	5 102	361	- 15	224	11 274
Net fee and commission income	2 790	2 661	1 378		188	7 017
Net financial income	2 684	212	37		- 329	2 604
Net life insurance income				2 191	- 383	1 808
Net other income	107	40	14		1 740	1 901
Total operating income	11 183	8 015	1 790	2 176	1 440	24 604
Staff costs	-2 198	-2 527	- 686	- 573	-2 669	-8 653
Other expenses	-1 963	-2 885	- 592	- 272	1 956	-3 756
Depreciation of assets	- 59	-2 448	- 64	- 342	- 934	-3 847
Total operating expenses	-4 220	-7 860	-1 342	-1 187	-1 647	-16 256
Profit before credit losses etc	6 963	155	448	989	- 207	8 348
Gains less losses from tangible and intangible assets		- 5	30			25
Net credit losses	- 646	-4 967	- 20		- 320	-5 953
Operating profit	6 317	-4 817	458	989	- 527	2 420

* Business result in Life amounted to SEK 1 495m (1 153), of which change in surplus values was net SEK 506m (477).

Merchant Banking

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

Income statement

SEK m	Q2			Q1		Q2			Jan- Jun			Full year
	2009	2009	%	2008	%	2009	2008	%	2009	2008	%	2008
Net interest income	2 683	2 919	- 8	1 538	74	5 602	3 063	83	7 414			
Net fee and commission income	1 618	1 172	38	1 470	10	2 790	2 711	3	5 248			
Net financial income	1 498	1 186	26	936	60	2 684	1 055	154	3 625			
Net other income	- 8	115	-107	72	-111	107	108	- 1	526			
Total operating income	5 791	5 392	7	4 016	44	11 183	6 937	61	16 813			
Staff costs	-1 106	-1 092	1	-1 105	0	-2 198	-2 069	6	-3 890			
Other expenses	-1 014	- 949	7	- 937	8	-1 963	-1 846	6	-3 594			
Depreciation of assets	- 34	- 25	36	- 21	62	- 59	- 43	37	- 95			
Total operating expenses	-2 154	-2 066	4	-2 063	4	-4 220	-3 958	7	-7 579			
Profit before credit losses etc	3 637	3 326	9	1 953	86	6 963	2 979	134	9 234			
Gains less losses on assets							3	-100	5			
Net credit losses	- 367	- 279	32	- 27		- 646	- 48		- 889			
Operating profit	3 270	3 047	7	1 926	70	6 317	2 934	115	8 350			
Cost/Income ratio	0,37	0,38		0,51		0,38	0,57		0,45			
Business equity, SEK bn	35,1	35,1		27,0		35,1	27,0		27,0			
Return on equity, %	26,8	25,0		20,5		25,9	15,6		22,3			
Number of full time equivalents	2 650	2 697		2 760		2 687	2 732		2 721			

- High and stable income based on strengthened customer franchise
- Continued low lending losses
- Strong growth in all core markets

Comments on the first six months

Heightened activity levels and customer interaction allowed Merchant Banking to again deliver a strong financial result, in line with previous quarters. Income in the Nordic units outside Sweden increased by 81 per cent year-on-year, and the division continues to gain market share in Norway, Denmark and Finland. Total assets were stable compared with year-end, whereas lending to the public was 18 per cent higher than twelve months earlier. This reflects the strategic prioritisation of financing existing clients and selective growth of the client base in core geographic markets.

Profits in the second quarter were the second highest to date, with most units performing well, particularly trading and capital market areas such as bond origination, as well as financing businesses in general. Total operating income increased by 44 per cent year-on-year, while cost increases were limited. Excluding variable salary costs and currency translation effects, cost increases mainly related to higher pension costs.

Provisions for credit losses were limited and asset quality generally remained good despite the difficult economic environment facing many clients. Mark-to-market valuation effects in the investment portfolio of SEK -435m (-938) had significantly less impact than in the

first half of 2008 (see page 5).

Activity was high within Trading and Capital Markets throughout the period, notably within fixed income and foreign exchange units. SEB increased its market share as arranger of corporate bond issues and was ranked No. 1 for FX services in Sweden by Prospera. The equity market environment remained challenging despite valuation increases during the second quarter. Average turnover on Nordic stock markets declined by 44 per cent year-on-year. At the same time, commissions declined only by 23 per cent, reflecting SEB's diversified equities business.

Within Corporate Banking, core customer activities were high with continued demand for financing. Capital raising by Nordic corporates was a continued feature in the second quarter. SEB Enskilda is the most active advisor on corporate new shares issues so far in 2009, advising on 18 transactions, including Eniro, Trelleborg, and Schibsted.

Global Transaction Services' revenues were in line with the first quarter. Strong demand for trade finance supported net interest income development, although low interest rates continued to limit cash management income. Assets under custody rose compared with the end of the first quarter, reaching SEK 4,505bn (3,991), contributing to improved revenues in this area.

Retail Banking

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

Income statement

SEK m	Q2			Q1			Q2			Jan- Jun			Full year 2008
	2009	2009	%	2008	%	2009	2008	%	2009	2008	%		
Net interest income	2 451	2 651	- 8	2 593	- 5	5 102	5 133	- 1	10 726				
Net fee and commission income	1 369	1 292	6	1 430	- 4	2 661	2 851	- 7	5 618				
Net financial income	103	109	- 6	102	1	212	196	8	396				
Net other income	5	35	- 86	85	- 94	40	107	- 63	222				
Total operating income	3 928	4 087	- 4	4 210	- 7	8 015	8 287	- 3	16 962				
Staff costs	-1 243	-1 284	- 3	-1 168	6	-2 527	-2 285	11	-4 557				
Other expenses	-1 477	-1 408	5	-1 348	10	-2 885	-2 673	8	-5 489				
Depreciation of assets	-2 379	- 69		- 76		-2 448	- 152		- 308				
Total operating expenses	-5 099	-2 761	85	-2 592	97	-7 860	-5 110	54	-10 354				
Profit before credit losses etc	-1 171	1 326	- 188	1 618	- 172	155	3 177	- 95	6 608				
Gains less losses on assets	- 7	2				- 5			2				
Net credit losses	-3 004	-1 963	53	- 440		-4 967	- 750		-2 359				
Operating profit	-4 182	- 635		1 178		-4 817	2 427		4 251				
Cost/Income ratio	1,30	0,68		0,62		0,98	0,62		0,61				
Business equity, SEK bn	27,6	27,6		25,3		27,6	25,3		25,3				
Return on equity, %	-52,2	-8,2		14,3		-30,2	14,7		12,7				
Number of full time equivalents	8 409	8 431		8 952		8 410	8 743		8 765				

- Solid results in Retail Sweden and the Card business
- Severe Baltic recession warrants increased loan-loss provisions and goodwill write-off
- Economic environment continues to challenge German Retail banking

Comments on the first six months

Operating profit for the first six months of 2009 amounted to SEK -4,817m (2,427), including goodwill impairments of SEK 2,299m. Although in sharp contrast to the previous year, the second quarter results were to a large extent characterized by the same underlying trends as the first quarter. Consequently, the substantial differences in performance amongst business areas remain. Comparisons with the previous year were strongly affected by goodwill impairments of SEB's Baltic investments.

Retail Sweden generated 4 per cent higher income than during the first half of 2008. Demand for household mortgages increased lending by 6 per cent compared with June 2008. Income from deposits fell as margins were negatively affected by lower market interest rates.

Operating expenses increased by 4 per cent compared with the corresponding period last year, partly due to significantly higher pension costs. The reduction of 222 employees within Retail Sweden compared with twelve months ago will gradually impact costs. Provisions for credit losses amounted to SEK 185m for the first half of 2009. Though higher than in the previous year, the absolute level was low and asset quality in the household mortgage portfolio, around 70 per cent of all lending, remained very strong with non-performing loans representing less than one basis point. Operating profit was SEK 1,012m.

The severe Baltic macroeconomic development continued to lower credit demand, which contracted SEB's lending in the region by 8 per cent during the last twelve months and also generated lower income. In combination with higher provisions for credit losses, still primarily on a collective basis, the operating loss of the combined Baltic business areas excluding goodwill impairment amounted to SEK 3,415m. In view of the uncertain economic outlook, a number of measures have been taken. In addition to the Baltic goodwill impairment and completed review of all larger credits by the work-out team, efforts to reduce expenses have been initiated. During the last twelve months, the number of full time employees has been reduced by 184.

Market conditions for Retail Germany continued to be challenging. The low market interest rates put pressure on deposit margins and the weak customer interest in investment products remained. The operating loss was SEK 526m.

The Card business area benefited from low funding cost which supported an income at an all-time high in the second quarter. Successful efforts to prevent fraud have limited growth in provisions for credit losses. Operating profit was SEK 412m.

Wealth Management

This division has two business areas – Institutional Clients and Private Banking.

Income statement

SEK m	Q2			Q1			Q2			Jan- Jun			Full year 2008
	2009	2009	%	2008	%		2009	2008	%				
Net interest income	163	198	- 18	199	- 18		361	453	- 20			915	
Net fee and commission income	716	662	8	820	- 13		1 378	1 789	- 23			3 702	
Net financial income	17	20	- 15	8	113		37	28	32			69	
Net other income	13	1		26	- 50		14	35	- 60			49	
Total operating income	909	881	3	1 053	- 14		1 790	2 305	- 22			4 735	
Staff costs	- 342	- 344	- 1	- 367	- 7		- 686	- 756	- 9			- 1 441	
Other expenses	- 300	- 292	3	- 270	11		- 592	- 569	4			- 1 154	
Depreciation of assets	- 34	- 30	13	- 22	55		- 64	- 46	39			- 100	
Total operating expenses	- 676	- 666	2	- 659	3		- 1 342	- 1 371	- 2			- 2 695	
Profit before credit losses etc	233	215	8	394	- 41		448	934	- 52			2 040	
Gains less losses on assets	30						30						
Net credit losses	- 12	- 8	50	23	- 152		- 20	- 3				- 18	
Operating profit	251	207	21	417	- 40		458	931	- 51			2 022	
Cost/Income ratio	0,74	0,76		0,63			0,75	0,59				0,57	
Business equity, SEK bn	5,5	5,5		6,6			5,5	6,6				6,6	
Return on equity, %	13,1	10,8		18,2			12,0	20,3				22,1	
Number of full time equivalents	1 060	1 112		1 190			1 089	1 200				1 181	

- Good overall net sales and higher asset values
- Strong Private Banking result
- Successful launch of new investment programmes

Comments on the first six months

The situation on the global financial markets improved in the second quarter, resulting in increasing asset values and improved client brokerage activity. Interest rates continued to fall, affecting net interest income negatively. Operating income for the first six months dropped to SEK 1,790m (2,305), mainly as a result of an 8 per cent reduction in average assets under management on a twelve-month basis and lower income from performance and transaction fees, at SEK 44m (217). Operating expenses dropped by 2 per cent compared with the first half of 2008, to SEK 1,342m.

SEB is the second largest mutual fund manager in Sweden. Net sales on the Swedish mutual fund market continued to improve during the second quarter. SEB's share of total net sales improved, despite large outflows from short-term bond funds

The division's total assets under management improved by 5 per cent from year-end, to SEK 1,201bn, primarily affected by increased asset values and good net sales of SEK 21bn (20). Investment performance improved during the second quarter. Currency translation effects were negative during the period.

59 per cent (49) of portfolios and 69 per cent (45) of assets under management were ahead of their respective benchmarks at the end of June.

The Institutional Clients business area was negatively affected by declining asset values in the first quarter, but is now seeing a gradual increase in base revenues. Limited performance and transaction fees were the main reasons for the drop in income. Institutional Clients reported continued strong net sales and continued to attract new institutional clients during the second quarter. The international sales unit within mutual funds has also been successful, contributing to the total Institutional Clients net sales of SEK 21.2bn for the last twelve months. During the second quarter, the outflow from money market funds continued and the inflow to equity and alternative funds accelerated.

Private Banking generated net sales of SEK 9.6bn (10.7). Sales improved in the second quarter due to a number of strategic efforts. Private Banking recently launched three new investment programmes, Modern Protection, Modern Growth and Modern Aggressive, with the ambition to help clients achieve more stable returns on their investments. The programmes have been much appreciated by clients. Despite the adverse market conditions, Private Banking has upheld profit levels through improved sales and high customer activity.

Life

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

Income statement

SEK m	Q2			Q1		Q2			Jan- Jun		Full year
	2009	2009	%	2008	%	2009	2008	%	2008		
Net interest income	- 5	- 10	- 50	- 13	- 62	- 15	- 29	- 48	- 36		
Net life insurance income	1 148	1 043	10	883	30	2 191	1 837	19	3 296		
Total operating income	1 143	1 033	11	870	31	2 176	1 808	20	3 260		
Staff costs	- 299	- 274	9	- 285	5	- 573	- 547	5	- 1 105		
Other expenses	- 146	- 126	16	- 132	11	- 272	- 280	- 3	- 523		
Depreciation of assets	- 177	- 165	7	- 145	22	- 342	- 305	12	- 569		
Total operating expenses	- 622	- 565	10	- 562	11	- 1 187	- 1 132	5	- 2 197		
Operating profit	521	468	11	308	69	989	676	46	1 063		
Change in surplus values, net	395	111				506	477	6	989		
Business result	916	579	58	308	197	1 495	1 153	30	2 052		
Cost/Income ratio	0,54	0,55		0,65		0,55	0,63		0,67		
Business equity, SEK bn	6,8	6,8		7,5		6,8	7,5		7,5		
Return on equity, %											
based on operating profit	27,0	24,2		14,5		25,6	15,9		12,5		
based on business result	47,4	30,0		14,5		38,7	27,1		24,1		
Number of full time equivalents	1 196	1 206		1 235		1 203	1 226		1 233		

- Profit growth supported by positive trend in market values
- Higher sales and premium income

Comments on the first six months

Operating profit increased by 46 per cent compared with the first half of 2008. Unit-linked income recovered as a result of positive market trends during the second quarter and increased risk appetite among policyholders, switching from fixed income related funds to equity related alternatives. The total fund value at the end of the period was 6 per cent higher than one year ago. The result for sickness insurance and care products was lower due to higher claims, but improved during the second quarter. In addition, return on investment portfolios for own account in the Danish business were higher than last year.

Provisions made in prior years to cover potential future guarantees in the traditional life portfolios in Sweden were partly recovered, SEK 209m (-74). The remaining SEK 182m of provisions from prior years are recoverable, if future investment returns are adequate to meet guaranteed bonus levels over time.

Operating expenses were stable compared with last year and decreased by 1 per cent, if the negative impact of the weak Swedish currency is eliminated.

Unit-linked insurance remains the major product group, representing 79 per cent (77) of total sales. The share of corporate pension decreased to 62 per cent (67) as a result of high volumes of endowment policies in Sweden. In addition, the economic slowdown resulted in fewer new corporate contracts and additional payments on existing

contracts, especially from small and medium sized businesses.

Total sales weighted volume increased by 4 per cent with a notable improvement during the second quarter and the share of regular premium contracts was 81 per cent (79). The higher volume of endowment policies and low volumes of unit-linked outside Sweden had a negative effect on new sales margins, which dropped to 16.7 per cent for the past twelve months compared with 18.6 per cent for full year 2008. In Sweden, sales increased by 12 per cent. The second quarter sales volume in Denmark was positive and the decrease compared to last year was reduced from 12 per cent in the first quarter to 2 per cent for the first half of 2009. Sales in the Baltic countries were 29 per cent below last year and the total volume was modest.

Total premium income increased by 5 per cent, to SEK 15.3bn (14.6). The total value of unit-linked funds was SEK 134bn compared with 115bn at year end. Total assets under management (net assets) increased by 5 per cent during the first half, to SEK 372bn.

Result by geography – January-June 2009

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

- Nordic business generated 68 per cent of operating income
- Further provisions for credit losses and goodwill impairments in the Baltic countries

Comments on the first six months

The global economic recession continued in the second quarter of 2009, which has started to affect asset quality in general. The underlying business remained strong in almost all areas.

In Sweden, operating income rose, mainly as a result of the strong development of the Merchant Banking division, but also due to improved results for the Life division and the capital gain of SEK 1.3bn. Total expenses rose by 2 per cent, excluding impairment for the Group's investments in Eastern Europe. Provisions for credit losses increased from a low level.

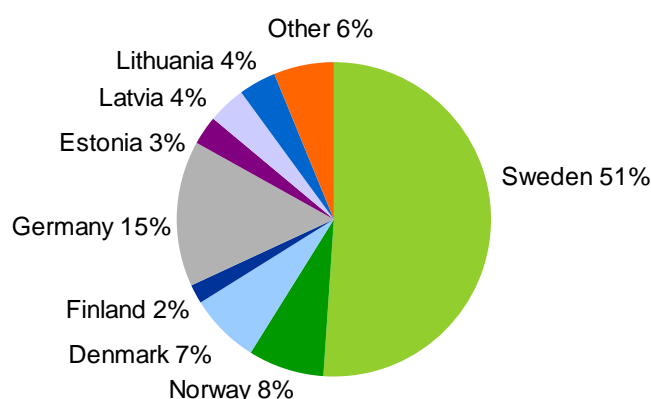
In Denmark and Norway, income generation was strong, particularly within the capital markets area. Operating profits more than doubled compared with the first half of 2008. In Finland, operating profit was hampered by provision for credit losses.

In the Baltic region, the provisioning for credit losses continued and total provisions for the three countries rose to SEK4,344m (504) for the first half of 2009. The net credit loss level was 4.93 per cent (1.28) and the level of impaired loans net 3.40 per cent (0.22). Operating income deteriorated following the economic recession in the region. In all three countries expenses rose, largely due to goodwill impairments.

In Germany, Merchant Banking's income was 19 per cent higher compared with the corresponding period of last year and quarterly operating profit was up by 37 per cent from the previous quarter. Market conditions for

Geographic income distribution

SEB Group



Retail Germany and Wealth Management continued to be challenging. The low market interest rates put pressure on deposit margins and the weak customer interest in investment products remained. Wealth Management recorded limited transaction fees.

In Ukraine, provisions for credit losses continued to increase to SEK 283m for the first six months of 2009 and the net credit loss level was 18.11 per cent (0.95). In Russia, provisions for credit losses was SEK 15m, equal to a net credit loss level of 1.23 per cent (0.13).

Distribution by country Jan - June	Total operating income			Total operating expenses			Operating profit		
	2009	2008	%	2009	2008	%	2009	2008	%
Sweden	13 199	9 946	33	-9 296	-7 027	32	3 167	2 862	11
Norway	1 903	1 289	48	- 678	- 713	-5	1 080	455	137
Denmark	1 599	1 096	46	- 852	- 741	15	666	308	116
Finland	573	629	-9	- 258	- 328	-21	298	295	1
Germany	3 399	3 272	4	-2 652	-2 365	12	432	843	-49
Estonia	689	831	-17	- 641	- 352	82	- 639	111	
Latvia	920	797	15	- 417	- 363	15	-1 099	349	
Lithuania	975	1 228	-21	-1 104	- 496	123	-2 189	681	
Other countries and eliminations	1 347	109		- 358	- 87		704	13	
Total	24 604	19 197	28	-16 256	-12 472	30	2 420	5 917	-59

Goodwill impairments for holdings in the Baltic countries, Russia and Ukraine affected operating expenses and profit in Sweden by SEK 1.5bn in Q2 and by 0.6bn in Q1 2009. Impairments in Q2 2009 affected operating expenses and profit in Estonia and Lithuania by SEK 0.3bn and 0.6bn, respectively. Centralisation of bond portfolios from U.S. to Sweden affected operating income and profit by SEK 1.8bn in Q4 2008.

The SEB Group

Net interest income - SEB Group

SEK m	Q2			Q1			Q2			Jan - Jun			Full year 2008
	2009	2009	%	2008	%	2009	2008	%	2009	2008	%		
Interest income	16 276	19 966	-18	23 965	-32	36 242	48 056	-25	97 281				
Interest expense	-10 906	-14 062	-22	-19 544	-44	-24 968	-39 412	-37	-78 571				
Net interest income	5 370	5 904	-9	4 421	21	11 274	8 644	30	18 710				

Net fee and commission income – SEB Group

SEK m	Q2			Q1			Q2			Jan - Jun			Full year 2008
	2009	2009	%	2008	%	2009	2008	%	2009	2008	%		
Issue of securities	167	35		91	84	202	98	106	172				
Secondary market	732	559	31	913	-20	1 291	1 671	-23	2 769				
Custody and mutual funds	1 445	1 345	7	1 664	-13	2 790	3 468	-20	7 022				
Securities commissions	2 344	1 939	21	2 668	-12	4 283	5 237	-18	9 963				
Payments	465	457	2	464	0	922	903	2	1 844				
Card fees	1 090	1 037	5	1 108	-2	2 127	2 140	-1	4 300				
Payment commissions	1 555	1 494	4	1 572	-1	3 049	3 043	0	6 144				
Advisory	293	177	66	173	69	470	462	2	1 118				
Lending	352	335	5	270	30	687	455	51	1 004				
Deposits	27	28	-4	24	13	55	47	17	98				
Guarantees	99	95	4	71	39	194	138	41	301				
Derivatives	153	159	-4	116	32	312	229	36	601				
Other	179	171	5	180	-1	350	356	-2	648				
Other commissions	1 103	965	14	834	32	2 068	1 687	23	3 770				
Fee and commission income	5 002	4 398	14	5 074	-1	9 400	9 967	-6	19 877				
Securities commissions	-190	-233	-18	-275	-31	-423	-516	-18	-970				
Payment commissions	-597	-639	-7	-631	-5	-1 236	-1 216	2	-2 450				
Other commissions	-413	-311	33	-259	59	-724	-525	38	-1 203				
Fee and commission expense	-1 200	-1 183	1	-1 165	3	-2 383	-2 257	6	-4 623				
Securities commissions, net	2 154	1 706	26	2 393	-10	3 860	4 721	-18	8 993				
Payment commissions, net	958	855	12	941	2	1 813	1 827	-1	3 694				
Other commissions, net	690	654	6	575	20	1 344	1 162	16	2 567				
Net fee and commission income	3 802	3 215	18	3 909	-3	7 017	7 710	-9	15 254				

Net financial income – SEB Group

SEK m	Q2			Q1			Q2			Jan - Jun			Full year 2008
	2009	2009	%	2008	%	2009	2008	%	2009	2008	%		
Equity instruments and related derivatives	-166	95		306	-154	-71	477	-115	1 415				
Debt instruments and related derivatives	568	58		108		626	-1 056	-159	-1 059				
Currency-related	1 127	1 041	8	747	51	2 168	1 579	37	3 076				
Other financial instruments	-2	3	-167			1			12				
Impairments	-56	-64	-13			-120			-474				
Net financial income	1 471	1 133	30	1 161	27	2 604	1 000	160	2 970				

Net credit losses – SEB Group

SEK m	Q2			Q1			Q2			Jan - Jun			Full year
	2009	2009	%	2008	%	2008	2009	2008	%	2009	2008	%	
<i>Provisions:</i>													
Net collective provisions for individually assessed loans	-1 305	- 902	45	94			-2 207	26					- 712
Net collective provisions for portfolio assessed loans	- 549	- 432	27	- 83			- 981	- 127					- 591
Specific provisions	-1 691	- 912	85	- 409			-2 603	- 599					-1 718
Reversal of specific provisions no longer required	176	190	-7	79	123		366	123	198				336
Net provisions for contingent liabilities	133	- 151	-188	2			- 18	3					- 56
Net provisions	-3 236	-2 207	47	- 317			-5 443	- 574					-2 741
<i>Write-offs:</i>													
Total write-offs	- 494	- 291	70	- 367	35		- 785	- 699	12				-1 428
Reversal of specific provisions utilized for write-offs	135	79	71	217	-38		214	418	-49				699
Write-offs not previously provided for	- 359	- 212	69	- 150	139		- 571	- 281	103				- 729
Recovered from previous write-offs	28	33	-15	19	47		61	43	42				239
Net write-offs	- 331	- 179	85	- 131	153		- 510	- 238	114				- 490
Net credit losses	-3 567	-2 386	49	- 448			-5 953	- 812					-3 231

Balance sheet – SEB Group

Condensed	30 June	31 December	30 June
SEK m	2009	2008	2008
Cash and cash balances with central banks	97 886	44 852	27 557
Loans to credit institutions	213 245	266 363	219 111
Loans to the public	1 304 683	1 296 777	1 132 374
Financial assets at fair value *	568 035	635 454	597 723
Available-for-sale financial assets *	98 014	163 115	247 245
Held-to-maturity investments *	1 845	1 997	2 266
Investments in associates	1 174	1 129	1 361
Tangible and intangible assets	27 900	29 511	26 234
Other assets	60 736	71 504	50 278
Total assets	2 373 518	2 510 702	2 304 149
Deposits by credit institutions	405 699	429 425	397 601
Deposits and borrowing from the public	823 359	841 034	757 904
Liabilities to policyholders	227 401	211 070	211 938
Debt securities	488 951	525 219	506 564
Financial liabilities at fair value	211 978	295 533	229 285
Other liabilities	72 220	71 565	83 129
Provisions	1 822	1 897	1 265
Subordinated liabilities	43 287	51 230	41 664
Total equity	98 801	83 729	74 799
Total liabilities and equity	2 373 518	2 510 702	2 304 149
* Of which bonds and other interest bearing securities inclusive derivatives.	474 129	628 675	609 027

Memorandum items – SEB Group

SEK m	30 June	31 December	30 June
	2009	2008	2008
Collateral and comparable security pledged for own liabilities	389 169	375 227	334 870
Other pledged assets and comparable collateral	165 364	152 142	205 683
Contingent liabilities	89 545	86 675	72 007
Commitments	385 005	416 533	445 642

Statement of changes in equity – SEB Group

SEK m	Share capital	Retained earnings	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Other	Total Shareholder's equity	Minority interests	Total Equity
Jan-Jun 2009									
Opening balance	6 872	75 949	-225	-3 062	1 767	2 236	83 537	192	83 729
Net profit		832					832	25	857
Other comprehensive income (net of tax)			-420	264	-480	166	-470	7	-463
Total comprehensive income		832	-420	264	-480	166	362	32	394
Rights issue	15 070	-397					14 673		14 673
Swap hedging of employee stock option programme*		-2					-2		-2
Eliminations of repurchased shares for employee stock option programme**		7					7		7
Closing balance	21 942	76 389	-645	-2 798	1 287	2 402	98 577	224	98 801
Jan-Dec 2008									
Opening balance	6 872	70 149	-377	-438	160	162	76 528	191	76 719
Net profit		10 041					10 041	9	10 050
Other comprehensive income (net of tax)			152	-2 624	1 607	2 074	1 209	-8	1 201
Total recognised income		10 041	152	-2 624	1 607	2 074	11 250	1	11 251
Dividend to shareholders		-4 451					-4 451		-4 451
Swap hedging of employee stock option programme*		27					27		27
Eliminations of repurchased shares for employee stock option programme**		183					183		183
Closing balance	6 872	75 949	-225	-3 062	1 767	2 236	83 537	192	83 729
Jan-Jun 2008									
Opening balance	6 872	70 149	-377	-438	160	162	76 528	191	76 719
Net profit		4 653					4 653	4	4 657
Other comprehensive income (net of tax)			-204	-1 586	-603	-4	-2 397	-15	-2 412
Total recognised income		4 653	-204	-1 586	-603	-4	2 256	-11	2 245
Dividend to shareholders		-4 451					-4 451		-4 451
Swap hedging of employee stock option programme*		105					105		105
Eliminations of repurchased shares for employee stock option programme**		181					181		181
Closing balance	6 872	70 637	-581	-2 024	-443	158	74 619	180	74 799

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

** As of 31 December 2008 SEB owned 2.2 million Class A-shares for the employee stock option programme. The acquisition cost for these shares is deducted from shareholders' equity. During 2009 0.5 million net of these shares have been sold as employee stock options have been exercised. Thus, as of 30 June 2009 SEB owned 1.7 million Class A-shares with a market value of SEK 56m for hedging of the long-term incentive programmes.

Cash flow statement – SEB Group

SEK m	Jan - Jun			Full year 2008
	2009	2008	%	
Cash flow from operating activities	- 14 901	- 63 357	- 76	- 16 441
Cash flow from investment activities ¹⁾	- 522	- 2 932	- 82	- 6 050
Cash flow from financing activities	7 275	- 6 996		2 653
Net increase in cash and cash equivalents	- 8 148	- 73 285	- 89	- 19 838
Cash and cash equivalents at beginning of year	175 147	194 985	- 10	194 985
Net increase in cash and cash equivalents	- 8 148	- 73 285	- 89	- 19 838
Cash and cash equivalents at end of period²⁾	166 999	121 700	37	175 147

1) Including investments in subsidiaries

Cost of acquisitions		- 708	- 100	- 1 040
Less cash acquired				
Outflow on acquisition		- 708	- 100	- 1 040

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.

Reclassified portfolios - SEB Group

	Q2		%	Q2		Jan - Jun			Full year 2008
	2009	2009		2008	%	2009	2008	%	
Reclassified, SEK bn									
Opening balance	157	107	47			107			
Reclassified		52				52			95
Amortisations	- 2	- 2				- 4			- 4
Securities sold	- 1	- 2	-50			- 3			
Accrued coupon	- 1	1	-200						2
Translation difference	- 1	1	-200						14
Closing balance*	152	157	-3			152			107
* Market value	142	147				142			100

Fair value impact - if not reclassified, SEK m

In Equity (AFS origin)	- 514	- 3 206	-84			- 3 720			- 5 252
In Income Statement (HFT origin)	454	- 318				136			- 1 623
Total	- 60	- 3 524	-98			- 3 584			- 6 875

Effect in Income Statement, SEK m*

Net interest income	674	1 371	-51			2 045			1 959
Net financial income	- 1 344	1 276				- 68			13 699
Other income	- 196	205	-196			9			
Total	- 866	2 852	-130			1 986			15 658

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

Impaired loans – SEB Group

SEK m	30 June 2009	31 December 2008	30 June 2008
Individually assessed loans			
Non-performing impaired loans	14 802	10 463	6 758
Performing impaired loans	1 888	948	846
Total impaired loans	16 690	11 411	7 604
Reserves for non-performing loans	- 6 212	- 4 679	- 3 418
Reserves for performing loans	- 789	- 343	- 392
Total specific reserves	- 7 001	- 5 022	- 3 810
Collective reserves for individually assessed loans	- 4 963	- 2 793	- 1 882
Total reserves	- 11 964	- 7 815	- 5 692
Specific reserve ratio for individually assessed impaired loans	41,9%	44,0%	50,1%
Total reserve ratio for individually assessed impaired loans	71,7%	68,5%	74,9%
Net level of impaired loans	0,64%	0,41%	0,28%
Gross level of impaired loans	1,10%	0,73%	0,56%

Portfolio assessed loans

Loans past due > 60 days	5 651	2 500	1 489
Collective reserves for portfolio assessed loans	- 2 375	- 1 404	- 814
Reserve ratio for portfolio assessed loans	42,0%	56,2%	54,7%

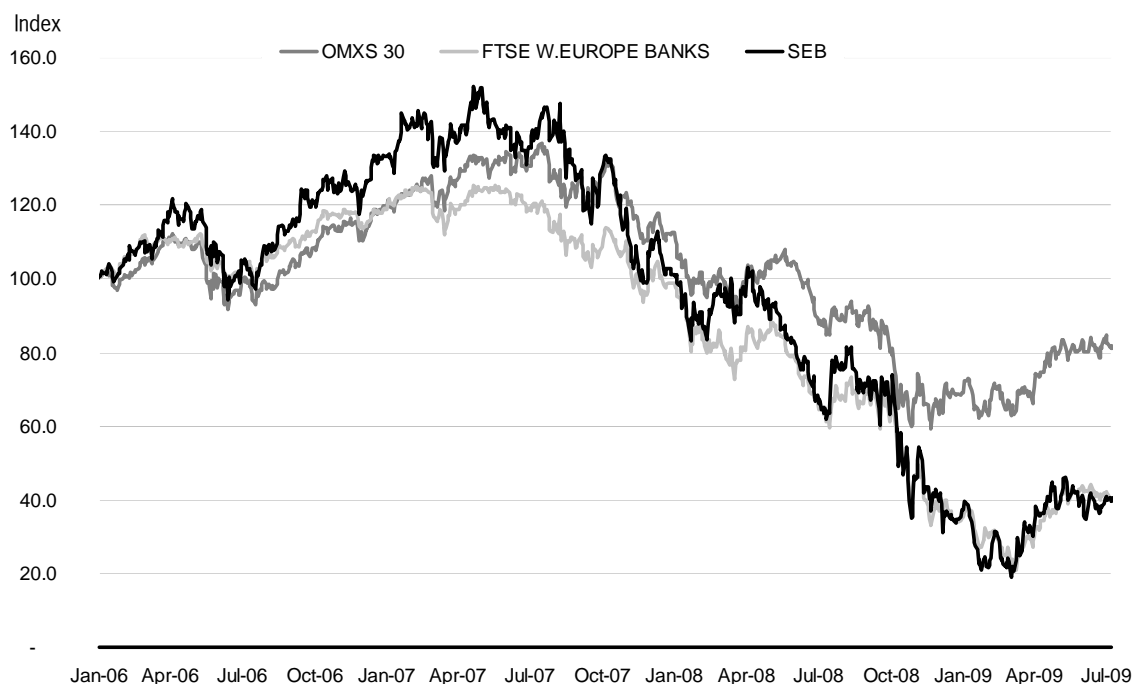
Reserves

Specific reserves	-7 001	-5 022	-3 810
Collective reserves	-7 338	-4 197	-2 696
Reserves for off-balance sheet items	- 281	- 251	- 170
Total reserves	- 14 620	- 9 470	- 6 676

Seized assets – SEB Group

SEK m	30 June 2009	31 December 2008	30 June 2008
Properties, vehicles and equipment	621	30	32
Shares	63	106	50
Total volume of pledges taken over	684	136	82

The SEB share



Rating

Moody's Outlook Negative (April 2009)		Standard & Poor's Outlook Negative (March 2009)		Fitch Outlook Stable (June 2009)		DBRS Outlook Under review (April 2009)	
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

SEB's major shareholders

June 2009	Share of capital, per cent
Investor AB	20,8
Trygg Foundation	9,6
Alecta	5,6
Swedbank/ Robur Funds	3,8
AFA Försäkring entities	2,7
AMF Pension	2,3
SEB Funds	1,9
Capital Group Funds	1,6
SHB Funds	1,5
Wallenberg-foundations	1,5
Foreign owners	17,0

Source: Euroclear Sweden/SIS Ägarservice