

Interim report January - September 2012

STOCKHOLM 25 OCTOBER 2012

First nine months 2012 – operating profit SEK 11.6bn (12.2)

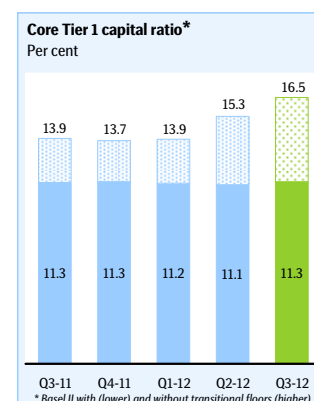
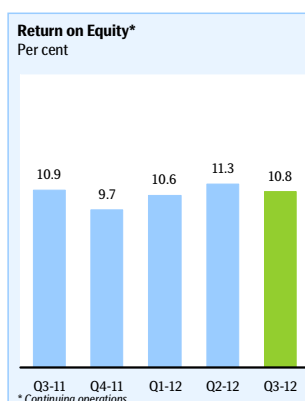
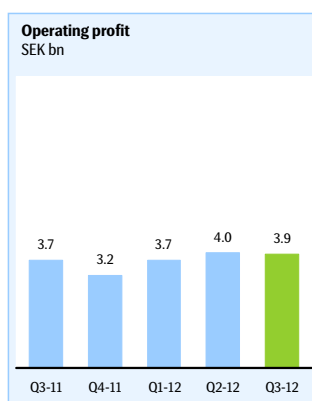
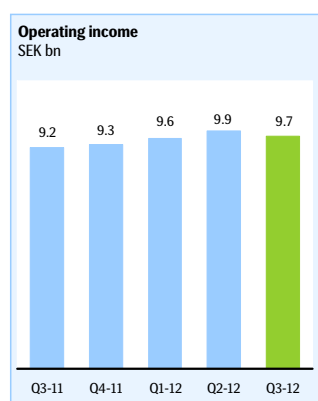
- Profit before credit losses up 10 per cent to SEK 12.2bn (11.2).
- Operating income SEK 29.2bn (28.4). Operating expenses SEK 16.9bn (17.2).
- Net interest income SEK 13.2bn (12.6), net fee and commission income SEK 9.9bn (10.5) and net financial income SEK 3.6bn (3.0).
- Net credit provisions, SEK 661m, corresponding to a credit loss level of 0.07 per cent in continuing operations.
- Net profit SEK 8.5bn (8.8).
- Return on equity in continuing operations 10.9 per cent (12.7) and earnings per share SEK 4.11 (4.39). Return on equity including discontinued operations 10.3 per cent (11.5) and earnings per share SEK 3.89 (4.00).
- Lending to the public SEK 1,238bn (1,191) up 4 per cent over the last 12 months and deposits from the public unchanged at SEK 812bn (814).
- Core Tier 1 capital ratio 16.5 per cent.
- Liquidity coverage ratio 154 per cent, core liquidity reserve SEK 348bn and total liquid resources SEK 623bn.

Third quarter 2012 – operating profit SEK 3.9bn (3.7)

- Profit before credit losses SEK 4.1bn (3.7).
- Operating income up 5 per cent. Operating expenses up 1 per cent.
- Net profit SEK 2.9bn (2.8).

“We stay committed to a strong balance sheet and targeted profitable growth of our franchise. Even in this subdued economic environment, we continued to attract and support more customers. In combination with the relative robustness of the Nordic region, this has further improved our funding and capital situation.”

Annika Falkengren



President's comment

Downside risks continue to dominate the world economy. In the third quarter, the economic outlook for the Euro-zone worsened and the Asian economies slowed down. Since the summer, major central banks have initiated a new round of extensive quantitative easing which has reduced the likelihood of a freeze in credit markets. However, the European banking system faces major challenges in terms of capital, funding, asset quality and growth, in particular as many economies and banks are still in a deleveraging mode.

In addition, the policy measures have taken the banking system into uncharted territory and in countries like Switzerland, Germany and Denmark negative short term rates and bond yields became a reality. The small open Nordic economies have until now shown resilience but will not remain unaffected by global development.

Financial performance reflects strong resilience

Despite the usual third quarter seasonality, operating profit reached SEK 3.9bn and operating income grew by five per cent compared to a year ago. We have continued to focus on our three strategic growth areas: the Nordic and German corporate franchise, Swedish SMEs and long-term savings. We can now leverage these scalable platforms as we have gained 276 new large corporate customers and almost 30,000 new Swedish SME customers since the expansion started in 2010.

SEB's already strengthened balance sheet has improved further. Liquidity reserves amount to 22 per cent of the total assets and all funding maturing in 2012 has been replaced at lower funding costs. The level of net credit losses was 6 basis points and non-performing loans have decreased every quarter since the end of 2009. Capital ratios in all dimensions – old or new regulatory frameworks – have increased since 2009.

Franchise growth in a slower economic environment

In this subdued economic environment, SEB continued to attract more customers and deepen its long-term customer relationships.

In Merchant Banking, the uncertain environment dampened M&A and equity capital market activities. Reduced volatility and signs of slower international trade impacted trading income as well as fee income. Credit demand for bank financing was low, while the corporate appetite for bond market financing increased. As the leading Nordic underwriter, SEB takes an active role in developing the local corporate bond markets.

The impact of the increased uncertainty on the domestic Swedish market has been limited until now. Retail banking business volumes have grown, albeit at a slower pace. SEB's franchise in the retail market consolidated further.



Accessibility has been further enhanced through new remote support for our customers and the number of mobile banking visits has exceeded 20 million during 2012. We serve the smaller SMEs through easily accessible packaged product offerings, while we have adapted the Merchant Banking advisory concept for larger SMEs. All in all, this has been appreciated by customers and SEB was named the Best SME Bank in Sweden.

In our targeted growth area of long-term savings, we now take a more holistic view. The past year's high equity market volatility has led to customers avoiding riskier assets, even when markets recover, favouring deposits and other low-risk investments. Since the start of the year, we have coordinated all savings offerings – deposits, mutual funds, life, structured products etc. – into one business area to improve advice and ease-of-use for customers. Customer volumes within areas as deposits, unit-linked funds, bond funds and private banking have increased.

A strategy built on long-term relationships

Banks play a fundamental role in society. As the Nordic corporate bank, we remain committed to our organic profitable growth strategy based on developing long-term customer relationships. The average quarterly trend of improved cost efficiency and income growth continues. This is the foundation for creating value for shareholders.

For customers, the importance of a customer-centric and financially strong bank increases as the outlook for the real economy gets more uncertain and the regulatory framework is yet to be finalised. Resilience and flexibility remain key guiding principles to us in SEB.

The Group

Third quarter isolated

Operating profit amounted to SEK 3,916m (3,709). Net profit from continuing operations was SEK 3,032m (2,848).

Net profit (after tax), including the net result from discontinued operations, amounted to SEK 2,877m (2,824).

Operating income

Total operating income amounted to SEK 9,681m (9,207).

Net interest income increased to SEK 4,466m (4,122).

SEK m	Q3	Q2	Q3
	2012	2012	2011
Customer driven NII	4,006	3,959	3,924
NII from other activities	460	571	198
Total	4,466	4,530	4,122

Customer loans and deposits combined contributed an additional SEK 82m to net interest income compared with the corresponding quarter 2011 as the average loan and deposit volumes were 3 and 10 per cent higher, respectively.

Compared to the second quarter 2012, customer driven net interest income increased by SEK 48m while average customer loan and deposit volumes both fell by 1 per cent. Lower short-term rates were offset by higher lending margins.

Net interest income from other activities was up SEK 262m compared with the corresponding quarter 2011 and down SEK 111m from the previous quarter. Funding costs decreased as did margins on the liquidity portfolio. The contribution from trading was SEK 79m lower from the previous quarter; but compared to the third quarter 2011 there was an increase of SEK 6m.

Net fee and commission income decreased to SEK 3,192m (3,489). Commissions and fees from mutual funds decreased partly as average volumes of assets under management were 2 per cent lower compared both to the second quarter and to the corresponding quarter 2011. In addition, during the third quarter customers became more risk adverse and turnover on the Nordic stock exchanges decreased which lowered securities commissions. Finally, on top of normal seasonality, increased macroeconomic uncertainty lowered customer activity within areas such as payments, lending, mergers and acquisitions and new issues compared to both the second quarter and the corresponding quarter 2011.

Net financial income amounted to SEK 1,091m (903). The market values of fixed income securities in the liquidity portfolio increased in the third quarter. Income in the trading operations, which is customer driven, was reduced by low market volatility and risk appetite among customers.

Net life insurance income amounted to SEK 861m (659). The increase from the corresponding period last year was mainly due to higher income from traditional and risk insurance.

Net other income at SEK 71m (34) improved compared to the loss in the second quarter of SEK 11m, due to realised gains from sales of securities.

Comparative numbers in parenthesis refer to the corresponding numbers in the third quarter 2011 unless otherwise indicated.

Operating expenses

Total operating expenses decreased by 2 per cent during the quarter and amounted to SEK 5,580m (5,533). Staff costs decreased by 3 per cent in the quarter due to a combination of seasonality and decreased number of staff. Redundancy costs increased by SEK 79m from the previous quarter to SEK 110m.

Credit losses and provisions

Provisions for credit losses amounted to SEK 186m for the quarter corresponding to a credit loss level of 6 basis points in the continuing operations and 11 basis points including discontinued business, see below (in the third quarter 2011, there was a net reversal of SEK 33m). The provisions for credit losses for the Group, excluding the Baltic region, decreased and equaled a credit loss level of 4 basis points in the quarter. The provisions in the Baltic region decreased during the quarter and corresponded to a credit loss level of 26 basis points in the quarter.

Non-performing loans in the Group, excluding the Baltic region, fell by 14 per cent in the quarter reflecting continued strong asset quality. In the Baltic region non-performing loans fell by 9 per cent as loans continued to be written off against the reserves.

Individually assessed impaired loans decreased by SEK 1,334m to SEK 8,463m during the quarter.

The Group's portfolio assessed loans past due >60 days decreased by SEK 386m during the quarter to SEK 5,678m.

Discontinued operations

The net result from discontinued operations, was SEK -155m (-24). The main reason for the decline was a provision for credit losses in the amount of SEK 180m. It related to a syndicated loan to the Bell Group Ltd, now in liquidation, that dated back to 1986; before SEB's acquisition of BfG Bank in 1999. The consortium of 20 banks was sued by the liquidators for the value of collateral granted in 1990. The consortium is planning an appeal process at the High Court in Australia.

The Swedish krona strengthened. The EUR rate was 4 per cent lower than at the end of the second quarter and 9 per cent lower than at 30 September 2011. The impact from the foreign exchange rate fluctuations on the income statement was:

SEK m	Q3-12	Q3-12	Jan - Sep 2012
	vs. Q3-11	vs. Q2-12	vs. Jan-Sep 2011
Total income	- 222	- 181	- 162
Total expenses	127	101	98
Net credit losses	5	5	4
Operating profit	- 90	- 75	- 60

The first nine months

Operating profit for the first nine months amounted to SEK 11,576m (12,180). *Profit before credit losses* increased with 10 per cent to SEK 12,238m (11,159). *Net profit from continuing operations* was SEK 9,035m (9,665).

Net profit (after tax), including the net result from discontinued operations, was SEK 8,548m (8,810).

Operating income

Total operating income amounted to SEK 29,186m (28,352), an increase of 3 per cent compared to the first nine months 2011.

Net interest income amounted to SEK 13,177m (12,583).

SEK m	Jan-Sep	Jan-Sep	Change
	2012	2011	%
Customer driven NII	11,867	11,107	7
NII from other activities	1,310	1,476	-11
Total	13,177	12,583	5

Customer loans and deposits combined contributed an additional SEK 760m to net interest income compared with the first nine months 2011 as the average loan and deposit volumes were 6 and 15 per cent higher, respectively. The positive contribution from the volumes was somewhat reduced by lower customer deposit margins as short-term interest rates fell.

Net interest income from other activities was SEK 166m lower compared with the first nine months 2011. The decrease related primarily to increased volumes of long-term funding and the effect from strengthening the asset quality in the liquidity portfolio which has been upgraded with higher quality bonds. During 2012, SEB's credit spreads as an issuer tightened which reduced funding costs.

Net fee and commission income amounted to SEK 9,905m (10,538). Commissions and fees from mutual funds decreased primarily because the average volumes of assets under management were 4 per cent lower compared to the corresponding period of 2011. Turnover on the Nordic stock exchanges was low which affected commission income. Less customer activity in the current macroeconomic environment also lowered the fee and commission income compared to corresponding nine months 2011, within the areas of lending, mergers and acquisitions and new issues. There was an offsetting effect from strong card fees driven by high customer activity and new and renewed contracts.

Net financial income amounted to SEK 3,597m (2,959). During the first nine months 2011 there was a market valuation loss on the GIIPS-portfolio in the amount of SEK 399m. Income in the trading operations, which is customer driven, as well as in the other business areas, continued to display a high level of stability.

Net life insurance income increased by 18 per cent to SEK 2,597m (2,205). Around half of the increase stemmed from higher investment returns in the traditional portfolios. The other half from improved unit-linked income related to the acquisition of SEB Life (formerly Irish Life) International.

Net other income was negative at SEK -90m for the period compared to an income of SEK 67m for the corresponding period last year. Improved outcome in the fair value adjustment in hedge accounting was offset by decreased realised gains on securities sales and lower dividend income this year.

Operating expenses

Total operating expenses decreased by 1 per cent to SEK 16,948m. Other expenses, mainly IT and consultant costs, decreased 11 per cent compared to the corresponding nine-month period last year. This was partially offset by a 2 per cent increase in staff costs.

Credit losses and provisions

Provisions for credit losses amounted to SEK 661m corresponding to a credit loss level of 7 basis points in the continuing operations. In the corresponding period 2011 there was a reversal of SEK 1,018m. The provisions for credit losses for the Group, excluding the Baltic region, equaled a credit loss level of 5 basis points. The provisions in the Baltic region equaled a credit loss level of 25 basis points.

Non-performing loans in the Group, excluding the Baltic region, fell by 24 per cent during the first nine months of 2012 reflecting the continued strong asset quality as well as an effect from selling the Ukrainian retail operations. In the Baltic region non-performing loans fell by 17 per cent as loans continue to be written off against reserves.

Individually assessed impaired loans decreased by SEK 2,627m to SEK 8,463m since year-end 2011.

The Group's *portfolio assessed loans past due >60 days* decreased by SEK 805m since year-end 2011 to SEK 5,678m.

The *total reserve ratio for individually assessed impaired loans* and the *total non-performing loans coverage ratio* at 74 and 67 per cent, respectively, increased somewhat from year-end.

Income tax expense

Total income tax expense amounted to SEK 2,541m (2,515) corresponding to an effective tax rate of 22 per cent (21).

Discontinued operations

The net result from the *discontinued operations* improved to a loss of SEK 487m (855m). The divestment of both the German and Ukrainian retail operations were finalised during 2012. Further closing work will be performed through 2013.

Business volumes

Total assets as at 30 September 2012 amounted to SEK 2,402bn. One year ago, total assets amounted to SEK 2,359bn and they were SEK 2,363bn at year-end 2011. Loans to the public increased to SEK 1,238bn, up SEK 47bn from a year ago and SEK 52bn from year-end. Deposits from the public amounted to SEK 812bn, down SEK 2bn from a year ago and down SEK 50bn from year-end. Deposit volumes were

temporarily increased during the uncertain times around year-end 2011.

SEB's total credit portfolio increased to SEK 1,735bn (1,711). The household volumes increased by SEK 40bn. The combined corporate and property management portfolios grew by SEK 18bn.

At 30 September 2012, assets under management amounted to SEK 1,271bn (1,241). This was at par with the SEK 1,261bn year-end level. The net inflow of assets during the first nine months 2012 was SEK 22bn which was partially offset by a decrease in value of SEK 12bn. Assets under custody amounted to SEK 4,788bn (4,321), which was an increase from SEK 4,490bn at year-end.

Fixed-income securities

SEB's net position in fixed-income securities for investment, treasury and client facilitation purposes amounted to SEK 240bn (259).

Five per cent of the total holdings, SEK 11.3bn, was GIIPS-related (16). Of this, sovereign debt holdings amounted to SEK 0.3bn (sovereign debt is all related to Italy) and SEK 7.5bn, or 66 per cent, refer to Spanish covered bonds.

Of the total GIIPS holdings SEK 7.5bn were classified as Available-for-sale. Accumulated negative valuations for these holdings reduced book equity by SEK 1.3bn. SEK 0.6bn were classified as Held-for-trading for which valuations are reflected in Net financial income. The remaining SEK 3.2bn were classified as Loans and receivables.

Market risk

The trading business is customer flow-driven. This is confirmed by the fact that there were only two loss-making days during the first nine months of the year.

During the first nine months 2012, Value-at-Risk in the trading operations averaged SEK 167m. On average, the Group should not expect to lose more than this amount during a ten-day period, with 99 per cent probability.

Liquidity and long-term funding

SEB's loan-to-deposit ratio was 138 per cent (134), excluding repos and debt instruments. So far, SEK 84bn of new long-term funding was issued, exceeding the SEK 70bn of long-term debt that will mature this year.

The core liquidity reserve at 30 September amounted to SEK 348bn (308). The total liquid resources, including net trading assets and unutilised collateral in the cover pool, amounted to SEK 623bn (535). The Group's estimate of the Liquidity Coverage Ratio (LCR), which is proposed to be included in the Swedish Basel III implementation from 2013, amounted to 154 per cent at quarter-end (95 at year-end). The USD and EUR LCR were both above 100 per cent.

Capital position

As the regulatory capital framework continue to be developing within the Basel committee, EU and Sweden, SEB maintains a holistic view on its capital situation.

The Basel II ratios were:

	Sep 2012	Dec 2011
Core tier 1 capital ratio, %	16.5	13.7
Tier 1 capital ratio, %	18.9	15.9
RWA, SEK bn	591	679
<i>Adjusted for supervisory transitional rules:</i>		
Core tier 1 capital ratio, %	11.3	11.2
Tier 1 capital ratio, %	12.9	13.0
RWA, SEK bn	860	828

During 2012, SEB's applications for using advanced internal ratings based (IRB) models to calculate non-retail real estate and shipping risk-weighted assets were approved by the Swedish Financial Supervisory Authority. This resulted in a SEK 42bn and SEK 19bn decrease of RWA, respectively. The approvals constitute an independent recognition that SEB's risk assessment is a more precise measurement of underlying risks as SEB-internal specific and validated, rather than generic, risk parameters were used to calculate risk-weighted assets. The stronger Swedish krona resulted in a decrease of RWA of SEK 15bn since year-end.

During the third quarter, SEB called its outstanding dated subordinated debt issue in the amount of EUR 500m. A new issue of dated subordinated debt in the amount of EUR 750m was made in order to fulfill the future Tier 2 capital need. The net effect was an increase of the capital base of SEK 2bn.

Rating

SEB's long-term senior unsecured ratings are 'A1' (stable) 'A+' (stable) and 'A+' (stable) by Moody's, Standard & Poor's and Fitch, respectively.

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 medium-term outlook for the global economy is characterised by uncertainty – while Nordic economies until now have been relatively robust. The policy measures globally to limit the risk of severe shocks to the real economy, have created more stability to the financial system. However, a marked slowdown of economic growth cannot be ruled out.

SEB assumes market, liquidity, operational and life insurance risks. The risk composition of the Group, as well as the related risk management, is further described in SEB's Annual Report.

The Swedish tailoring and earlier implementation of the international Basel III regulatory framework in relation to capital, liquidity and funding standards could have long-term effects on asset and liability management and profitability of the banking sector.

Proposed reduction of Swedish corporate tax

The Swedish government has proposed a reduction of the corporate tax rate from 26.3 per cent to 22 per cent from

1 January 2013. The parliamentary resolution is expected before the end of the year.

If the proposal is implemented, the Group's effective tax rate next year will be approximately 20 per cent. Deferred tax assets and deferred tax liabilities related to Swedish income tax will then be revalued at 22 per cent, which is expected to have a positive one-off effect in the fourth quarter at just above SEK 1bn.

The government has also proposed that deductibility for interest payments within a group shall be limited. This potential rule change is not expected to affect the Group's tax expense.

Effects from future changes to accounting for pensions

The amendments to IAS 19, Employee Benefits, regarding defined benefits plans, were adopted by EU in June this year.

If the amendments would have been implemented as per 30 September 2012, the negative effect on equity would have been approximately SEK 6.7bn. The effect before tax would

have been approximately SEK 9.1bn. The amounts are based on updated assumptions for the pension obligation and current values for the plan assets.

The treatment in terms of capital adequacy is not yet determined.

Realignment of management accounting 2012

During the year SEB has continued to align the framework for capital and liquidity management in order to be compliant with the upcoming Basel III regulation for capital, liquidity and funding expected to be implemented in Sweden during 2013. SEK 16bn more capital was allocated to the divisions from the central function during the first quarter 2012. In addition, internal funds transfer prices have been adjusted to more fully reflect the cost of funding and buffers of liquidity required going forward. As a result, divisional lending margins on loans to customers are lower compared to 2011, all else equal. Further refinements are likely during the remainder of 2012.

Stockholm, 25 October 2012

The President declares that the Interim Accounts for January-September 2012 provide a fair overview of the Parent Company's and the Group's operations, their financial position and results and describe material risks and uncertainties facing the Parent Company and the Group.

Annika Falkengren

President and Chief Executive Officer

Press conference and webcasts

The press conference at 9.00 (CEST) on 25 October 2012 at Kungsträdgårdsgatan 8 with President and CEO Annika Falkengren can be followed live in Swedish on www.sebgroup.se/ir and translated into English on www.sebgroup.com/ir. It will also be available afterwards.

Access to telephone conference

The telephone conference at 15.30 (CEST) on 25 October 2012 with the President and CEO Annika Falkengren and the CFO Jan Erik Back can be accessed by telephone, +44(0)20 7162 0125. Please quote conference id: 923495, not later than 10 minutes in advance. A replay of the conference call will be available on www.sebgroup.com/ir.

Financial information calendar

31 January 2013	Annual accounts 2012
28 February 2013	Annual report on www.sebgroup.com
21 March 2013	Annual general meeting
23 April 2013	Interim report Jan-Mar 2013
15 July 2013	Interim report Jan-Jun 2013
24 October 2013	Interim report Jan-Sep 2013

Further information is available from

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Additional financial information is also available in SEB's Fact Book which is published quarterly on www.sebgroup.com/ir

Accounting policies

This Interim Report is presented in accordance with IAS 34 Interim Financial Reporting.

The Group's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the European Commission. The accounting follows the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulation and general guidelines issued by the Swedish Financial Supervisory Authority: Annual reports in credit institutions and securities companies (FFFS 2008:25). In addition, the Supplementary accounting rules for groups (RFR 1) from the Swedish Financial Reporting Board have been applied. The

Parent company has prepared its accounts in accordance with Swedish Annual Act for Credit Institutions and Securities Companies, the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) on annual reports in credit institutions and securities companies and the supplementary accounting rules for legal entities (RFR 2) issued by the Swedish Financial Reporting Board.

In all material aspects, the Group's and the Parent company's accounting policies, basis for calculations and presentations are unchanged in comparison with the 2011 Annual Report.

Review report

We have reviewed this report for the period 1 January 2012 to 30 September 2012 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 Accounts 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 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 International Standards on Auditing, ISA, 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 Accounts Act for Credit institutions and Securities Companies regarding the Group, and with the Swedish Annual Accounts Act for Credit institutions and Securities Companies, regarding the Parent Company.

Stockholm, 25 October 2012

PricewaterhouseCoopers AB

Peter Nyllinge

Authorised Public Accountant
Partner in charge

Magnus Svensson Henryson

Authorised Public Accountant

The SEB Group

Income statement – SEB Group

SEK m	Q3			Q2		Q3			Jan - Sep			Full year
	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	2011
Net interest income	4 466	4 530	-1	4 122	8	13 177	12 583	5	16 901			16 901
Net fee and commission income	3 192	3 449	-7	3 489	-9	9 905	10 538	-6	14 175			14 175
Net financial income	1 091	1 127	-3	903	21	3 597	2 959	22	3 548			3 548
Net life insurance income	861	821	5	659	31	2 597	2 205	18	3 197			3 197
Net other income	71	-11		34	109	-90	67		-135			-135
Total operating income	9 681	9 916	-2	9 207	5	29 186	28 352	3	37 686			37 686
Staff costs	-3 543	-3 642	-3	-3 393	4	-10 744	-10 510	2	-13 933			-13 933
Other expenses	-1 573	-1 590	-1	-1 705	-8	-4 816	-5 394	-11	-7 424			-7 424
Depreciation, amortisation and impairment of tangible and intangible assets	-464	-460	1	-435	7	-1 388	-1 289	8	-1 764			-1 764
Total operating expenses	-5 580	-5 692	-2	-5 533	1	-16 948	-17 193	-1	-23 121			-23 121
Profit before credit losses	4 101	4 224	-3	3 674	12	12 238	11 159	10	14 565			14 565
Gains less losses from disposals of tangible and intangible assets	1	-4	-125	2	-50	-1	3	-133	2			2
Net credit losses	-186	-269	-31	33		-661	1 018	-165	778			778
Operating profit	3 916	3 951	-1	3 709	6	11 576	12 180	-5	15 345			15 345
Income tax expense	-884	-849	4	-861	3	-2 541	-2 515	1	-3 046			-3 046
Net profit from continuing operations	3 032	3 102	-2	2 848	6	9 035	9 665	-7	12 299			12 299
Discontinued operations	-155	-86	80	-24		-487	-855	-43	-1 155			-1 155
Net profit	2 877	3 016	-5	2 824	2	8 548	8 810	-3	11 144			11 144
Attributable to minority interests	4	6	-33	7	-43	15	27	-44	37			37
Attributable to shareholders	2 873	3 010	-5	2 817	2	8 533	8 783	-3	11 107			11 107
Continuing operations												
Basic earnings per share, SEK	1.38	1.41		1.29		4.11	4.39		5.59			5.59
Diluted earnings per share, SEK	1.38	1.41		1.29		4.10	4.39		5.56			5.56
Total operations												
Basic earnings per share, SEK	1.31	1.37		1.28		3.89	4.00		5.06			5.06
Diluted earnings per share, SEK	1.31	1.37		1.28		3.88	4.00		5.04			5.04

Statement of comprehensive income

SEK m	Q3			Q2		Q3			Jan - Sep			Full year
	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	2011
Net profit	2 877	3 016	-5	2 824	2	8 548	8 810	-3	11 144			11 144
Available-for-sale financial assets	376	-66		322	17	735	519	42	722			722
Cash flow hedges	687	329	109	1 302	-47	429	1 326	-68	1 529			1 529
Translation of foreign operations	-494	-79		44		-631	297		-140			-140
Taxes on translation effects	-347	-15		123		-450	287		-76			-76
Other				-216	-100		-277	-100	-454			-454
Other comprehensive income (net of tax)	222	169	31	1 575	-86	83	2 152	-96	1 581			1 581
Total comprehensive income	3 099	3 185	-3	4 399	-30	8 631	10 962	-21	12 725			12 725
Attributable to minority interests	-3	5	-160	8	-138	13	28	-54	36			36
Attributable to shareholders	3 102	3 180	-2	4 391	-29	8 618	10 934	-21	12 689			12 689

Key figures – SEB Group

	Q3	Q2	Q3	Jan - Sep		Full year
	2012	2012	2011	2012	2011	2011
Continuing operations						
Return on equity, continuing operations, %	10.82	11.33	10.86	10.90	12.65	11.89
Basic earnings per share, continuing operations, SEK	1.38	1.41	1.29	4.11	4.39	5.59
Diluted earnings per share, continuing operations, SEK	1.38	1.41	1.29	4.10	4.39	5.56
Cost/income ratio, continuing operations	0.58	0.57	0.60	0.58	0.61	0.61
Number of full time equivalents, continuing operations*	16,415	16,747	16,790	16,663	16,672	16,704
Total operations						
Return on equity, %	10.26	11.01	10.77	10.31	11.53	10.77
Return on total assets, %	0.48	0.50	0.50	0.48	0.54	0.50
Return on risk-weighted assets, %	1.33	1.41	1.40	1.34	1.46	1.39
Basic earnings per share, SEK	1.31	1.37	1.28	3.89	4.00	5.06
Weighted average number of shares, millions**	2,192	2,192	2,194	2,191	2,194	2,194
Diluted earnings per share, SEK	1.31	1.37	1.28	3.88	4.00	5.04
Weighted average number of diluted shares, millions***	2,198	2,196	2,205	2,199	2,205	2,204
Net worth per share, SEK	57.85	56.50	53.81	57.85	53.81	54.92
Average shareholders' equity, SEK, billion	111.9	109.3	104.6	110.4	101.6	103.1
Credit loss level, %	0.11	0.08	-0.01	0.08	-0.13	-0.08
Total reserve ratio individually assessed impaired loans, %	74.2	71.3	68.6	74.2	68.6	71.1
Net level of impaired loans, %	0.30	0.34	0.43	0.30	0.43	0.39
Gross level of impaired loans, %	0.62	0.71	0.90	0.62	0.90	0.84
Capital adequacy including transitional floor :****						
Risk-weighted assets, SEK billion	860	867	827	860	827	828
Core Tier 1 capital ratio, %	11.33	11.12	11.25	11.33	11.25	11.25
Tier 1 capital ratio, %	12.94	12.79	13.06	12.94	13.06	13.01
Total capital ratio, %	12.74	12.31	12.77	12.74	12.77	12.50
Capital adequacy without transitional floor (Basel II):						
Risk-weighted assets, SEK billion	591	632	667	591	667	679
Core Tier 1 capital ratio, %	16.51	15.25	13.94	16.51	13.94	13.71
Tier 1 capital ratio, %	18.85	17.54	16.18	18.85	16.18	15.87
Total capital ratio, %	18.56	16.88	15.83	18.56	15.83	15.24
Number of full time equivalents*	16,480	16,813	17,620	17,105	17,657	17,633
Assets under custody, SEK billion	4,788	4,989	4,321	4,788	4,321	4,490
Assets under management, SEK billion	1,271	1,261	1,241	1,271	1,241	1,261
Discontinued operations						
Basic earnings per share, discontinued operations, SEK	-0.07	-0.04	-0.01	-0.22	-0.39	-0.53
Diluted earnings per share, discontinued operations, SEK	-0.07	-0.04	-0.01	-0.22	-0.39	-0.52

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

** The number of issued shares was 2,194,171,802. SEB owned 2,344,366 Class A shares for the employee stock option programme at year end

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

**** 80 per cent of RWA in Basel I

In SEB's Fact Book, this table is available with eight quarters history.

Income statement on quarterly basis - SEB Group

SEK m	Q3	Q2	Q1	Q4	Q3
	2012	2012	2012	2011	2011
Net interest income	4 466	4 530	4 181	4 318	4 122
Net fee and commission income	3 192	3 449	3 264	3 637	3 489
Net financial income	1 091	1 127	1 379	589	903
Net life insurance income	861	821	915	992	659
Net other income	71	- 11	- 150	- 202	34
Total operating income	9 681	9 916	9 589	9 334	9 207
Staff costs	-3 543	-3 642	-3 559	-3 423	-3 393
Other expenses	-1 573	-1 590	-1 653	-2 030	-1 705
Depreciation, amortisation and impairment of tangible and intangible assets	- 464	- 460	- 464	- 475	- 435
Total operating expenses	-5 580	-5 692	-5 676	-5 928	-5 533
Profit before credit losses	4 101	4 224	3 913	3 406	3 674
Gains less losses from disposals of tangible and intangible assets	1	- 4	2	- 1	2
Net credit losses	- 186	- 269	- 206	- 240	33
Operating profit	3 916	3 951	3 709	3 165	3 709
Income tax expense	- 884	- 849	- 808	- 531	- 861
Net profit from continuing operations	3 032	3 102	2 901	2 634	2 848
Discontinued operations	- 155	- 86	- 246	- 300	- 24
Net profit	2 877	3 016	2 655	2 334	2 824
Attributable to minority interests	4	6	5	10	7
Attributable to shareholders	2 873	3 010	2 650	2 324	2 817
Continuing operations					
Basic earnings per share, SEK	1.38	1.41	1.32	1.20	1.29
Diluted earnings per share, SEK	1.38	1.41	1.32	1.20	1.29
Total operations					
Basic earnings per share, SEK	1.31	1.37	1.21	1.06	1.28
Diluted earnings per share, SEK	1.31	1.37	1.21	1.06	1.28

Income statement by Division – SEB Group

Jan-Sep 2012, SEK m	Merchant Banking	Retail Banking	Wealth Management	Life*	Baltic	Other incl eliminations	SEB Group
Net interest income	5 531	5 203	510	- 68	1 373	628	13 177
Net fee and commission income	3 790	2 322	2 431		676	686	9 905
Net financial income	2 846	233	86		324	108	3 597
Net life insurance income				3 558		- 961	2 597
Net other income	308	53	27		- 12	- 466	- 90
Total operating income	12 475	7 811	3 054	3 490	2 361	- 5	29 186
Staff costs	-2 987	-2 119	-1 020	- 909	- 508	-3 201	-10 744
Other expenses	-3 399	-2 355	-1 067	- 409	- 759	3 173	-4 816
Depreciation, amortisation and impairment of tangible and intangible assets	- 123	- 66	- 32	- 681	- 96	- 390	-1 388
Total operating expenses	-6 509	-4 540	-2 119	-1 999	-1 363	- 418	-16 948
Profit before credit losses	5 966	3 271	935	1 491	998	- 423	12 238
Gains less losses from disposals of tangible and intangible assets	- 6				8	- 3	- 1
Net credit losses	- 128	- 334	1		- 202	2	- 661
Operating profit	5 832	2 937	936	1 491	804	- 424	11 576

* Business result in Life amounted to SEK 2,047 (2,163), of which change in surplus values was net SEK 556m (789).

SEB's markets

As *the* Relationship bank, SEB offers universal financial advice and a wide range of financial services in Sweden and the Baltic countries. In Denmark, Finland, Norway and Germany, the bank's operations have a strong focus on corporate and investment banking based on a full-service offering to corporate and institutional clients. In addition, SEB serves corporate and institutional customers through its international network.

Profit per country

SEK m	Distribution by country Jan - Sep									Operating profit in local currency		
	Total operating income			Total operating expenses			Operating profit			2012	2011	%
	2012	2011	%	2012	2011	%	2012	2011	%			
Sweden	16 602	16 848	-1	-10 578	-11 500	-8	5 737	5 128	12	5 737	5 128	12
Norway	2 464	2 094	18	-1 028	-846	22	1 374	1 180	16	1 182	1 023	16
Denmark	2 255	2 137	6	-1 068	-1 128	-5	1 144	955	20	974	790	23
Finland	1 072	1 006	7	-472	-478	-1	596	524	14	68	58	17
Germany*	2 238	2 402	-7	-1 369	-1 439	-5	841	928	-9	96	103	-7
Estonia**	905	885	2	-405	-443	-9	515	648	-21	59	72	-18
Latvia**	768	741	4	-386	-366	5	188	763	-75	15	60	-75
Lithuania**	1 059	1 054	0	-640	-645	-1	404	1 270	-68	160	487	-67
Other countries and eliminations	1 823	1 185	54	-1 002	-348	188	777	784	-1			
Total	29 186	28 352	3	-16 948	-17 193	-1	11 576	12 180	-5			

*Excluding centralised Treasury operations

**Profit before credit losses increased in Estonia by 13 per cent and in Lithuania and Latvia by 2 per cent.

- SEB's strong franchise was further recognised as Finansbarometern named SEB best SME bank in Sweden
- Operating profit increased in all Nordic countries
- Improved profit before credit losses in the three Baltic countries

Comments on the first nine months

In *Sweden* the operating profit increased with 12 per cent compared to the first nine months last year. SEB kept its strong market position within lending and deposit volumes. The net interest income level was unchanged year-on-year despite a lower interest rate environment. Business volumes increased, mainly in the retail segment, and funding costs were lower. SEB was the leading underwriter of corporate bonds in the overall Nordic market. Costs decreased in line with increased operational efficiency. SEB was appointed SME bank of the year in Sweden by Finansbarometern.

In *Norway*, 2012 started with a strong increase in activity and income level and operating profit in local currency increased by 16 per cent. The third quarter activity was high. There were a high number of corporate bond issues and SEB was involved in many of the transactions. A strong position in the oil- and offshore-sector contributed to optimism in related business areas.

In *Denmark*, strong results within cards, life and the trading related activities contributed to an increase in operating profit in local currency of 23 per cent compared to last year.

In *Finland*, operating profit in local currency increased compared to the previous year by 17 per cent. Trading and Capital Markets and in particular Structured Finance continued the positive trend.

In *Germany*, operating profit in local currency fell by 7 per cent. The Wealth Management result was weak partially due to redundancy costs. The Merchant Banking result was in line with 2011.

In *Estonia*, profit before credit losses for the nine months compared to last year increased by 13 per cent. In *Latvia* and *Lithuania* the corresponding increase was 2 per cent, respectively. In all countries significant credit provisions were released in 2011. (See also the information on the Baltic division).

Merchant Banking

The Merchant Banking division offers commercial and investment banking services to large corporate and institutional clients, mainly in the Nordic region and Germany. Customers are also served through an extensive international presence.

Income statement

SEK m	Q3			Q2			Q3			Jan- Sep			Full year
	2012	2012	%	2011	2011	%	2012	2011	%	2012	2011	%	2011
Net interest income	1 752	1 880	- 7	1 883	- 7		5 531	5 500	1				7 533
Net fee and commission income	1 200	1 351	- 11	1 371	- 12		3 790	3 972	- 5				5 378
Net financial income	786	1 074	- 27	1 016	- 23		2 846	3 096	- 8				4 000
Net other income	127	70	81	211	- 40		308	381	- 19				618
Total operating income	3 865	4 375	- 12	4 481	- 14		12 475	12 949	- 4				17 529
Staff costs	- 961	- 996	- 4	- 983	- 2		- 2 987	- 3 043	- 2				- 3 915
Other expenses	- 1 114	- 1 143	- 3	- 1 150	- 3		- 3 399	- 3 626	- 6				- 4 841
Depreciation, amortisation and impairment of tangible and intangible assets	- 42	- 40	5	- 46	- 9		- 123	- 147	- 16				- 227
Total operating expenses	- 2 117	- 2 179	- 3	- 2 179	- 3		- 6 509	- 6 816	- 5				- 8 983
Profit before credit losses	1 748	2 196	- 20	2 302	- 24		5 966	6 133	- 3				8 546
Gains less losses from disposals of tangible and intangible assets		- 6					- 6						- 1
Net credit losses	- 17	- 30	- 43	- 53	- 68		- 128	- 137	- 7				- 224
Operating profit	1 731	2 160	- 20	2 249	- 23		5 832	5 996	- 3				8 321
Cost/Income ratio	0.55	0.50		0.49			0.52	0.53					0.51
Business equity, SEK bn	37.3	37.5		27.6			37.4	26.6					26.7
Return on business equity, %	13.8	17.1		23.5			15.4	21.7					22.4
Number of full time equivalents	2 512	2 508		2 503			2 512	2 490					2 493

The responsibility for the Ukrainian bank was moved to Merchant Banking during the third quarter – thus the increased number of FTEs.

- Continued inflow of new customers stemming from the strategic investments
- Slowdown in customer activity in the current economic environment lowered operating income
- Asset quality remained resilient

Comments on the first nine months

The third quarter showed a typical seasonal slowdown in customer activity across all business areas. The uncertainty in the Euro-zone continued and the focus on the Nordic region as a safe haven increased. SEB's position of strength continued to improve and SEB attracted more customers and business proposals in all geographies.

Operating income for the first nine months decreased by 4 per cent compared with 2011 reflecting lower customer activity. Operating expenses decreased by 5 per cent compared with 2011 as a result of the continued focus on efficiency and the lower activity level. The scalable platforms in Germany and the Nordic region provided room for additional efficiency. Operating profit amounted to SEK 5,832m, a 3 per cent decrease year-on-year. Asset quality remained strong.

Corporate Banking continued the stable performance in the third quarter even though both M&A and Equity Capital Market activities remained at low levels. Corporate lending volumes in SEK decreased for the first quarter since 2009 and the trend towards more bond issuance continued. SEB was the leading underwriter of corporate bonds in Norway and

Sweden and brought a number of Nordic issuers to the euro-market.

Global Transaction Services was active in all segments, though the lower interest rate levels pressured net interest income. Assets under custody were SEK 4,788bn (4,490 at year-end 2011 and 4,989 at the end of the second quarter). *Trading and Capital Markets* continued to show earnings stability stemming from its flow-oriented focus, however, the seasonal slowdown affected customer activity. *Capital Markets* improved within debt capital markets in line with the increased activities in the bond markets. Earnings from *SEB Enskilda Equities* traditional activities were under pressure despite the fact that it is one of the leading franchises across the Nordic and Baltic exchanges.

The strategic growth investments in the Nordic region and Germany continued to progress and in total 276 new customers have established relationships with the Bank since 2010 when the growth initiative was initiated. The increased diversification of both geographies and customers enhanced SEB's stable business mix.

Retail Banking

The Retail Banking division offers banking and advisory services to private individuals and small and medium-sized corporate customers in Sweden, as well as card services in the Nordic countries.

Income statement

SEK m	Q3			Q2			Q3			Jan- Sep			Full year
	2012	2012	%	2011	2011	%	2012	2011	%	2012	2011	%	2011
Net interest income	1 770	1 759	1	1 497	18		5 203	4 282	22				5 846
Net fee and commission income	759	801	- 5	740	3		2 322	2 350	- 1				3 175
Net financial income	72	90	- 20	74	- 3		233	221	5				302
Net other income	20	20	0	23	- 13		53	77	- 31				96
Total operating income	2 621	2 670	- 2	2 334	12		7 811	6 930	13				9 419
Staff costs	- 700	- 716	- 2	- 658	6		- 2 119	- 2 020	5				- 2 694
Other expenses	- 764	- 797	- 4	- 868	- 12		- 2 355	- 2 690	- 12				- 3 568
Depreciation, amortisation and impairment of tangible and intangible assets	- 25	- 21	19	- 20	25		- 66	- 58	14				- 79
Total operating expenses	- 1 489	- 1 534	- 3	- 1 546	- 4		- 4 540	- 4 768	- 5				- 6 341
Profit before credit losses	1 132	1 136	0	788	44		3 271	2 162	51				3 078
Gains less losses from disposals of tangible and intangible assets													
Net credit losses	- 99	- 133	- 26	- 111	- 11		- 334	- 293	14				- 476
Operating profit	1 033	1 003	3	677	53		2 937	1 869	57				2 602
Cost/Income ratio	0.57	0.57		0.66			0.58	0.69					0.67
Business equity, SEK bn	13.9	13.9		10.2			13.9	10.1					10.2
Return on business equity, %	22.0	21.4		19.6			20.8	18.3					18.9
Number of full time equivalents	3 517	3 688		3 521			3 599	3 530					3 532

- Household customers continued to increase lending and deposit volumes with SEB
- SEB was named best SME bank in Sweden and strengthened its franchise with 6,500 new customers during 2012
- 57 per cent increase in operating profit

Comments on the first nine months

The positive development in the Retail division continued also in the prolonged unstable European economic market conditions.

The divisional operating profit showed significant strength and operating income increased by 13 per cent compared to the first nine months of 2011. The efficiency focus led to a decrease of operating expenses by 5 per cent.

In *Retail Sweden*, there was a 23 per cent increase in net interest income compared to the first nine months of 2011. Net credit losses increased slightly but the asset quality continued to strengthen both from improvements in the existing portfolio and in new business volumes.

Key business volumes increased. The small and medium-sized enterprise (SME) lending within Retail Sweden grew by 9 per cent to reach SEK 124bn. The volume of household mortgages grew by SEK 25bn year-to-date to SEK 339bn. The customer deposits grew by SEK 14bn year-to-date to SEK 210bn. However, the current stock market uncertainty put further pressure on the attractiveness of savings products such as equities, mutual funds and structured products. This contributed to a negative trend for savings commissions.

As part of SEB's relationship banking model, new features were launched to enhance remote support for our customers, such as ATM search functions and support for savings planning. The number of visits to our mobile banking application reached approximately 2.9 million in September. There was a solid inflow of home bank customers, reaching 432,500. The growth in the SME segment continued. 6,500 new active payment service customers were added during the first nine months to reach a total of 128,000.

The *Card* business had a strong third quarter with an operating profit of SEK 300m and a record 9-month result of SEK 832m, 14 per cent higher than last year. The main drivers are increased turnover and lower funding costs in Norway, Denmark and Finland. Customer activity remained high; there were several new and renewed corporate contracts as well as a positive development of the co-brand portfolio. Costs are slightly up due to the implementation of a new co-brand agreement in Norway. Underlying costs and credit losses were stable.

Wealth Management

The Wealth Management division offers a full spectrum of asset management and advisory services, including a Nordic private banking offering, to institutions and high net-worth individuals.

Income statement

SEK m	Q3			Q2			Q3			Jan- Sep			Full year
	2012	2012	%	2011	2011	%	2012	2011	%	2012	2011	%	2011
Net interest income	160	179	-11	166	-4		510	469	9				636
Net fee and commission income	774	858	-10	849	-9		2 431	2 708	-10				3 717
Net financial income	36	23	57	33	9		86	70	23				87
Net other income	-7	32	-122	-21	-67		27	7					7
Total operating income	963	1 092	-12	1 027	-6		3 054	3 254	-6				4 447
Staff costs	-349	-347	1	-317	10		-1 020	-1 050	-3				-1 406
Other expenses	-340	-372	-9	-356	-4		-1 067	-1 112	-4				-1 502
Depreciation, amortisation and impairment of tangible and intangible assets	-10	-11	-9	-10	0		-32	-32	0				-49
Total operating expenses	-699	-730	-4	-683	2		-2 119	-2 194	-3				-2 957
Profit before credit losses	264	362	-27	344	-23		935	1 060	-12				1 490
Gains less losses from disposals of tangible and intangible assets													
Net credit losses	-1	1		-5	-80		1	-7					-9
Operating profit	263	363	-28	339	-22		936	1 053	-11				1 481
Cost/Income ratio	0.73	0.67		0.67			0.69	0.67					0.66
Business equity, SEK bn	5.8	6.1		5.0			6.0	5.0					5.0
Return on business equity, %	13.5	17.6		19.5			15.4	20.2					21.3
Number of full time equivalents	964	1 001		1 002			996	1 010					1 006

- Lower operating profit due to lower average asset value and lower performance and transaction fees
- Continued strong confidence from Private Banking customers: net new AuM SEK 18bn and 775 new clients
- Private Banking opened a new branch office in London

Comments on the first nine months

After an uncertain first half year in the equity market the third quarter has developed somewhat more positively and at the end of the period, the equity market was at the same level as one year ago. Risk appetite and customer activity in equity related products were however still low due to the uncertainty in the stock markets.

Within *Institutional Clients*, products offering alternatives to the stock exchange market were still in focus. Within the fund offering, products such as corporate bonds with short duration and interest rate funds gained ground.

With a continued uncertain equity market *Private Banking* focused on maintaining a high level of proactivity towards clients. In the first nine months of the year, Private Banking had an inflow of 775 new customers and net new volumes of assets under management amounted to SEK 18bn. In the international private banking area, an increased interest from non-Nordic clients was noted. In order to improve customer

service, a Private Banking office was opened in London during the quarter. The high equity market volatility led to somewhat changed investor behavior i.e. clients tend to avoid high risk assets even when markets recover.

Operating profit for the first nine months of 2012 was down by 11 per cent compared to the same period last year due to lower base commission and performance and transaction fees. Base commissions were down 6 per cent due to lower average market values on assets under management during the period. The stock markets have not fully recovered in 2012 compared to 2011. Performance and transaction fees amounted to SEK 87m for the first nine months 2012 (177). Operating expenses decreased compared to 2011 despite redundancy costs in 2012.

Total assets under management amounted to SEK 1,176bn (1,175 at year-end and 1,174 in September 2011).

Life

The Life division offers life insurance products with a focus on unit-linked insurance for private individuals and corporate customers, mainly in Sweden, Denmark and the Baltic countries.

Income statement

SEK m	Q3			Q2			Q3			Jan- Sep			Full year
	2012	2012	%	2011	2011	%	2012	2011	%	2012	2011	%	2011
Net interest income	- 20	- 24	- 17	- 8	150		- 68	- 26	162				- 33
Net life insurance income	1 179	1 140	3	988	19		3 558	3 251	9				4 504
Total operating income	1 159	1 116	4	980	18		3 490	3 225	8				4 471
Staff costs	- 294	- 307	- 4	- 289	2		- 909	- 886	3				- 1 193
Other expenses	- 137	- 136	1	- 137	0		- 409	- 383	7				- 536
Depreciation, amortisation and impairment of tangible and intangible assets	- 224	- 228	- 2	- 198	13		- 681	- 582	17				- 785
Total operating expenses	- 655	- 671	- 2	- 624	5		- 1 999	- 1 851	8				- 2 514
Operating profit	504	445	13	356	42		1 491	1 374	9				1 957
Change in surplus values, net	148	325	- 54	217	- 32		556	789	- 30				1 188
Business result	652	770	- 15	573	14		2 047	2 163	- 5				3 145
Cost/Income ratio	0.57	0.60		0.64			0.57	0.57					0.56
Business equity, SEK bn	6.5	6.5		6.4			6.5	6.4					6.4
Return on business equity, %													
based on operating profit	27.0	23.8		19.6			26.6	25.2					26.9
based on business result	34.9	41.2		31.5			36.5	39.7					43.2
Number of full time equivalents	1 323	1 303		1 331			1 311	1 251					1 270

Business equity has not yet been adjusted to conform to the new requirements under Basel III for capital.

- Maintained leadership in the Swedish unit-linked market
- Increasing demand for bundling of financial services with pensions and insurance solutions
- Operating profit increased

Comments on the first nine months

An official report from the Swedish government was presented during the third quarter which supports increased transferability of pension savings. Many activities within SEB were undertaken to enhance the bancassurance model to best serve customers in the growing transfer market. Sales and advisory services have been refined to better meet customer needs, for instance custom-made offers to different customer segments. The online solutions developed for the Danish market continues to be well received and local sales development was positive.

Operating profit increased by 9 per cent compared to last year. Unit-linked income, which represents 58 per cent of total income and 83 per cent of total sales, increased by 6 per cent, due to the acquisition of SEB Life International. Income from traditional and risk insurance increased by 18 per cent with improvements in all business areas. The increase in expenses compared to last year is entirely related to SEB Life International.

In Sweden, SEB Trygg Liv continued to be the market leader within unit-linked insurance. Recoveries of provisions in the traditional business were SEK 29m (-79). Operating profit decreased by 3 per cent compared to last year. Unit-

linked income decreased due to lower fees in relation to fund values. The total fund value by the end of September increased from a year ago but the average value for the nine month period was nearly the same as last year.

Operating profit in *Denmark* increased by 16 per cent compared to last year due to higher return in traditional portfolios.

Operating profit for *International* improved significantly from last year's SEK 27m to SEK 157m. The improvement was mainly due to higher investment returns in the traditional portfolios.

The premium income relating to new and existing policies amounted to SEK 20bn which was 8 per cent lower than last year. The weighted sales volume of new policies decreased by 10 per cent to SEK 29bn and reflected lower volumes in the Swedish endowment market. The share of corporate paid policies increased to 76 per cent (66).

The unit-linked fund value increased from year-end by SEK 14bn to 200bn. The net inflow was SEK 4bn and the increase in value was SEK 10bn. Total net assets under management amounted to SEK 436bn.

Baltic

The Baltic division provides banking and advisory services to private individuals and small and medium-sized corporate customers in Estonia, Latvia and Lithuania. The Baltic real estate holding companies are a part of the division. The full Baltic geographical segmentation, including other activities in the region, is reported in SEB's Fact Book.

Income statement

SEK m	Q3			Q2			Q3			Jan- Sep			Full year
	2012	2012	%	2011	2011	%	2012	2011	%	2012	2011	%	2011
Net interest income	439	462	- 5	524	- 16		1 373	1 466	- 6				1 980
Net fee and commission income	234	231	1	218	7		676	667	1				894
Net financial income	103	108	- 5	92	12		324	261	24				365
Net other income	- 4	- 1		- 5	- 20		- 12	- 22	- 45				- 33
Total operating income	772	800	- 4	829	- 7		2 361	2 372	0				3 206
Staff costs	- 162	- 175	- 7	- 177	- 8		- 508	- 510	0				- 699
Other expenses	- 249	- 259	- 4	- 278	- 10		- 759	- 791	- 4				- 1 113
Depreciation, amortisation and impairment of tangible and intangible assets	- 32	- 31	3	- 33	- 3		- 96	- 98	- 2				- 133
Total operating expenses	- 443	- 465	- 5	- 488	- 9		- 1 363	- 1 399	- 3				- 1 945
Profit before credit losses	329	335	- 2	341	- 4		998	973	3				1 261
Gains less losses from disposals of tangible and intangible assets	5	2	150	2	150		8	2					2
Net credit losses	- 70	- 108	- 35	202	- 135		- 202	1 453					1 485
Operating profit	264	229	15	545	- 52		804	2 428	- 67				2 748
Cost/Income ratio	0.57	0.58		0.59			0.58	0.59					0.61
Business equity, SEK bn	7.5	7.7		8.0			7.8	8.1					8.1
Return on business equity, %	12.6	10.9		24.4			12.6	35.3					30.0
Number of full time equivalents	2 904	2 986		3 109			2 985	3 172					3 145

- Deposits from the public increased by 19 per cent since the end of September 2011
- Profit before credit losses improved by 3 per cent year-on-year
- SEB launched Baltic Online, a pan-Baltic cash management tool

Comments on the first nine months

The Baltic economies displayed resilience in 2012. GDP growth was well above the average for the Euro area and consumer confidence trended higher.

Baltic loan volumes of SEK 96bn grew 2 per cent in local currency during the first nine months, with relatively stable lending margins. Corporate loans grew in all countries and Estonia's mortgage portfolio continued to grow, as confidence returned to the housing market.

Total deposit volumes of SEK 64bn were 3 per cent higher in local currency than at the year-end 2011 and 19 per cent higher than at September 2011. Deposit margins continued to decline in each of the Baltic countries, reflecting the low prevailing interest rate environment.

Operating income of SEK 2,361m was 3 per cent higher than in the corresponding period of 2011, when adjusted for the strengthened Swedish krona. Operating income for the Baltic banking business (excluding the real estate holding

companies) increased by 2 per cent in the third quarter when adjusted for currency factors.

The operating profit of SEK 804m (2,428) included net credit losses of SEK 202m (net recovery of SEK 1,453m). Operating profit before credit losses increased by 3 per cent year-on-year. Non-performing loans declined by 17 per cent since year-end 2011 and the NPL coverage ratio increased slightly to 60 per cent.

SEB's Baltic real estate holding companies held assets with a total volume of SEK 1,950m (998), with a corresponding operating loss in the first nine months of SEK -67m (-40).

In the third quarter, SEB's client offering was improved by the launch of Baltic Online, a pan-Baltic cash management tool that allows corporate clients to manage all SEB Baltic bank accounts via one interface. SEB was ranked the most client friendly bank in Estonia by TNS EMOR and the SEB brand was ranked among the most appreciated brands in Latvia.

The SEB Group

Net interest income – SEB Group

SEK m	Q3			Q2		Q3			Jan - Sep			Full year 2011
	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	
Interest income	13 179	13 536	-3	14 406	-9	41 006	41 297	-1	56 163			
Interest expense	-8 713	-9 006	-3	-10 284	-15	-27 829	-28 714	-3	-39 262			
Net interest income	4 466	4 530	-1	4 122	8	13 177	12 583	5	16 901			

Net fee and commission income – SEB Group

SEK m	Q3			Q2		Q3			Jan - Sep			Full year 2011
	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	
Issue of securities	11	31	-65	28	-61	99	160	-38	252			
Secondary market	398	353	13	485	-18	1 117	1 296	-14	1 821			
Custody and mutual funds	1 564	1 664	-6	1 711	-9	4 853	5 423	-11	7 218			
Securities commissions	1 973	2 048	-4	2 224	-11	6 069	6 879	-12	9 291			
Payments	376	413	-9	390	-4	1 184	1 176	1	1 575			
Card fees	1 103	1 132	-3	1 022	8	3 276	2 974	10	4 034			
Payment commissions	1 479	1 545	-4	1 412	5	4 460	4 150	7	5 609			
Advisory	81	111	-27	122	-34	306	335	-9	432			
Lending	442	521	-15	474	-7	1 439	1 502	-4	1 963			
Deposits	33	30	10	27	22	92	79	16	106			
Guarantees	114	115	-1	98	16	338	292	16	398			
Derivatives	103	114	-10	222	-54	343	507	-32	715			
Other	65	148	-56	120	-46	329	381	-14	509			
Other commissions	838	1 039	-19	1 063	-21	2 847	3 096	-8	4 123			
Fee and commission income	4 290	4 632	-7	4 699	-9	13 376	14 125	-5	19 023			
Securities commissions	-281	-307	-8	-326	-14	-915	-1 037	-12	-1 385			
Payment commissions	-641	-670	-4	-593	8	-1 946	-1 709	14	-2 301			
Other commissions	-176	-206	-15	-291	-40	-610	-841	-27	-1 162			
Fee and commission expense	-1 098	-1 183	-7	-1 210	-9	-3 471	-3 587	-3	-4 848			
Securities commissions, net	1 692	1 741	-3	1 898	-11	5 154	5 842	-12	7 906			
Payment commissions, net	838	875	-4	819	2	2 514	2 441	3	3 308			
Other commissions, net	662	833	-21	772	-14	2 237	2 255	-1	2 961			
Net fee and commission income	3 192	3 449	-7	3 489	-9	9 905	10 538	-6	14 175			

Net financial income – SEB Group

SEK m	Q3			Q2		Q3			Jan - Sep			Full year 2011
	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	
Equity instruments and related derivatives	289	-175		-357	-181	530	-4		-21			
Debt instruments and related derivatives	-8	767	-101	793	-101	835	1 121	-26	1 057			
Currency related	809	588	38	613	32	2 278	2 133	7	2 981			
Other	1	-53	-102	-146	-101	-46	-291	-84	-469			
Net financial income	1 091	1 127	-3	903	21	3 597	2 959	22	3 548			

The result within Net financial income is presented based on type of underlying financial instrument. Treasury related activities are volatile due to changes in interests and spreads. The net effect from trading operations is fairly stable over time, although affected by seasonality, but shows volatility between lines.

Net credit losses – SEB Group

SEK m	Q3		Q2		Q3		Jan - Sep			Full year 2011
	2012	2012	%	2011	%	2012	2011	%		
<i>Provisions:</i>										
Net collective provisions for individually assessed loans	- 62	3		87		- 20	714			707
Net collective provisions for portfolio assessed loans	- 84	- 26		- 25		- 111	79			68
Specific provisions	2	- 194		17	-88	- 442	- 605	-27		- 800
Reversal of specific provisions no longer required	186	142	31	157	18	472	1 248	-62		1 421
Net provisions for off-balance sheet items	2	4	-50	21	-90	23	49	-53		68
Net provisions	44	- 71	-162	257	-83	- 78	1 485	-105		1 464
<i>Write-offs:</i>										
Total write-offs	- 741	- 704	5	- 823	-10	- 1 885	- 1 956	-4		- 2 705
Reversal of specific provisions utilized for write-offs	484	474	2	579	-16	1 220	1 422	-14		1 909
Write-offs not previously provided for	- 257	- 230	12	- 244	5	- 665	- 534	25		- 796
Recovered from previous write-offs	27	32	-16	20	35	82	67	22		110
Net write-offs	- 230	- 198	16	- 224	3	- 583	- 467	25		- 686
Net credit losses	- 186	- 269	-31	33		- 661	1 018	-165		778

Balance sheet – SEB Group

SEK m	30 Sep 2012	31 Dec 2011	30 Sep 2011
Cash and cash balances with central banks	187 126	148 042	100 405
Other loans to central banks	21	80 548	39 143
Loans to other credit institutions ¹⁾	122 655	128 763	151 265
Loans to the public	1 238 048	1 186 223	1 191 217
Financial assets at fair value *	718 133	670 633	725 504
Available-for-sale financial assets *	49 170	57 377	61 843
Held-to-maturity investments *	81	282	297
Assets held for sale		2 005	
Investments in associates	1 239	1 289	1 292
Tangible and intangible assets	29 098	29 016	29 053
Other assets	56 059	58 475	59 317
Total assets	2 401 630	2 362 653	2 359 336
Deposits from credit institutions	212 928	201 274	240 610
Deposits and borrowing from the public	811 901	861 682	814 414
Liabilities to policyholders	280 231	269 683	268 030
Debt securities	654 843	589 873	547 296
Financial liabilities at fair value	232 582	232 247	280 255
Liabilities held for sale		1 962	
Other liabilities	68 912	69 883	72 072
Provisions	2 431	1 779	1 724
Subordinated liabilities	24 184	25 109	27 705
Total equity	113 618	109 161	107 230
Total liabilities and equity	2 401 630	2 362 653	2 359 336
* Of which bonds and other interest bearing securities including derivatives.	447 176	456 915	491 682

1) Loans to credit institutions and liquidity placements with other direct participants in interbank fund transfer systems.

A more detailed balance sheet is included in the Fact Book.

Off-balance sheet items – SEB Group

SEK m	30 Sep 2012	31 Dec 2011	30 Sep 2011
Collateral pledged for own liabilities	192 965	204 265	220 484
Other pledged collateral	250 219	221 626	210 404
Contingent liabilities	91 517	94 004	90 486
Commitments	399 360	390 352	375 377

Statement of changes in equity – SEB Group

SEK m	Share capital	Retained earnings	Available-for-sale financial assets	Cash flow hedges	Translation of foreign operations	Total Shareholders' equity		Minority interests	Total Equity
						Other			
Jan-Sep 2012									
Opening balance	21 942	88 612	-1 003	1 107	-1 285	- 473	108 900	261	109 161
Net profit		8 533					8 533	15	8 548
Other comprehensive income (net of tax)			735	429	- 629	- 450	85	- 2	83
Total comprehensive income		8 533	735	429	- 629	- 450	8 618	13	8 631
Dividend to shareholders		-3 795					-3 795	- 193	-3 988
Employee share programme*		- 224					- 224		- 224
Change in holdings of own shares		38					38		38
Closing balance	21 942	93 164	- 268	1 536	- 1 914	- 923	113 537	81	113 618

Jan-Dec 2011									
Opening balance	21 942	80 571	-1 725	- 422	-1 145	56	99 277	266	99 543
Net profit		11 107					11 107	37	11 144
Other comprehensive income (net of tax)			722	1 529	- 140	- 529	1 582	- 1	1 581
Total comprehensive income		11 107	722	1 529	- 140	- 529	12 689	36	12 725
Dividend to shareholders		-3 242					-3 242		-3 242
Employee share programme*		189					189		189
Minority interests		15					15	- 41	- 26
Change in holdings of own shares		- 28					- 28		- 28
Closing balance	21 942	88 612	-1 003	1 107	-1 285	- 473	108 900	261	109 161

Jan-Sep 2011									
Opening balance	21 942	80 571	-1 725	- 422	-1 145	56	99 277	266	99 543
Net profit		8 783					8 783	27	8 810
Other comprehensive income (net of tax)			519	1 326	297	9	2 151	1	2 152
Total recognised income		8 783	519	1 326	297	9	10 934	28	10 962
Dividend to shareholders		-3 242					-3 242		-3 242
Employee share programme*		- 4					- 4		- 4
Change in holdings of own shares		- 29					- 29		- 29
Closing balance	21 942	86 079	-1 206	904	- 848	65	106 936	294	107 230

* The acquisition cost for the purchase of own shares is deducted from shareholders' equity.

The item includes changes in nominal amounts of equity swaps used for hedging of stock option programmes.

During 2011, SEB repurchased 3.0 million Series A shares for the long-term incentive programmes as decided at the Annual General Meeting. As stock options were exercised, 1.0 million shares were sold in 2011. As of 31 December 2011 SEB owned 2.3 million Class A shares with a market value of SEK 94m. Another 11.3 million shares have been sold as stock options were exercised in 2012. During 2012, SEB also repurchased 10.2 million Series A shares for the long-term incentive programmes as decided at the Annual General Meeting. As of 30 September 2012 SEB owned 1.2 million Class A-shares with a market value of SEK 66m.

Cash flow statement – SEB Group

SEK m	Jan - Sep			Full year 2011
	2012	2011	%	
Cash flow from operating activities	- 34 893	47 376	- 174	218 830
Cash flow from investment activities	- 778	- 585	33	- 1 952
Cash flow from financing activities	- 4 721	- 1 179		- 3 671
Net increase in cash and cash equivalents	- 40 392	45 612	- 189	213 207
Cash and cash equivalents at the beginning of year	276 853	63 646		63 646
Net increase in cash and cash equivalents	- 40 392	45 612	- 189	213 207
Cash and cash equivalents at the end of period¹⁾	236 461	109 258	116	276 853

1) Cash and cash equivalents at the 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

SEK m	Q3		Q2		Q3		Jan - Sep			Full year 2011
	2012	2012	%	2011	%	2012	2011	%		
Reclassified										
Opening balance	33 207	35 333	-6	55 317	-40	42 169	78 681	-46	78 681	
Amortisations	- 737	- 576	28	-1 684	-56	-2 034	-5 885	-65	-6 360	
Securities sold	56	-1 766	-103	-5 446	-101	-7 045	-24 280	-71	-29 058	
Accrued coupon	25	- 15		35	-29	41	47	-13	- 4	
Exchange rate differences	-1 738	231		968		-2 318	627		-1 090	
Closing balance*	30 813	33 207	- 7	49 190	- 37	30 813	49 190	-37	42 169	
* Market value	29 597	31 824	-7	48 585	-39	29 597	48 585	-39	39 284	
Fair value impact - if not reclassified										
In Equity (AFS origin)	310	226	37	- 429	-172	875	300	192	21	
In Income Statements (HFT origin)	23	- 11		- 1		119	103	16	127	
Total	333	215	55	- 430	-177	994	403	147	148	
Effect in Income Statements*										
Net interest income	125	165	-24	157	-20	499	947	-47	1 214	
Net financial income	-1 041	367		734		-1 336	- 246		-1 147	
Other income	- 3	- 111	-97	- 73	-96	- 390	- 345	13	- 473	
Total	- 919	421		818		-1 227	356		- 406	

* The effect in the 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 effects from financing activities. Other income is the realised gains or losses from sales in the portfolio.

Non-performing loans – SEB Group

	30 Sep	31 Dec	30 Sep
SEK m	2012	2011	2011
Individually assessed impaired loans			
Impaired loans, past due > 60 days	7 469	9 831	11 163
Impaired loans, performing or past due < 60 days	994	1 259	1 375
Total individually assessed impaired loans	8 463	11 090	12 538
Specific reserves	- 4 394	- 5 938	- 6 575
<i>for impaired loans, past due > 60 days</i>	- 4 024	- 5 311	- 5 930
<i>for impaired loans, performing or past due < 60 days</i>	- 370	- 627	- 645
Collective reserves	- 1 882	- 1 948	- 2 026
Impaired loans net	2 187	3 204	3 937
Specific reserve ratio for individually assessed impaired loans	51.9%	53.5%	52.4%
Total reserve ratio for individually assessed impaired loans	74.2%	71.1%	68.6%
Net level of impaired loans	0.30%	0.39%	0.43%
Gross level of impaired loans	0.62%	0.84%	0.90%
Portfolio assessed loans			
Portfolio assessed loans past due > 60 days	5 678	6 483	6 804
Restructured loans	442	501	530
Collective reserves for portfolio assessed loans	- 2 926	- 3 351	- 3 499
Reserve ratio for portfolio assessed loans	47.8%	48.0%	47.7%
Reserves			
Specific reserves	- 4 394	- 5 938	- 6 575
Collective reserves	- 4 808	- 5 299	- 5 525
Reserves for off-balance sheet items	- 507	- 369	- 378
Total reserves	- 9 709	- 11 606	- 12 478
Non-performing loans			
Non-performing loans*	14 583	18 074	19 872
NPL coverage ratio	66.6%	64.2%	62.8%
NPL % of lending	1.06%	1.36%	1.47%

* Impaired loans + portfolio assessed loans past due > 60 days + restructured portfolio assessed loans

Seized assets – SEB Group

	30 Sep	31 Dec	30 Sep
SEK m	2012	2011	2011
Properties, vehicles and equipment	2 055	1 603	1 199
Shares	49	53	57
Total seized assets	2 104	1 656	1 256

Discontinued operations – SEB Group

Income statement

SEK m	Q3			Q2		Q3			Jan - Sep			Full year
	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	2011
Total operating income	104	126	-17	148	-30	227	-619	-137	-535			
Total operating expenses	-97	-208	-53	-99	-2	-556	-561	-1	-1093			
Profit before credit losses	7	-82	-109	49	-86	-329	-1180	-72	-1628			
Net credit losses	-179	-1		1		-181	183		180			
Operating profit	-172	-83	107	50		-510	-997	-49	-1448			
Income tax expense	17	-3		-74	-123	23	142	-84	293			
Net profit from discontinued operations	-155	-86	80	-24		-487	-855	-43	-1155			

Assets and liabilities held for sale

SEK m	30 Sep 2012	31 Dec 2011	30 Sep 2011
Loans to the public		734	
Other assets		1271	
Total assets held for sale		2005	
Deposits from credit institutions		1275	
Deposits and borrowing from the public		663	
Other liabilities		24	
Total liabilities held for sale		1962	

Cash flow statement

SEK m	Q3			Q2		Q3			Jan - Sep			Full year
	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	2011
Cash flow from operating activities	27	-7		1033	-97	13	28114	-100	27387			
Cash flow from investment activities		47	-100	60	-100	38	373	-90	423			
Cash flow from financing activities	-29	72		-920	-97	140	-28695	-100	-27800			
Net increase in cash and cash equivalents from discontinued operations	-2	112	-102	173		191	-208	-192	10			

Discontinued operations includes the work to finalise the operational separation of the divested retail operations in Germany and the divestment of the Ukrainian retail operations. In Q3 2012, SEK 180m refers to credit losses not finally adjusted at the time of the divestment finalisation during Q1 2012.

Capital base of the SEB financial group of undertakings

SEK m	30 Sep 2012	31 Dec 2011
Total equity according to balance sheet	113 618	109 161
Dividend (excl repurchased shares)	-2 878	-3 836
Investments outside the financial group of undertakings	-63	-41
Other deductions outside the financial group of undertakings	-3 902	-3 728
= Total equity in the capital adequacy	106 775	101 556
Adjustment for hedge contracts	-200	229
Net provisioning amount for IRB-reported credit exposures	0	-108
Unrealised value changes on available-for-sale financial assets	-7	717
Exposures where RWA is not calculated	-749	-914
Goodwill	-4 109	-4 147
Other intangible assets	-3 263	-2 943
Deferred tax assets	-968	-1 293
= Core Tier 1 capital	97 479	93 097
Tier 1 capital contribution (non-innovative)	4 213	4 455
Tier 1 capital contribution (innovative)	9 654	10 159
= Tier 1 capital	111 346	107 711
Dated subordinated debt	6 382	4 815
Deduction for remaining maturity	-38	-320
Perpetual subordinated debt	2 104	2 225
Net provisioning amount for IRB-reported credit exposures	467	-108
Unrealised gains on available-for-sale financial assets	914	799
Exposures where RWA is not calculated	-749	-914
Investments outside the financial group of undertakings	-63	-41
= Tier 2 capital	9 017	6 456
Investments in insurance companies	-10 500	-10 500
Pension assets in excess of related liabilities	-258	-222
= Capital base	109 605	103 445

On 30 September 2012 the parent company's core tier 1 capital was SEK 88,093m (83,483m at year-end) and the reported core Tier 1 capital ratio was 13.8 per cent (13.6 at year-end).

Risk-weighted assets for the SEB financial group of undertakings

Risk-weighted assets SEK m	30 Sep 2012	31 Dec 2011
Credit risk IRB approach		
Institutions	24 669	29 552
Corporates	330 207	394 094
Securitisation positions	5 505	6 515
Retail mortgages	44 017	45 241
Other retail exposures	9 163	9 460
Other exposure classes	1 455	1 651
Total credit risk IRB approach	415 016	486 513
Further risk-weighted assets		
Credit risk, Standardised approach	69 120	77 485
Operational risk, Advanced Measurement approach	40 555	42 267
Foreign exchange rate risk	13 944	13 173
Trading book risks	51 961	59 403
Total risk-weighted assets	590 596	678 841
Summary		
Credit risk	484 136	563 998
Operational risk	40 555	42 267
Market risk	65 905	72 576
Total	590 596	678 841
Adjustment for flooring rules		
Addition according to transitional flooring	269 885	148 774
Total reported	860 481	827 615

Capital adequacy analysis

Capital adequacy	30 Sep 2012	31 Dec 2011
Capital resources		
Core Tier 1 capital	97 479	93 097
Tier 1 capital	111 346	107 711
Capital base	109 605	103 445
Capital adequacy without transitional floor (Basel II)		
Risk-weighted assets	590 596	678 841
Expressed as capital requirement	47 248	54 307
Core Tier 1 capital ratio	16,5%	13,7%
Tier 1 capital ratio	18,9%	15,9%
Total capital ratio	18,6%	15,2%
Capital base in relation to capital requirement	2,32	1,90
Capital adequacy including transitional floor		
Transitional floor applied	80%	80%
Risk-weighted assets	860 481	827 615
Expressed as capital requirement	68 838	66 209
Core Tier 1 capital ratio	11,3%	11,2%
Tier 1 capital ratio	12,9%	13,0%
Total capital ratio	12,7%	12,5%
Capital base in relation to capital requirement	1,59	1,56
Capital adequacy with risk-weighting according to Basel I		
Risk-weighted assets	1 068 310	1 037 898
Expressed as capital requirement	85 465	83 032
Core Tier 1 capital ratio	9,1%	9,0%
Tier 1 capital ratio	10,4%	10,4%
Total capital ratio	10,3%	10,0%
Capital base in relation to capital requirement	1,28	1,25

Overall Basel II risk-weighted assets ('RWA'), before the effect of transitional flooring, decreased with 13 per cent or SEK 88bn since year-end. The main reasons were implementation of a non-retail real estate LGD model in the parent company; SEK -42bn, implementation of a shipping LGD model in the parent company; SEK -19bn, transition to IRB foundation for a minor retail mortgage portfolio in the parent company; SEK -2bn, RWA process changes; SEK -10bn, currency effect, i.e. a stronger Swedish krona; SEK -15bn, volume changes; SEK 15bn, risk class migration; SEK 3bn, risk-weight changes; SEK -6bn, market risk change; SEK -7bn, operational risk change; SEK -2bn, other minor changes; SEK -3bn.

Un-floored Basel II RWA was 45 per cent lower than Basel I RWA. The ultimate target is to use IRB reporting for all credit exposures except those to central governments, central banks and local governments and authorities, and a small number of insignificant portfolios.

The forthcoming regulatory directive, CRD IV, establishes explicit minimum levels for common equity Tier 1 and Tier 1 capital and requires banks to hold more and higher quality capital. In addition, the Swedish government has proposed stricter common equity capital ratio requirements than Basel III; 10 per cent from 2013 and 12 per cent from 2015 (with capital and RWA defined according to fully implemented CRD IV / Basel III framework). Risk weighted assets will mainly be affected by an additional so called credit value adjustment requirement for OTC-derivatives, new requirements for exposures towards central counterparties, and an increase in risk weights for exposures towards financial institutions.

SEB actively monitors the regulatory development and takes part in consultations via national and international industry organisations.

The following table summarises average risk weights (Risk-Weighted Assets, RWA, divided by Exposure At Default, 'EAD') for exposures where RWA is calculated following the internal ratings based (IRB) approach. Repo and securities

lending transactions are excluded from the analysis since they carry low risk-weight and can vary considerably in volume, thus making numbers less comparable.

IRB reported credit exposures (less repos and securities lending)	30 Sep	31 Dec
Average risk-weight	2012	2011
Institutions	16.5%	19.2%
Corporates	42.4%	51.6%
Securitisation positions	32.9%	34.9%
Retail mortgages	10.9%	12.1%
Other retail exposures	36.7%	37.5%

The decline in corporate risk-weights is mainly due to implementation of a non-retail real estate LGD-model and a shipping LGD-model in the parent company.

Income statement – Skandinaviska Enskilda Banken AB (publ)

In accordance with FSA regulations SEK m	Q3			Q2		Q3		Jan - Sep			Full year 2011
	2012	2012	%	2011	%	2012	2011	%			
Interest income	9 169	9 694	-5	9 465	-3	28 581	26 618	7	36 819		
Leasing income	1 405	1 460	-4	1 456	-4	4 393	4 286	2	5 756		
Interest expense	-6 217	-6 779	-8	-7 135	-13	-20 080	-19 444	3	-27 034		
Dividends	1 282	1 854	-31	1 232	4	3 415	4 213	-19	4 409		
Fee and commission income	1 931	2 302	-16	2 130	-9	6 347	6 579	-4	9 030		
Fee and commission expense	-320	-402	-20	-390	-18	-1 067	-1 171	-9	-1 634		
Net financial income	951	977	-3	872	9	3 097	2 425	28	3 133		
Other income	248	187	33	494	-50	447	904	-51	1 183		
Total operating income	8 449	9 293	-9	8 124	4	25 133	24 410	3	31 662		
Administrative expenses	-3 379	-3 710	-9	-3 372	0	-10 509	-10 703	-2	-14 479		
Depreciation, amortisation and impairment of tangible and intangible assets	-1 205	-1 229	-2	-1 206	0	-3 712	-3 567	4	-4 884		
Total operating expenses	-4 584	-4 939	-7	-4 578	0	-14 221	-14 270	0	-19 363		
Profit before credit losses	3 865	4 354	-11	3 546	9	10 912	10 140	8	12 299		
Net credit losses	-68	-91	-25	-114	-40	-298	-268	11	-458		
Impairment of financial assets	-1 094			-32		-1 094	-732	49	-759		
Operating profit	2 703	4 263	-37	3 400	-21	9 520	9 140	4	11 082		
Appropriations	2	-2	-200						-1 119		
Income tax expense	-839	-722	16	-554	51	-2 326	-1 516	53	-2 122		
Other taxes		-9		6	-100		-26	-100	10		
Net profit	1 866	3 530	-47	2 852	-35	7 194	7 598	-5	7 851		

Statement of comprehensive income – Skandinaviska Enskilda Banken AB (publ)

SEK m	Q3			Q2		Q3		Jan - Sep			Full year 2011
	2012	2012	%	2011	%	2012	2011	%			
Net profit	1 866	3 530	-47	2 852	-35	7 194	7 598	-5	7 851		
Available-for-sale financial assets	108	-195		-40		139	124	12	36		
Cash flow hedges	689	329		1 302	-47	432	1 332	-68	1 536		
Translation of foreign operations	-26			9		-41	55		44		
Other				-233	-100		-294	-100	-452		
Other comprehensive income (net of tax)	771	134		1 038	-26	530	1 217	-56	1 164		
Total comprehensive income	2 637	3 664	-28	3 890	-32	7 724	8 815	-12	9 015		

Balance sheet - Skandinaviska Enskilda Banken AB (publ)

Condensed	30 Sep	31 Dec	30 Sep
SEK m	2012	2011	2011
Cash and cash balances with central banks	101 726	121 948	83 466
Loans to credit institutions	247 512	245 796	227 759
Loans to the public	935 143	873 335	871 513
Financial assets at fair value	412 129	386 830	438 336
Available-for-sale financial assets	16 897	16 739	18 175
Held-to-maturity investments	1 602	2 771	2 876
Investments in associates	1 035	1 092	1 112
Shares in subsidiaries	51 203	53 686	55 451
Tangible and intangible assets	41 587	43 363	43 194
Other assets	42 365	43 290	42 433
Total assets	1 851 199	1 788 850	1 784 315
Deposits from credit institutions	250 295	229 428	262 953
Deposits and borrowing from the public	564 384	608 645	561 848
Debt securities	634 950	558 747	515 642
Financial liabilities at fair value	229 898	226 717	273 121
Other liabilities	46 666	44 157	48 452
Provisions	68	76	86
Subordinated liabilities	24 119	24 727	27 315
Untaxed reserves	25 049	25 049	23 930
Total equity	75 770	71 304	70 968
Total liabilities, untaxed reserves and shareholders' equity	1 851 199	1 788 850	1 784 315

Off-balance sheet items - Skandinaviska Enskilda Banken AB (publ)

SEK m	30 Sep	31 Dec	30 Sep
SEK m	2012	2011	2011
Collateral pledged for own liabilities	108 972	104 496	123 658
Other pledged collateral	49 671	51 077	45 345
Contingent liabilities	76 653	74 435	70 851
Commitments	302 667	303 315	292 118

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