

Interim report January – September 2011

STOCKHOLM 27 OCTOBER 2011

The first nine months 2011 – operating profit SEK 12.4bn (6.8)

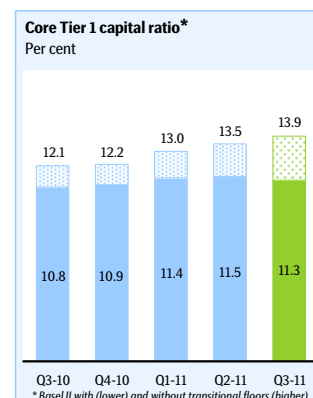
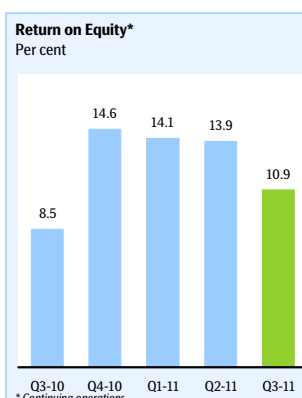
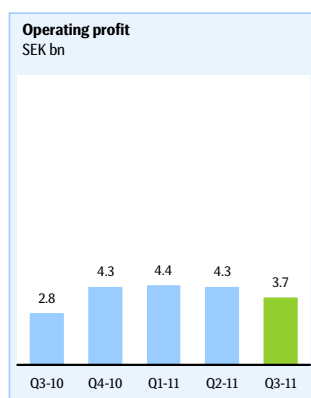
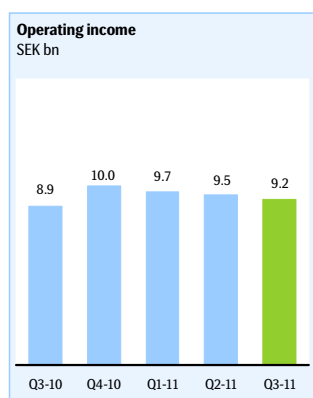
- Operating profit rose by 82 per cent to SEK 12.4bn (6.8). Net profit from continuing operations amounted to SEK 9.9bn (5.0). Including discontinued operations net profit amounted to SEK 8.8bn (3.3).
- Operating income rose by 6 per cent to SEK 28.4bn (26.8). Net interest income, at SEK 12.6bn, was up 10 per cent.
- Operating expenses, at SEK 17.3bn, increased by 2 per cent, excluding restructuring costs in 2010.
- SEK 1.2bn of net credit provisions were released, corresponding to a credit loss level of -0.13 per cent (0.21).
- Deposits from the public increased by SEK 102bn and lending to the public increased by SEK 108bn.
- Return on equity in continuing operations was 12.9 per cent (6.7) and earnings per share SEK 4.47 (2.25). Return on equity including discontinued operations was 11.5 per cent (4.4) and earnings per share SEK 4.00 (1.48).
- Core Tier 1 capital ratio was 13.9 per cent (12.2 at year-end) and the tier 1 capital ratio was 16.2 per cent (14.2).
- Core liquidity reserve amounted to SEK 308bn and SEB's total liquid resources amounted to SEK 535bn.

The third quarter 2011– operating profit SEK 3.7bn (2.8)

- Operating profit rose by 30 per cent compared with the corresponding quarter 2010. Lower release of net credit provisions explains the decrease of operating profit by 13 per cent compared with the second quarter.
- Operating income amounted to SEK 9.2bn (8.9) and operating expenses to SEK 5.6bn (6.2).
- Including discontinued operations net profit amounted to SEK 2.8bn (0.6).

“Long-term stability and relationship banking remain hallmarks for SEB. Customer driven income was strong in a volatile environment. Facing a prolonged period of uncertainty, our preparedness for continued customer support remains high.”

Annika Falkengren



President's comment

The European debt crisis has been the epicentre of the turbulence seen over the past months. Again credit markets have been partly stalled due to a lack of trust, this time as a result of the Greek sovereign situation in particular, and the uncertainty over a credible long-term solution within the Eurozone in general. In response, forward long-term interest rates have dramatically decreased while credit spreads have expanded. Also, stock markets have plummeted. The outlook for the global economic development is clearly more subdued and the robust Nordic economies will not be immune.

Stability and customer support key priorities

The robust operating profit of SEK 3.7bn in the third quarter is evidence of our cautious stance and strong relationship banking model. Despite the turmoil and the seasonally slower third quarter, customer driven income was higher than any quarter to date. Customer driven net interest income increased by 6 per cent compared with the previous quarter reflecting increased demand for lending and deposits. For the first nine months, both lending and deposit volumes are up by more than SEK 100bn.

In this turbulent period, long-term stability and customer relationships have continued to be our key priorities. Early this spring, we therefore extended our funding and increased our liquidity buffers in order to be able to support our customers in a deteriorating market environment. Our capital ratios remain among Europe's highest.

High customer interaction and support

Corporate customers have increased their activity levels in order to protect themselves from heightened risks in the economy as well as in the financial markets. As a result, the Merchant Banking division recorded a strong quarter following higher results in foreign exchange and equities as well as corporate customers drawing on existing credit lines. SEB has been involved in 80 per cent of all public syndicated loans in the Nordic countries this year and remained the market leader on Nordic and Baltic stock exchanges. During the quarter, our leading Nordic franchise was reaffirmed by Prospera's ratings of SEB as the No.1 Nordic equity and foreign exchange provider. Since the start of our growth initiatives in the Nordic and German markets in 2010, we have attracted more than 150 new large corporate clients.

Private individuals and small and medium sized companies increased their lending and deposit activities with SEB. Customer interaction has been high and overall, private individuals have grown more cautious; choosing fixed rate mortgages and reallocating savings from equities to time deposits and money market mutual funds. This cautious sentiment already exists among the corporate customers and private individuals in the Baltic region, even if we saw increased demand for loans and deposits during the quarter.

SEB has further confirmed its leading Private Banking position and attracted almost 1,000 new customers during the third quarter and SEK 22bn in net new money since the start of the year.



High asset quality

SEB's Nordic and German asset quality remained very high with a credit loss level below five basis points. Impaired loans in the Baltic operations continued to decrease, albeit at a lower pace. The lower net release of SEK 202m in provisions for credit losses in the Baltic countries also reflects an unchanged reserve ratio due to elevated global economic uncertainty. Since the summer of 2010, net releases of credit loss provisions of SEK 2.5bn have been made on the back of 25 per cent lower non-performing loans in the Baltic operations.

Flat cost target

In the new financial landscape – where banks will need to hold more capital and more liquidity – cost efficiency will be even more important. Therefore, in line with the earlier communicated ambition to keep costs flat, the cost cap of SEK 24bn for 2011 has now been extended to 2014. In this time frame, we will take out SEK 3bn of costs from the current cost base to offset inflation while continuing to invest in organic growth. The gross savings are focused on more effective procurement, IT development, loan operations, staff functions as well as overall simplified processes.

Long-term values to meet accelerated uncertainty

Rarely in modern times has the economic landscape and the requirements on the financial markets – and the banking industry in particular – been more uncertain. We are still waiting for the finalisation of the banking regulatory framework, which may further increase the future cost of running a bank and, by extension, being a customer of a bank.

In this highly challenging environment, credibility as a financial partner and counterpart cannot be underestimated. Banking is all about taking a long-term perspective, creating trust and building relationships.

We have a strong balance sheet that gives us resilience and flexibility. Through persistent customer focus and continued cost control, we continue to pursue our long-term goal to be *the* Relationship bank in our part of the world.

The Group

Third quarter isolated

Operating profit amounted to SEK 3,712m (2,847). *Net profit from continuing operations* rose to SEK 2,851m (2,082).

Net profit (after tax), including the negative effect from the discontinued operations at SEK 27m (-1,486), was SEK 2,824m (596).

Operating income

Total operating income amounted to SEK 9,245m (8,882), an increase of 4 per cent compared with the corresponding quarter 2010. Normal seasonal effects from lower customer activity in the third quarter and lower valuations in the financial markets contributed to the decrease of 3 per cent in total operating income from the previous quarter.

Net interest income at SEK 4,143m (4,180) was 1 per cent lower than the third quarter 2010 and 2 per cent lower than the previous quarter. Compared with the corresponding quarter 2010, customer loans and deposits combined contributed SEK 577m more to net interest income. Compared with the second quarter, customer driven net interest income improved by SEK 204m. This was mainly due to increased lending and deposit volumes which contributed SEK 152m.

Net interest income from other activities was down SEK 614m compared with the corresponding quarter 2010. Compared with the previous quarter the reduction was SEK 291m. The decrease in the quarter relates primarily to Group Treasury activity and the lower contribution from continued substitution of holdings towards bonds perceived to be more stable during stressed periods in the market. There was also a negative impact from the flatter yield curve. Net interest income in Trading and Capital Markets was SEK 93m lower.

Net fee and commission income at SEK 3,499m (3,387) increased by 3 per cent compared with the corresponding quarter 2010 and decreased with 2 per cent from the previous quarter. Increased equity markets activity led to increased institutional brokerage fee income.

Net financial income at SEK 910m (727) increased with 25 per cent from the corresponding quarter 2010 and was up 10 per cent compared with last quarter. Within trading operations, the FX trading result was strong, benefiting from market volatility and high customer activity. Net financial income was also impacted by the valuation of holdings of Greek sovereign bonds (nominal amount of SEK 785m). These holdings were at 30 September recorded at SEK 383m, 49 per cent of nominal value, and negatively impacted the quarterly result with SEK 188m, in line with the negative impact in the second quarter.

Net life insurance income decreased with 19 and 14 per cent, from the corresponding quarter last year and from the previous quarter, respectively. While income from the unit-linked business was slightly lower, the fall of asset values and long-term interest rates reduced income from traditional life portfolios as well as lowered returns on the investment portfolios for own account in the Danish operations.

Net other income at SEK 34m (-230) reflected effects from hedge accounting. During the quarter there was a net gain on investment securities which during the corresponding quarter 2010, was a loss.

Operating expenses

Total operating expenses, at SEK 5,568m, increased 2 per cent compared with the same quarter last year excluding restructuring costs of SEK 755m for SEB's German business. The decrease by 5 per cent from the previous quarter related to staff and IT costs.

Credit losses and provisions

A net release of *provisions for credit losses* of SEK 33m (196) during the quarter reflected the continued improvement of asset quality in the Baltic countries, in which the net release of provisions was SEK 202m (273).

Individually assessed impaired loans decreased by SEK 1,917m to SEK 12,538m during the quarter. The decrease in the Nordic region was SEK 908m, or 43 per cent. Impaired loans in the Baltic region decreased by SEK 461m, or 5 per cent. Successful restructuring and positive risk migration were the main reasons for the change.

The Group's *portfolio assessed loans past due >60 days* increased by SEK 9m during the quarter to SEK 6,804m, of which SEK 4,644m in the Baltic countries' operations. The outstanding amount of restructured Baltic household loans was up by SEK 7m to SEK 530m.

The *total reserve ratio for individually assessed impaired loans* and the *total non-performing loans coverage ratio* strengthened during the quarter to 69 and 63 per cent, respectively.

Discontinued operations

Discontinued operations includes the negative financial effects, in the amount of SEK 27m, from SEB's German retail business which was divested to Banco Santander on 31 January 2011. SEK 26m of the expense relates to the tax allocated to the discontinued business of SEB AG's total tax expense and may be subject to changes over time.

The first nine months

Operating profit for the first nine months amounted to SEK 12,364m (6,809), an increase of 82 per cent. The effect of currency translation lowered operating profit by SEK 531m compared with the corresponding period last year. *Net profit from continuing operations* rose to SEK 9,850m (4,992).

Net profit (after tax) including the negative effect of SEK 1,040m (1,703) from the divestment of the German retail operations was SEK 8,810m (3,289).

Operating income

Total operating income amounted to SEK 28,446m (26,841), an increase of 6 per cent compared with the corresponding period 2010. Currency translation effects lowered operating income by SEK 895m.

Net interest income at SEK 12,634m (11,484) for the first nine months was 10 per cent higher than the corresponding period 2010, reflecting increased business volumes and higher average market interest rates in 2011.

Customer driven net interest income year-on-year was up by SEK 1,197m as a result of 6 per cent higher average lending and deposit volumes and recovering deposit margins on the back of rising policy interest rates. Lending margins were lower but have started to increase during the third quarter.

Net interest income from other activities was flat compared with the same period last year due to several effects. Higher short-term rates and lower credit spreads on refinancing of long-term debt had a positive impact. Effects from reduced holdings in the investment portfolio and terming-out of funding were negative. The fee to the Swedish government's stability fund in the amount of SEK 450m for the nine months reduced net interest income.

Net fee and commission income increased by 3 per cent to SEK 10,563m (10,254) compared with the corresponding period last year. The increase is primarily due to improvements in custody and mutual funds and also represents increased lending fees.

Net financial income increased to SEK 2,974m (2,654), mainly due to high activity in FX and Capital markets during 2011. The positive SEK 300m effect from the adjustment of treasury hedges for the continuing German business was fully offset by the impairment of Greek sovereign debt. The total negative result from these holdings in 2011 based on a recorded value of 49 per cent was SEK 355m.

Net life insurance income decreased with 11 per cent to SEK 2,205m (2,475), primarily due to lower returns in the investment portfolios for own account and reduced income from the traditional life portfolios, in turn related to falling stock markets and the flattening yield curve. Provisions of SEK 79m were made to cover potential future guarantees in the Swedish traditional life portfolio.

Net other income amounted to SEK 70m (-26). Net gains on investment securities were offset by hedge accounting effects.

Operating expenses

Total operating expenses decreased by 3 per cent to SEK 17,297m (17,769). Currency translation effects decreased total operating expenses by SEK 493m compared with one year ago.

Investments in the Nordic and German expansion have increased the number of full-time staff by 359 to 17,403 since the third quarter 2010. In combination with annual salary adjustments, staff costs increased to SEK 10,565m (10,446). Higher other expenses reflected investments in the IT infrastructure, partially offset by lower consultancy costs.

Credit losses and provisions

A net release of *provisions for credit losses* of SEK 1,213m reflected the continued improved asset quality in the Baltic countries. During the last nine months, the total net releases in the Baltic division were SEK 1,453m.

Individually assessed impaired loans decreased by SEK 4,680m to SEK 12,538m during the nine months, mainly due to the continued improvement in the Baltic countries, where impaired loans decreased by SEK 2,543m, or 23 per cent. Positive risk migration following the economic stabilisation was a main reason for the change.

The Group's *portfolio assessed loans past due >60 days* increased by SEK 270m, of which SEK 149m in the Baltic countries, during the nine months to SEK 6,804m. The outstanding amount of restructured Baltic household loans was SEK 530m, up SEK 28m in 2011.

The *total reserve ratio for individually assessed impaired loans* was unchanged during the year at 69 per cent, while the *total non-performing loans coverage ratio* for the Group has decreased to 63 per cent (66 at year-end).

Income tax expense

Total income tax amounted to SEK 2,514m (1,817) corresponding to a tax rate of 20 per cent (27).

Discontinued operations

The negative result after tax from the divestment of SEB's German retail operations amounted to SEK 1,040m, a net of the business result, the capital gain and the effect of unwinding of hedges. Following the sale and transfer of the German retail banking business to Banco Santander in January 2011, work and related discussions to finalise the financial closing and operational separation are ongoing.

Business volumes

Total assets as at 30 September 2011 amounted to SEK 2,359bn (2,180 at year-end 2010). Loans to the public increased to SEK 1,191bn (1,075). Corporate lending increased with SEK 65bn and household loans with SEK 34bn. Deposits from the public increased to SEK 814bn (712). The German retail assets sold in January 2011 amounted to SEK 75bn and liabilities sold amounted to SEK 48bn.

SEB's total credit portfolio increased, to SEK 1,751bn (1,609 at year-end, excluding the German retail portfolio).

There was an increase of SEK 118bn, or 9 per cent, in the combined corporate and household segments since year-end. Compared with last year, the share of lending versus commitments increased.

SEB's net position in fixed-income securities for investment, treasury and client facilitation purposes amounted to SEK 259bn (278 at year-end 2010), of which the bond investment portfolio was SEK 32bn (48 at year-end 2010). Since year-end, approximately SEK 16bn from the bond investment portfolio has been redeemed or sold. Similarly, the strategic structural shift in the overall net position in fixed income securities from unsecured financials and structured bonds into sovereign and covered bonds continued. The total bond exposure to Greece, Italy, Ireland, Portugal and Spain amounted to SEK 16bn (19 at year-end; 21 one year ago), of which sovereign holdings amounted to a nominal of SEK 1.6bn and recorded value of SEK 1.0bn.

As at 30 September 2011, assets under management totalled SEK 1,241bn (1,399 at year-end 2010). The net inflow of assets was SEK 25bn. The change in value amounted to SEK -200bn and there was an increase of SEK 17bn from the acquisition of Irish Life International. Assets under custody amounted to SEK 4,321bn (5,072).

Market risk

During the first nine months of 2011, Value at Risk in the trading operations averaged SEK 219m. On average, the Group should not expect to lose more than this amount during a ten-day period, with 99 per cent probability.

The trading business is customer flow driven, confirmed by the fact that since 2007 the number of loss-making days in the trading business have been 41 out of 1,215 trading days with an average loss of SEK 14m. During the first nine months of 2011 there were 2 loss-making days.

Liquidity and long-term funding

SEB's loan-to-deposit ratio was reduced to 134 per cent (138 at year-end), excluding repos and debt instruments. An important factor was the increased deposit base by SEK 102bn. As per 30 September, the matched funding of net cash inflows and outflows remained above two years. SEK 91bn of new funding was raised during the first nine months. Including the 2-year EUR 750m senior unsecured issue on 12 October, the SEK 98bn of maturing debt in 2011 was fully refinanced.

In order to increase transparency regarding liquidity management, a common definition of liquidity reserves has been agreed within the Swedish Bankers' Association. The liquidity reserve at 30 September amounted to SEK 308bn. SEB's total liquid resources which additionally include net trading assets and unutilised collateral in the cover pool amounted to SEK 535bn.

Capital position

As per 30 September, the Basel II core Tier 1 capital ratio was 13.9 per cent (12.2 at year-end 2010) and the Tier 1 capital ratio was 16.2 per cent (14.2). The Group's risk-weighted assets (RWA) amounted to SEK 667bn (716 at year-end 2010). Adjusted for the RWA effect of SEK 37bn from the sale of the German retail operations, RWA was SEK 12bn lower. A part of this reduction reflected the implementation of IRB advanced models for large parts of the unsecured corporate portfolios in the Nordic region, which offset the underlying growth of lending volumes.

Adjusting for the supervisory transitional rules, SEB reports RWA of SEK 827bn (800), a Core Tier 1 capital ratio of 11.3 per cent (10.9) and a Tier 1 capital ratio of 13.1 per cent (12.8).

Rating

SEB's long-term senior unsecured rating is 'A1', 'A' and 'A+' by Moody's, Standard & Poor's and Fitch respectively. All ratings have a stable outlook. During 2011, both Standard & Poor's and Moody's have upgraded SEB's so-called stand-alone rating to 'a' and 'Baa1', respectively. Fitch affirmed its rating of SEB at the end of September.

Risks and uncertainties

The macro-economic environment is the major driver of risk to the Group's earnings and financial stability. In particular, it affects the asset quality and thereby the credit risk of the Group. The medium-term outlook for the global economy is characterised by uncertainty – whereas Nordic economies are still robust, austerity measures in many countries accentuate sovereign risk and create subdued economic growth, which could impact SEB's main markets. Such an impact has been evident following the increased uncertainty during 2011. Thus, further negative effects on customer sentiment and financial markets cannot be ruled out. Also, sovereign risk may impact valuations of bond holdings.

SEB also assumes market, liquidity, operational and life insurance risks. The risk composition of the Group as well as related risk management are further described in SEB's annual report.

Management appointments in SEB

Bo Magnusson, Executive Vice President and Head of Business Support, will leave SEB on 31 October 2011. Martin Johansson, currently Head of the Baltic division, will be the successor. David Teare was appointed the new Head of the Baltic division and adjunct member of the Group Executive Committee. Peter Høltermand, Head of SEB Denmark, and William Paus, Head of SEB Norway, were also appointed adjunct members of the Group Executive Committee.

Stockholm, 27 October 2011

The President declares that the Interim Report for January-September 2011 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.

Annika Falkengren

President and Chief Executive Officer

Press conference and webcasts

The press conference at 9.00 (CEST) on 27 October 2011 at Kungsträdgårdsgatan 8 with 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 13.30 (CEST) on 27 October 2011 with CEO Annika Falkengren and CFO Jan Erik Back can be accessed by telephone, +44(0)20 7162 0025. Please quote conference id: 905223, not later than 10 minutes in advance. A replay of the conference call will be available on www.sebgroup.com/ir.

Financial information calendar

7 February 2012	Annual Accounts for 2011
7 March 2012	Annual Report on www.sebgroup.com
29 March 2012	Annual General Meeting
24 April 2012	Interim report Jan-Mar 2012
16 July 2012	Interim report Jan-Jun 2012
25 October 2012	Interim report Jan-Sep 2012
31 January 2013	Annual Accounts 2012

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SEB's Fact Book is available 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) from the Swedish Financial Reporting Board.

As from 2011, the following changes have been introduced in the accounting standards: IAS 24 (revised 2010) Related Party Disclosures, IAS 32 (amendment) Financial Instruments: Classification, IFRS 7 (amendment) Financial instruments: Disclosures, IFRIC 14 (amendment) Prepayments of a Minimum Funding Requirement, and IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. The changes have not had a material effect on the consolidated financial statements for 2011.

In all other respects, the Group's and the Parent company's accounting policies, basis for calculations and presentations are, in all material aspects, unchanged in comparison with the 2010 Annual Report.

Review report

We have reviewed this report for the period 1 January 2011 to 30 September 2011 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, 27 October 2011

PricewaterhouseCoopers AB

Peter Clemetson

Authorised Public Accountant

The SEB Group

Income statement – SEB Group

SEK m	Q3			Q2			Q3			Jan - Sep			Full year 2010
	2011	2011	%	2010	%	2011	2010	%	2011	2010	%		
Net interest income	4 143	4 230	-2	4 180	-1	12 634	11 484	10	16 010				
Net fee and commission income	3 499	3 561	-2	3 387	3	10 563	10 254	3	14 160				
Net financial income	910	829	10	727	25	2 974	2 654	12	3 166				
Net life insurance income	659	764	-14	818	-19	2 205	2 475	-11	3 255				
Net other income	34	145	-77	-230		70	-26		288				
Total operating income	9 245	9 529	-3	8 882	4	28 446	26 841	6	36 879				
Staff costs	-3 412	-3 543	-4	-3 392	1	-10 565	-10 446	1	-14 004				
Other expenses	-1 717	-1 914	-10	-1 679	2	-5 429	-5 338	2	-7 303				
Depreciation, amortisation and impairment of tangible and intangible assets	-439	-431	2	-405	8	-1 303	-1 230	6	-1 880				
Restructuring costs				-755	-100		-755	-100	-764				
Total operating expenses	-5 568	-5 888	-5	-6 231	-11	-17 297	-17 769	-3	-23 951				
Profit before credit losses	3 677	3 641	1	2 651	39	11 149	9 072	23	12 928				
Gains less losses on disposals of tangible and intangible assets	2	-6				2	-7		14				
Net credit losses	33	643	-95	196	-83	1 213	-2 256		-1 837				
Operating profit	3 712	4 278	-13	2 847	30	12 364	6 809	82	11 105				
Income tax expense	-861	-788	9	-765	13	-2 514	-1 817	38	-2 521				
Net profit from continuing operations	2 851	3 490	-18	2 082	37	9 850	4 992	97	8 584				
Discontinued operations	-27	-120	-78	-1 486	-98	-1 040	-1 703	-39	-1 786				
Net profit	2 824	3 370	-16	596		8 810	3 289	168	6 798				
Attributable to minority interests	7	6	17	15	-53	27	47	-43	53				
Attributable to equity holders	2 817	3 364	-16	581		8 783	3 242	171	6 745				
Continuing operations													
Basic earnings per share, SEK	1.29	1.59		0.94		4.47	2.25		3.88				
Diluted earnings per share, SEK	1.29	1.58		0.94		4.46	2.25		3.87				
Total operations													
Basic earnings per share, SEK	1.28	1.53		0.26		4.00	1.48		3.07				
Diluted earnings per share, SEK	1.28	1.52		0.26		4.00	1.47		3.06				

Statement of comprehensive income

SEK m	Q3			Q2			Q3			Jan - Sep			Full year 2010
	2011	2011	%	2010	%	2011	2010	%	2011	2010	%		
Net profit	2 824	3 370	-16	596		8 810	3 289	168	6 798				
Available-for-sale financial assets	322	186	73	163	98	519	-252		-629				
Cash flow hedges	1 302	502	159	-122		1 326	-484		-1 215				
Translation of foreign operations	44	515	-91	-571	-108	297	-948	-131	-733				
Deferred taxes on translation effects	123	237	-48	-496	-125	287	-1 388	-121	-1 574				
Other	-216	149		92		-277	161		100				
Other comprehensive income (net of tax)	1 575	1 589	-1	-934		2 152	-2 911	-174	-4 051				
Total comprehensive income	4 399	4 959	-11	-338		10 962	378		2 747				
Attributable to minority interests	8	12	-33	4	100	28	17	65	14				
Attributable to equity holders	4 391	4 947	-11	-342		10 934	361		2 733				

Key figures – SEB Group

	Q3	Q2	Q3	Jan - Sep		Full year
	2011	2011	2010	2011	2010	2010
Continuing operations						
Return on equity, continuing operations, %	10.88	13.93	8.48	12.89	6.70	8.65
Basic earnings per share, continuing operations, SEK	1.29	1.59	0.94	4.47	2.25	3.88
Diluted earnings per share, continuing operations, SEK	1.29	1.58	0.94	4.46	2.25	3.87
Cost/income ratio, continuing operations	0.60	0.62	0.70	0.61	0.66	0.65
Number of full time equivalents, continuing operations*	17,531	17,492	17,133	17,403	17,044	17,104
Total operations						
Return on equity, %	10.77	13.46	2.38	11.53	4.39	6.84
Return on total assets, %	0.50	0.62	0.10	0.54	0.19	0.30
Return on risk-weighted assets, %	1.40	1.71	0.28	1.48	0.53	0.83
Basic earnings per share, SEK	1.28	1.53	0.26	4.00	1.48	3.07
Weighted average number of shares, millions**	2,194	2,194	2,194	2,194	2,194	2,194
Diluted earnings per share, SEK	1.28	1.52	0.26	4.00	1.47	3.06
Weighted average number of diluted shares, millions***	2,205	2,206	2,207	2,204	2,201	2,202
Net worth per share, SEK	53.81	52.30	49.02	53.81	49.02	50.34
Average equity, SEK, billion	104.6	100.0	98.4	101.6	98.9	98.9
Credit loss level, %	-0.01	-0.20	-0.02	-0.13	0.21	0.14
Total reserve ratio individually assessed impaired loans, %	68.6	64.8	73.2	68.6	73.2	69.2
Net level of impaired loans, %	0.43	0.56	0.62	0.43	0.62	0.62
Gross level of impaired loans, %	0.90	1.11	1.29	0.90	1.29	1.26
Basel II (Legal reporting with transitional floor):****						
Risk-weighted assets, SEK billion	827	798	797	827	797	800
Core Tier 1 capital ratio, %	11.25	11.47	10.80	11.25	10.80	10.93
Tier 1 capital ratio, %	13.06	13.27	12.65	13.06	12.65	12.75
Total capital ratio, %	12.77	12.86	12.73	12.77	12.73	12.40
Basel II (without transitional floor):						
Risk-weighted assets, SEK billion	667	678	711	667	711	716
Core Tier 1 capital ratio, %	13.94	13.50	12.11	13.94	12.11	12.20
Tier 1 capital ratio, %	16.18	15.62	14.18	16.18	14.18	14.24
Total capital ratio, %	15.83	15.12	14.27	15.83	14.27	13.85
Number of full time equivalents*	17,620	17,576	19,150	17,657	19,102	19,125
Assets under custody, SEK billion	4,321	4,683	4,879	4,321	4,879	5,072
Assets under management, SEK billion	1,241	1,356	1,343	1,241	1,343	1,399
Discontinued operations						
Basic earnings per share, discontinued operations, SEK	-0.01	-0.06	-0.68	-0.47	-0.78	-0.81
Diluted earnings per share, discontinued operations, SEK	-0.01	-0.06	-0.67	-0.47	-0.77	-0.81

* 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 267,360 Class A shares for the employee stock option programme at year end 2010. During 2011 SEB has repurchased 700,000 shares and 714,187 shares have been sold as employee stock options have been exercised. Thus, as at 30 September 2011 SEB owned 253,173 Class A-shares with a market value of SEK 9m.

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

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

Income statement on quarterly basis - SEB Group

SEK m	Q3	Q2	Q1	Q4	Q3
	2011	2011	2011	2010	2010
Net interest income	4 143	4 230	4 261	4 526	4 180
Net fee and commission income	3 499	3 561	3 503	3 906	3 387
Net financial income	910	829	1 235	512	727
Net life insurance income	659	764	782	780	818
Net other income	34	145	- 109	314	- 230
Total operating income	9 245	9 529	9 672	10 038	8 882
Staff costs	-3 412	-3 543	-3 610	-3 558	-3 392
Other expenses	-1 717	-1 914	-1 798	-1 965	-1 679
Depreciation, amortisation and impairment of tangible and intangible assets	- 439	- 431	- 433	- 650	- 405
Restructuring costs				- 9	- 755
Total operating expenses	-5 568	-5 888	-5 841	-6 182	-6 231
Profit before credit losses	3 677	3 641	3 831	3 856	2 651
Gains less losses on disposals of tangible and intangible assets	2	- 6	6	21	
Net credit losses	33	643	537	419	196
Operating profit	3 712	4 278	4 374	4 296	2 847
Income tax expense	- 861	- 788	- 865	- 704	- 765
Net profit from continuing operations	2 851	3 490	3 509	3 592	2 082
Discontinued operations	- 27	- 120	- 893	- 83	-1 486
Net profit	2 824	3 370	2 616	3 509	596
Attributable to minority interests	7	6	14	6	15
Attributable to equity holders	2 817	3 364	2 602	3 503	581
Continuing operations					
Basic earnings per share, SEK	1.29	1.59	1.59	1.64	0.94
Diluted earnings per share, SEK	1.29	1.58	1.58	1.62	0.94
Total operations					
Basic earnings per share, SEK	1.28	1.53	1.19	1.60	0.26
Diluted earnings per share, SEK	1.28	1.52	1.18	1.58	0.26

Income statement, by Division – SEB Group

Jan-Sep 2011, SEK m	Merchant Banking	Retail Banking	Wealth Management	Life*	Baltic	Other incl eliminations	SEB Group
Net interest income	5 500	4 282	469	- 26	1 466	943	12 634
Net fee and commission income	3 972	2 350	2 708		667	866	10 563
Net financial income	3 096	221	70		261	- 674	2 974
Net life insurance income				3 251		-1 046	2 205
Net other income	381	77	7		- 22	- 373	70
Total operating income	12 949	6 930	3 254	3 225	2 372	- 284	28 446
Staff costs	-3 043	-2 020	-1 050	- 886	- 510	-3 056	-10 565
Other expenses	-3 626	-2 690	-1 112	- 383	- 791	3 173	-5 429
Depreciation, amortisation and impairment of tangible and intangible assets	- 147	- 58	- 32	- 582	- 98	- 386	-1 303
Total operating expenses	-6 816	-4 768	-2 194	-1 851	-1 399	- 269	-17 297
Profit before credit losses	6 133	2 162	1 060	1 374	973	- 553	11 149
Gains less losses on disposals of tangible and intangible assets					2		2
Net credit losses	- 137	- 293	- 7		1 453	197	1 213
Operating profit	5 996	1 869	1 053	1 374	2 428	- 356	12 364

* Business result in Life amounted to SEK 2,163m (2,382), of which change in surplus values was net SEK 789m (751).

Merchant Banking

Merchant Banking has two large business areas - Trading and Capital Markets and Global Transaction Services. 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	Q3			Q2			Q3			Jan- Sep			Full year
	2011	2011	%	2010	%	2011	2010	%	2011	2010	%	2010	
Net interest income	1 883	1 885	0	1 852	2	5 500	5 362	3	7 328				
Net fee and commission income	1 371	1 342	2	1 281	7	3 972	3 772	5	5 275				
Net financial income	1 016	995	2	685	48	3 096	2 759	12	3 366				
Net other income	211	135	56	44		381	167		322				
Total operating income	4 481	4 357	3	3 862	16	12 949	12 060	7	16 291				
Staff costs	- 983	- 998	- 2	- 843	17	- 3 043	- 2 875	6	- 3 959				
Other expenses	- 1 150	- 1 269	- 9	- 1 066	8	- 3 626	- 3 419	6	- 4 649				
Depreciation, amortisation and impairment of tangible and intangible assets	- 46	- 50	- 8	- 40	15	- 147	- 107	37	- 170				
Total operating expenses	- 2 179	- 2 317	- 6	- 1 949	12	- 6 816	- 6 401	6	- 8 778				
Profit before credit losses	2 302	2 040	13	1 913	20	6 133	5 659	8	7 513				
Gains less losses on disposals of tangible and intangible assets		- 3		1			- 3		20				
Net credit losses	- 53	- 36	47	- 26	104	- 137	- 104	32	- 203				
Operating profit	2 249	2 001	12	1 888	19	5 996	5 552	8	7 330				
Cost/Income ratio	0,49	0,53		0,50		0,53	0,53		0,54				
Business equity, SEK bn	27,6	26,6		25,8		26,6	25,8		25,8				
Return on business equity, %	23,5	21,7		21,1		21,7	20,7		20,5				
Number of full time equivalents	2 503	2 485		2 365		2 490	2 331		2 343				

- Increased financing needs for corporate customers
- Proactive customers' risk management drove trading income
- Continued inflow of corporate customers in the Nordic countries and Germany

Comments to the first nine months

Macro-economic uncertainty has characterised the year as a result of the ongoing European debt crisis. After a subdued start of the third quarter, the increased uncertainty and deepening debt crises spurred activities to a higher level than normal. Customers increased activities to protect themselves from heightened recession risks, large stock market slides and higher stress levels in the banking system. SEB was involved in nearly 80 per cent of all public syndicated loans raised in the Nordic countries this year.

Operating income for the first nine months increased 7 per cent compared with the same period last year. All business areas continued the positive trend. Operating expenses for the first nine months were up 6 per cent largely related to new recruitments enabling the expansion outside Sweden. Asset quality remained strong.

Within *Trading and Capital Markets*, all areas improved revenues, driven by higher activity than normal for a third quarter and a continued focus on customer driven flows. Higher volatility spurred stock market volumes and *SEB Enskilda Equities* continued as the No. 1 market leader on the

Nordic & Baltic exchanges. Despite seasonality operating profit grew by 15 per cent in the quarter and was up 22 per cent compared with the third quarter of last year.

Global Transaction Services continued to experience a strong momentum in all geographies and customer segments. Assets under custody reflected the lower stock market values and amounted to SEK 4,321bn (5,072 at year-end). Operating profit was 9 per cent higher compared with the previous quarter.

Corporate Banking delivered an all-time-high quarterly result due to increased business volumes. During the first nine months, lending to the public increased with SEK 47bn. Both M&A and Equity Capital Market activities remained subdued. Operating profit was 12 per cent higher than the previous quarter and the third quarter of last year.

In August, SEB received its local banking license in Hong Kong from where it will offer a wide range of products to our corporate clients, global financial institutions with activities in the Asian market and Asian institutions interested in international diversification.

Retail Banking

The Retail Banking division consists of two business areas - Sweden and Card.

Income statement

SEK m	Q3			Q2			Q3			Jan- Sep			Full year
	2011	2011	%	2010	%	2010	%	2011	2010	%	2010		
Net interest income	1 497	1 436	4	1 263	19	4 282	3 676	16	5 008				
Net fee and commission income	740	822	-10	774	-4	2 350	2 392	-2	3 240				
Net financial income	74	83	-11	58	28	221	199	11	273				
Net other income	23	40	-43	14	64	77	34	126	48				
Total operating income	2 334	2 381	-2	2 109	11	6 930	6 301	10	8 569				
Staff costs	- 658	- 689	- 4	- 686	- 4	- 2 020	- 2 003	1	- 2 650				
Other expenses	- 868	- 940	- 8	- 800	9	- 2 690	- 2 453	10	- 3 381				
Depreciation, amortisation and impairment of tangible and intangible assets	- 20	- 19	5	- 21	- 5	- 58	- 63	- 8	- 84				
Total operating expenses	-1 546	-1 648	- 6	-1 507	3	-4 768	-4 519	6	-6 115				
Profit before credit losses	788	733	8	602	31	2 162	1 782	21	2 454				
Gains less losses on disposals of tangible and intangible assets		- 1		- 1			- 1		- 1				
Net credit losses	- 111	- 84	32	- 56	98	- 293	- 399	- 27	- 543				
Operating profit	677	648	4	545	24	1 869	1 382	35	1 910				
Cost/Income ratio	0,66	0,69		0,71		0,69	0,72		0,71				
Business equity, SEK bn	10,2	10,2		9,8		10,1	9,7		9,7				
Return on business equity, %	19,6	18,9		16,5		18,3	14,0		14,5				
Number of full time equivalents	3 521	3 596		3 430		3 530	3 392		3 404				

- Mortgage lending increased 13 per cent year to date
- Customers' deposits increased by 8 per cent year to date
- Some 900 new active SME cash management customers in the quarter

Comments to the first nine months

Increased macro-economic uncertainty put pressure on the early positive growth tendencies seen in the first six months of 2011. Consumer and SME confidence indicators turned increasingly negative.

Operating profit for the first nine months of 2011 increased to SEK 1,869m (1,382), driven by strong growth in the corporate and mortgage portfolio. Net interest income grew by 16 per cent to SEK 4,282m (3,676). Commission fees continued to be under pressure, primarily due to customers reallocating from equity to money market mutual funds and lower direct equity trading. Operating expenses increased by 6 per cent compared with the first nine months last year, primarily as an effect from increased investments in IT.

Net credit losses decreased by 27 per cent, to SEK 293m (399) reflecting the high quality of the credit portfolio.

Retail Sweden's operating profit for the first nine months of 2011 reached SEK 1,141m (694). Since year-end, deposit volumes have increased by 8 per cent and mortgage volumes by 13 per cent. During the third quarter deposit margins widened following higher policy rates, while residential mortgage margins recovered slightly compared with the previous quarter. During the quarter, customers shifted towards more fixed-rate mortgages, which accounted for

65 per cent of all new contracts compared with 47 in the previous quarter.

The corporate lending portfolio continued to develop well, growing by 21 per cent during 2011 to reach SEK 110bn (91). Increased market shares reflect SEB's broad offering of products and advisory services to the full range of SME customers: from 'Enkla firman' for micro-SMEs, to tailored cash management solutions for larger corporates. These relationships were further supported by the addition of expert centers for corporate customers. The offering to the smaller SME segments represents a prime market position. SEB gained nearly 900 new active SME cash management customers in the third quarter.

The Card business' operating profit reached SEK 728m (689). FX effects and increased short-term market interest rates continued to put pressure on income. This is counteracted by cost control activities and lower lending losses. Turnover continued to trend up and was at an all-time high at SEK 71bn in the third quarter. Especially the acquiring business which has signed several new contracts increased. Equally, the number of card transactions, 124 million in the third quarter was 11 per cent higher than a year ago.

Wealth Management

The Wealth Management division has two business areas – Private Banking and Institutional Clients.

Income statement

SEK m	Q3			Q2			Q3			Jan- Sep			Full year
	2011	2011	%	2010	%	2010	%	2011	2010	%	2010	2010	
Net interest income	166	160	4	118	41	469	349	34	485				
Net fee and commission income	849	865	-2	830	2	2 708	2 637	3	3 752				
Net financial income	33	22	50	17	94	70	59	19	89				
Net other income	-21	26		7		7	54	-87	58				
Total operating income	1 027	1 073	-4	972	6	3 254	3 099	5	4 384				
Staff costs	-317	-365	-13	-306	4	-1 050	-954	10	-1 298				
Other expenses	-356	-388	-8	-368	-3	-1 112	-1 106	1	-1 528				
Depreciation, amortisation and impairment of tangible and intangible assets	-10	-10	0	-20	-50	-32	-61	-48	-84				
Total operating expenses	-683	-763	-10	-694	-2	-2 194	-2 121	3	-2 910				
Profit before credit losses	344	310	11	278	24	1 060	978	8	1 474				
Gains less losses on disposals of tangible and intangible assets													
Net credit losses	-5	-1		-1		-7	-4	75	3				
Operating profit	339	309	10	277	22	1 053	974	8	1 477				
Cost/Income ratio	0,67	0,71		0,71		0,67	0,68		0,66				
Business equity, SEK bn	5,0	4,9		5,2		5,0	5,3		5,3				
Return on business equity, %	19,5	18,0		15,2		20,2	17,8		20,2				
Number of full time equivalents	1 002	1 015		971		1 010	954		963				

- Two thirds of the assets under management performed above benchmark
- Almost 1,000 new Private Banking customers
- Intense Private Banking customer interaction and SEK 22bn of net new money

Comments to the first nine months

Operating income increased by 5 per cent compared with the same period last year. Net interest income continued to increase following higher short-term rates. Base commission was more or less flat with 1 per cent up compared with last year, but with a decreasing trend in the third quarter due to market development. Performance and transaction fees were lower compared with the same period last year, SEK 177m (192) due to lower transaction fees. Operating expenses increased 3 per cent compared with last year.

The client interaction within *Private Banking* was intense during the third quarter due to the market turmoil. SEB continued to attract new clients, 971 during the quarter (824), and net new inflows of assets under management in the

amount of SEK 22bn during the year (16 for the corresponding period 2010).

During the first nine months products such as Managed Catalyst Fund and SEB's own Exchange Traded Funds have contributed to the overall SEK 10bn of net inflow to *Institutional Clients* (26 for the corresponding period 2010).

During the first nine months the fund performance improved. Two thirds of the assets under management were ahead of their respective benchmarks.

Assets under management has dropped to SEK 1,174bn (1,321 at year-end) due to stock market development in the third quarter.

Life

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

Income statement

SEK m	Q3			Q2			Q3			Jan- Sep			Full year 2010
	2011	2011	%	2010	%	2011	2010	%	2011	2010	%		
Net interest income	- 8	- 10	- 20	- 2		- 26	- 6					- 11	
Net life insurance income	988	1 125	- 12	1 143	- 14	3 251	3 444	- 6				4 550	
Total operating income	980	1 115	- 12	1 141	- 14	3 225	3 438	- 6				4 539	
Staff costs	- 289	- 305	- 5	- 276	5	- 886	- 845	5				- 1 123	
Other expenses	- 137	- 111	23	- 150	- 9	- 383	- 448	- 15				- 589	
Depreciation, amortisation and impairment of tangible and intangible assets	- 198	- 192	3	- 169	17	- 582	- 514	13				- 690	
Total operating expenses	- 624	- 608	3	- 595	5	- 1 851	- 1 807	2				- 2 402	
Operating profit	356	507	- 30	546	- 35	1 374	1 631	- 16				2 137	
Change in surplus values, net	217	545	- 60	376	- 42	789	751	5				1 045	
Business result	573	1 052	- 46	922	- 38	2 163	2 382	- 9				3 182	
Cost/Income ratio	0,64	0,55		0,52		0,57	0,53					0,53	
Business equity, SEK bn	6,4	6,4		6,0		6,4	6,0					6,0	
Return on business equity, %													
based on operating profit	19,6	27,9		32,0		25,2	31,9					31,3	
based on business result	31,5	57,9		54,1		39,7	46,6					46,7	
Number of full time equivalents	1 331	1 241		1 200		1 251	1 179					1 190	

Surplus values in the Danish traditional business are included from 2011 and historical figures are restated.

- Customers reallocated their assets from equity funds to money market and mixed funds
- New markets and customers through the acquisition of Irish Life International
- Significantly lower income from traditional insurance due to the financial turmoil

Comments to the first nine months

The portfolio bond offering was enhanced through the completion of the previously announced acquisition of Irish Life International. The acquisition strengthens the distribution capacity across Europe, especially in the Private Banking segment. The company has assets under management of SEK 17bn and premium income of SEK 2bn on a yearly basis.

Operating profit for the nine-month period decreased by 16 per cent compared with the same period last year. The decrease related to lower income from traditional insurance and investments for own account. Continued focus on unit-linked insurance led to moderate risk exposure and capital efficiency. Solvency ratios were more or less unchanged compared with year-end. The operating profit for the third quarter was burdened by lower income due to the financial turmoil, primarily in the traditional life portfolios. Unit-linked income was affected too as fund values decreased and customers reallocated to more defensive investments.

In Sweden, the increased unit-linked income during the first nine months was off-set by provisions of SEK 79m made to cover potential future guarantees in the Swedish traditional life portfolio. In total, the operating profit decreased by SEK 70m to SEK 963m. Operating profit in Denmark decreased by SEK 76m to SEK 384m reflecting lower return from traditional and own account portfolios. The operating profit

for International decreased by SEK 111m to SEK 27m due to lower income from traditional insurance and one-off expenses related to the Irish acquisition.

Operating expenses increased by 2 per cent or SEK 44m of which 29m related to Irish Life International.

The premium income relating to new and existing policies was relatively stable at SEK 21.6bn which is 5 per cent lower than last year. It was 2 per cent lower in local currencies.

The weighted sales volume of new policies for the nine-month period decreased by 11 per cent to SEK 32bn, and reflects lower volumes in Sweden. The unit-linked insurance represents 84 per cent (86) of total new sales. The share of corporate paid policies was 66 per cent (64). The most recent statistics covering the twelve month period to June 2011 show that SEB Trygg Liv continues to be the market leader in Sweden within unit-linked insurance. The new sales market share for the period was 24.7 per cent (21.1).

During the period the unit-linked fund value increased by SEK 3.4bn to 182.9bn. The net inflow was SEK 6.7bn and the change of value was -20.7bn. In addition the Irish acquisition contributed with SEK 17bn. Total assets under management (net assets) amounted to SEK 416bn which was a decrease of 2 per cent from year-end 2010.

Baltic

The Baltic division encompasses the Retail and Corporate Banking, Trading & Capital Markets and Global Transaction Services operations in Estonia, Latvia and Lithuania. In the Fact Book the full Baltic geographical segmentation is also reported, including the operations in Corporate Finance, Structured Finance, Wealth Management and Life.

Income statement

SEK m	Q3			Q2			Q3			Jan- Sep			Full year 2010
	2011	2011	%	2010	%	2011	2010	%	2011	2010	%		
Net interest income	524	486	8	454	15	1 466	1 431	2	1 923				1 923
Net fee and commission income	218	240	-9	251	-13	667	729	-9	964				964
Net financial income	92	89	3	69	33	261	341	-23	401				401
Net other income	-5	-12	-58	28		-22	41		52				52
Total operating income	829	803	3	802	3	2 372	2 542	-7	3 340				3 340
Staff costs	-177	-187	-5	-177	0	-510	-565	-10	-728				-728
Other expenses	-278	-263	6	-292	-5	-791	-887	-11	-1 177				-1 177
Depreciation, amortisation and impairment of tangible and intangible assets	-33	-33	0	-20	65	-98	-61	61	-296				-296
Total operating expenses	-488	-483	1	-489	0	-1 399	-1 513	-8	-2 201				-2 201
Profit before credit losses	341	320	7	313	9	973	1 029	-5	1 139				1 139
Gains less losses on disposals of tangible and intangible assets	2	-2				2	-1		-5				-5
Net credit losses	202	679	-70	273	-26	1 453	-1 609		-873				-873
Operating profit	545	997	-45	586	-7	2 428	-581		261				261
Cost/Income ratio	0,59	0,60		0,61		0,59	0,60		0,66				0,66
Business equity, SEK bn	8,0	8,0		11,8		8,1	11,8		11,8				11,8
Return on business equity, %	24,4	44,1		17,3		35,3	negative		2,2				2,2
Number of full time equivalents	3 109	3 179		3 206		3 172	3 210		3 208				3 208

- Sound regional business sentiment
- Stabilisation of macro-economic environment continued, however at a slower pace
- Signs of renewed customer demand for loans and deposits

Comments to the first nine months

The Baltic economies have recovered since the financial crisis and deep recession of 2008 and 2009 and economic growth was strong during 2011. Business sentiment across the region remained sound, although consumer confidence fell slightly in recent months.

Operating income for the first nine months decreased to SEK 2,372m (2,542), although excluding FX effects, operating income increased by 0.1 per cent. Net financial income was 23 per cent lower than in the first nine months of 2010, with fewer FX transactions undertaken in Estonia, which joined the Eurozone on 1 January 2011.

Loans and deposit volumes were stable through the first six months, and there was an increase in customer demand in the third quarter where gross loan volumes increased to SEK 113bn. This was due in part to increased lending activity by corporate customers in Lithuania, while in Latvia the third quarter was the strongest quarter for new housing loans since 2009. Similarly Baltic deposit volumes of SEK 59bn increased by 2 per cent (in local currency) in the third quarter. In Estonia deposits were 12 per cent higher (in local currency) than at

year-end 2010. Loan margins and deposit margins have strengthened slightly throughout 2011, although deposit margins still remain at relatively low levels.

Year to date operating expenses of SEK 1,399m (1,513), reflect the lowered underlying cost base in the Baltic countries and currency effects. Operating profit of SEK 2,428m (-581) included a net release of credit provisions of SEK 1,453m (-1,609) in the first nine months. Non-performing loans continued to decline during the third quarter in all three countries, while the total reserve ratio remained at 63 per cent.

At the end of September, SEB's Baltic real estate holding companies had acquired assets with a total volume of SEK 998m, with minor asset disposals during the third quarter.

SEB's work in the Baltic corporate sustainability area was recognised through a number of awards including the highest Corporate Social Responsibility ranking in Estonia (by EPSI) and Gold status award in the Latvian sustainability index. Euromoney's Awards for Excellence 2011 named SEB as the best bank in the Nordic and Baltic region.

Operating profit by geography – January-September 2011

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.

- The Nordic business generated 78 per cent of operating income
- Nordic corporate banking growth
- Life and Wealth operations in the Nordic countries and Germany challenged by the financial turmoil

Comments to the first nine months

In Sweden operating profit increased 24 per cent compared with the first nine months last year. The positive income trend continued for most divisions with strengthened customer relations. Loan and deposit volumes continued to grow across all customer segments. Wealth Management base commissions strengthened due to slightly higher average market values. Salaries and IT costs increased the cost level.

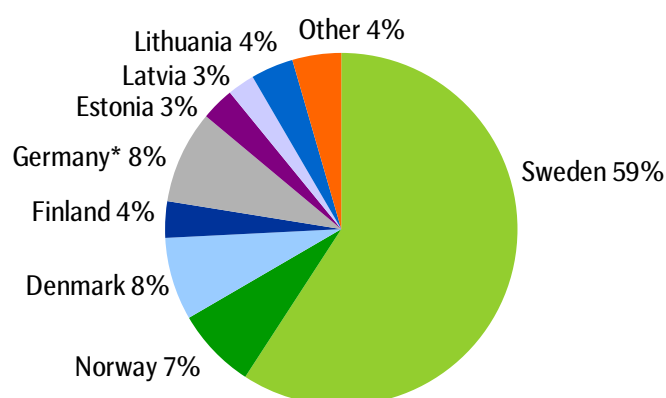
In Norway, operating profit for the nine months was 18 per cent higher than the corresponding period last year. Customer activity increased within several business areas, particularly Corporate Banking. The high Trading and Capital Markets activity slowed somewhat during the third quarter due to seasonal effects and increasing uncertainty in the financial markets.

In Denmark, the strong income development within Corporate Banking continued, mainly driven by new customers and participation in large transactions in the mid-corporate segment. The operating profit was however negatively affected by lower income in both Life and Wealth Management and was 3 per cent lower compared with the first nine months of 2010. Cards performed at level with the same period last year.

In Finland, operating profit increased with 12 per cent compared with the same period last year. Corporate Banking and Trading and Capital Markets continued the positive trend while Corporate Finance had lower activity level. The operating profit level of Wealth Management was unchanged.

In Estonia, Latvia and Lithuania, the macro-economic

Share of total operating income – by geography Jan – Sep 2011



* Excluding centralised Treasury operations

development stabilised and the operating profit improved significantly. (See also the information on the Baltic division.)

In Germany, the operating profit for the first nine months increased by 52 per cent (excluding restructuring costs) in local currency compared with the same period 2010. There was positive income development in all areas. Even though the inflow of new clients slowed during the summer, SEB's growth initiatives have momentum. Given the current market turmoil the German mutual fund market remains weak which negatively impacted Wealth Management.

Distribution by country Jan - Sep	Total operating income			Total operating expenses			Operating profit			Operating profit in local currency		
	2011	2010	%	2011	2010	%	2011	2010	%	2011	2010	%
Sweden	16,848	14,763	14	-11,514	-10,444	10	5,115	4,117	24	5,115	4,117	24
Norway	2,094	2,096	0	-846	-941	-10	1,180	1,043	13	1,023	868	18
Denmark	2,137	2,297	-7	-1,128	-1,166	-3	955	1,052	-9	790	811	-3
Finland	1,006	923	9	-478	-409	17	524	500	5	58	52	12
Germany*	2,402	2,198	9	-1,439	-2,197	-35	928	-101		103	-10	
Estonia	885	897	-1	-443	-507	-13	648	141		72	15	
Latvia	741	793	-7	-366	-418	-12	763	-261		60	-19	
Lithuania	1,054	1,030	2	-645	-658	-2	1,270	-353		487	-126	
Other countries and eliminations	1,279	1,844	-31	-438	-1,029	-57	981	671	46			
Total	28,446	26,841	6	-17,297	-17,769	-3	12,364	6,809	82			

*Excluding centralised Treasury operations

The SEB Group

Net interest income – SEB Group

SEK m	Q3		Q2		Q3		Jan - Sep			Full year
	2011	2011	%	2010	%	2011	2010	%	2010	
Interest income	14 436	14 002	3	11 744	23	41 375	34 388	20	46 041	
Interest expense	-10 293	-9 772	5	-7 564	36	-28 741	-22 904	25	-30 031	
Net interest income	4 143	4 230	-2	4 180	-1	12 634	11 484	10	16 010	

Net fee and commission income – SEB Group

SEK m	Q3		Q2		Q3		Jan - Sep			Full year
	2011	2011	%	2010	%	2011	2010	%	2010	
Issue of securities	28	70	-60	20	40	160	189	-15	357	
Secondary market	486	373	30	374	30	1 299	1 219	7	1 765	
Custody and mutual funds	1 711	1 809	-5	1 675	2	5 423	5 147	5	7 067	
Securities commissions	2 225	2 252	-1	2 069	8	6 882	6 555	5	9 189	
Payments	397	406	-2	387	3	1 195	1 189	1	1 561	
Card fees	1 025	1 010	1	1 021	0	2 982	3 048	-2	3 992	
Payment commissions	1 422	1 416	0	1 408	1	4 177	4 237	-1	5 553	
Advisory	122	147	-17	185	-34	335	345	-3	482	
Lending	475	583	-19	440	8	1 504	1 224	23	1 686	
Deposits	27	26	4	25	8	79	77	3	103	
Guarantees	98	99	-1	103	-5	292	323	-10	428	
Derivatives	222	134	66	110	102	507	401	26	518	
Other	119	135	-12	179	-34	378	534	-29	712	
Other commissions	1 063	1 124	-5	1 042	2	3 095	2 904	7	3 929	
Fee and commission income	4 710	4 792	-2	4 519	4	14 154	13 696	3	18 671	
Securities commissions	-326	-359	-9	-288	13	-1 037	-875	19	-1 216	
Payment commissions	-594	-575	3	-599	-1	-1 711	-1 795	-5	-2 245	
Other commissions	-291	-297	-2	-245	19	-843	-772	9	-1 050	
Fee and commission expense	-1 211	-1 231	-2	-1 132	7	-3 591	-3 442	4	-4 511	
Securities commissions, net	1 899	1 893	0	1 781	7	5 845	5 680	3	7 973	
Payment commissions, net	828	841	-2	809	2	2 466	2 442	1	3 308	
Other commissions, net	772	827	-7	797	-3	2 252	2 132	6	2 879	
Net fee and commission income	3 499	3 561	-2	3 387	3	10 563	10 254	3	14 160	

Net financial income – SEB Group

SEK m	Q3		Q2		Q3		Jan - Sep			Full year
	2011	2011	%	2010	%	2011	2010	%	2010	
Equity instruments and related derivatives	-357	206		188		-5	660	-101	629	
Debt instruments and related derivatives	793	110		17		1 121	549	104	479	
Currency related	620	664	-7	500	24	2 149	1 501	43	2 106	
Other	-146	-151	-3	22		-291	-56		-48	
Net financial income	910	829	10	727	25	2 974	2 654	12	3 166	

Net credit losses – SEB Group

SEK m	Q3			Q2			Q3			Jan - Sep			Full year 2010
	2011	2011	%	2010	%	2010	%	2011	2010	%			
<i>Provisions:</i>													
Net collective provisions for individually assessed loans	86	438	-80	407	-79	909	-117	665					
Net collective provisions for portfolio assessed loans	-40	132	-130	-89	-55	57	-688	-108	-701				
Specific provisions	22	-329	-107	-338	-107	-634	-1974	-68	-2405				
Reversal of specific provisions no longer required	170	563	-70	350	-51	1311	1024	28	1503				
Net provisions for off-balance sheet items	20	15		-2		49	-30		-14				
Net provisions	258	819	-68	328	-21	1692	-1785	-195	-952				
<i>Write-offs:</i>													
Total write-offs	-823	-674	22	-679	21	-1975	-1477	34	-2310				
Reversal of specific provisions utilized for write-offs	578	480	20	518	12	1427	921	55	1315				
Write-offs not previously provided for	-245	-194		-161		-548	-556	-1	-995				
Recovered from previous write-offs	20	18	11	29	-31	69	85	-19	110				
Net write-offs	-225	-176		-132		-479	-471	2	-885				
Net credit losses	33	643		196		1213	-2256	-154	-1837				

Balance sheet – SEB Group

SEK m	30 Sep 2011	31 Dec 2010	30 Sep 2010
Cash and cash balances with central banks	100 405	46 488	34 384
Loans to credit institutions ¹⁾	190 408	204 188	225 236
Loans to the public	1 191 217	1 074 879	1 088 736
Financial assets at fair value *	725 504	617 746	666 731
Available-for-sale financial assets *	61 843	66 970	66 937
Held-to-maturity investments *	297	1 451	1 461
Assets held for sale		74 951	79 280
Investments in associates	1 292	1 022	1 020
Tangible and intangible assets	29 053	27 035	26 998
Other assets	59 317	65 091	62 996
Total assets	2 359 336	2 179 821	2 253 779
Deposits from credit institutions	240 610	212 624	238 293
Deposits and borrowing from the public	814 414	711 541	717 005
Liabilities to policyholders	268 030	263 970	256 953
Debt securities	547 296	530 483	536 882
Financial liabilities at fair value	280 255	200 690	238 741
Liabilities held for sale		48 339	50 680
Other liabilities	72 072	85 331	86 732
Provisions	1 724	1 748	1 478
Subordinated liabilities	27 705	25 552	29 910
Total equity	107 230	99 543	97 105
Total liabilities and equity	2 359 336	2 179 821	2 253 779
* Of which bonds and other interest bearing securities including derivatives.	491 682	416 849	485 206

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 2011	31 Dec 2010	30 Sep 2010
Collateral pledged for own liabilities	220 484	231 334	270 625
Other pledged collateral	210 404	214 989	214 712
Contingent liabilities	90 486	82 048	81 538
Commitments	375 377	388 619	396 786

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 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 comprehensive income		8 783	519	1 326	297	9	10 934	28	10 962
Dividend to shareholders		-3 242					-3 242		-3 242
Swap hedging of employee stock option 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

Jan-Dec 2010									
Opening balance	21 942	76 699	-1 096	793	- 412	1 491	99 417	252	99 669
Net profit		6 745					6 745	53	6 798
Other comprehensive income (net of tax)			- 629	-1 215	- 733	-1 435	-4 012	- 39	-4 051
Total comprehensive income		6 745	- 629	-1 215	- 733	-1 435	2 733	14	2 747
Dividend to shareholders		-2 194					-2 194		-2 194
Swap hedging of employee stock option programme*		- 713					- 713		- 713
Change in holdings of own shares*		34					34		34
Closing balance	21 942	80 571	-1 725	- 422	-1 145	56	99 277	266	99 543

Jan-Sep 2010									
Opening balance	21 942	76 699	-1 096	793	- 412	1 491	99 417	252	99 669
Net profit		3 242					3 242	47	3 289
Other comprehensive income (net of tax)			- 252	- 484	- 948	-1 197	-2 881	- 30	-2 911
Total recognised income		3 242	- 252	- 484	- 948	-1 197	361	17	378
Dividend to shareholders		-2 194					-2 194		-2 194
Swap hedging of employee stock option programme*		- 774					- 774		- 774
Change in holdings of own shares*		26					26		26
Closing balance	21 942	76 999	-1 348	309	-1 360	294	96 836	269	97 105

* The acquisition cost for the purchase or 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 2010, SEB repurchased 0.6 million Series A shares for the long-term incentive programmes as decided at the Annual General Meeting. As stock options were exercised, 1.1 million shares were sold in 2010. As of 31 December 2010 SEB owned 0.3 million Class A shares with a market value of SEK 15m. Another 0.7 million shares have been sold as stock options were exercised in 2011. During 2011, SEB also repurchased 0.7 million Series A shares for the long-term incentive programmes as decided at the Annual General Meeting. As of 30 September 2011 SEB owned 0.3 million Class A-shares with a market value of SEK 9m.

Cash flow statement – SEB Group

SEK m	Jan - Sep			Full year 2010
	2011	2010	%	
Cash flow from operating activities	47 376	88 627	- 47	- 3 472
Cash flow from investment activities	- 585	678	- 186	935
Cash flow from financing activities	- 1 179	- 44 418	- 97	- 23 490
Net increase in cash and cash equivalents	45 612	44 887		- 26 027
Cash and cash equivalents at the beginning of year	63 646	89 673	- 29	89 673
Net increase in cash and cash equivalents	45 612	44 887		- 26 027
Cash and cash equivalents at the end of period¹⁾	109 258	134 560	- 19	63 646

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 2010
	2011	2011	%	2010	%	2010	%	2011	2010	%			
Reclassified, SEK m													
Opening balance	55 317	64 498	-14	107 004	-48	78 681	125 339	-37	125 339				
Reclassified													
Amortisations	-1 684	-2 063	-18	- 604	179	-5 885	-3 614	63	-6 618				
Securities sold	-5 446	-7 826	-30	-3 905	39	-24 280	-14 161	71	-25 325				
Accrued coupon	35	- 28		2		47	35	34	- 44				
Exchange rate differences	968	736	32	-7 494	-113	627	-12 596	-105	-14 671				
Closing balance*	49 190	55 317	-11	95 003	-48	49 190	95 003	-48	78 681				
* Market value	48 585	54 607	-11	93 302	-48	48 585	93 302	-48	77 138				
Fair value impact - if not reclassified, SEK m													
In Equity (AFS origin)	- 429	187		588	-173	300	2 443	-88	2 901				
In Income Statements (HFT origin)	- 1	57	-102	212	-100	103	560	-82	49				
Total	- 430	244		800	-154	403	3 003	-87	2 950				
Effect in Income Statements, SEK m*													
Net interest income	157	478	-67	524	-70	947	1 346	-30	1 578				
Net financial income	734	20		-8 834	-108	- 246	-7 613	-97	-9 060				
Other income	- 73	- 113	-35	- 98	-26	- 345	- 98		- 282				
Total	818	385	112	-8 408	-110	356	-6 365	-106	-7 764				

* 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

SEK m	30 Sep 2011	31 Dec 2010	30 Sep 2010
Individually assessed impaired loans			
Impaired loans, past due > 60 days	11 163	14 464	15 256
Impaired loans, performing or past due < 60 days	1 375	2 754	2 880
Total individually assessed impaired loans	12 538	17 218	18 136
Specific reserves	- 6 575	- 8 883	- 9 455
<i>for impaired loans, past due > 60 days</i>	- 5 930	- 7 741	- 8 214
<i>for impaired loans, performing or past due < 60 days</i>	- 645	- 1 142	- 1 241
Collective reserves	- 2 026	- 3 030	- 3 822
Impaired loans net	3 937	5 305	4 859
Specific reserve ratio for individually assessed impaired loans	52.4%	51.6%	52.1%
Total reserve ratio for individually assessed impaired loans	68.6%	69.2%	73.2%
Net level of impaired loans	0.43%	0.62%	0.62%
Gross level of impaired loans	0.90%	1.26%	1.29%
Portfolio assessed loans			
Portfolio assessed loans past due > 60 days	6 804	6 534	6 980
Restructured loans	530	502	505
Collective reserves for portfolio assessed loans	- 3 499	- 3 577	- 3 594
Reserve ratio for portfolio assessed loans	47.7%	50.8%	48.0%
Reserves			
Specific reserves	- 6 575	- 8 883	- 9 455
Collective reserves	- 5 525	- 6 607	- 7 416
Reserves for off-balance sheet items	- 378	- 476	- 491
Total reserves	- 12 478	- 15 966	- 17 362
Non-performing loans			
Non-performing loans*	19 872	24 254	25 621
NPL coverage ratio	62.8%	65.8%	67.8%
NPL % of lending	1.43%	1.77%	1.82%

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

Seized assets – SEB Group

SEK m	30 Sep 2011	31 Dec 2010	30 Sep 2010
Properties, vehicles and equipment	1 199	647	582
Shares	57	56	55
Total seized assets	1 256	703	637

Discontinued operations – SEB Group

Income statement

SEK m	Q3			Q2		Q3		Jan - Sep			Full year 2010
	2011	2011	%	2010	%	2011	2010	%			
Total operating income	111	54	106	642	-83	-713	2 049	-135	2 648		
Total operating expenses	-112	-110	2	-1 936	-94	-505	-3 557	-86	-4 204		
Profit before credit losses	-1	-56	-98	-1 294	-100	-1 218	-1 508	-19	-1 556		
Net credit losses				-108	-100	-12	-201	-94	-361		
Operating profit	-1	-56	-98	-1 402	-100	-1 230	-1 709	-28	-1 917		
Income tax expense	-26	-64	-59	-84	-69	190	6		131		
Net profit from discontinued operations	-27	-120	-78	-1 486	-98	-1 040	-1 703	-39	-1 786		

Assets and liabilities held for sale

SEK m	30 Sep 2011	31 Dec 2010	30 Sep 2010
Loans to the public		73 866	77 668
Other assets		1 085	1 612
Total assets held for sale		74 951	79 280
Deposits from credit institutions		6 303	6 436
Deposits and borrowing from the public		40 777	41 927
Other liabilities		1 259	2 317
Total liabilities held for sale		48 339	50 680

Cash flow statement

SEK m	Q3			Q2		Q3		Jan - Sep			Full year 2010
	2011	2011	%	2010	%	2011	2010	%			
Cash flow from operating activities	888	162		-164		27 679	-360		774		
Cash flow from investment activities	6	2	200	4		212	-16		-115		
Cash flow from financing activities	-920	-171		13		-28 695	287		-726		
Net increase in cash and cash equivalents from discontinued operations	-26	-7		-147		-804	-89		-67		

Capital base of the SEB financial group of undertakings

SEK m	30 sep 2011	31 Dec 2010
Total equity according to balance sheet	107,230	99,543
Dividend (excl repurchased shares)	-2,468	-3,291
Investments outside the financial group of undertakings	-42	-40
Other deductions outside the financial group of undertakings	-3,375	-2,688
= Total equity in the capital adequacy	101,345	93,524
Adjustment for hedge contracts	433	1,755
Net provisioning amount for IRB-reported credit exposures	-120	0
Unrealised value changes on available-for-sale financial assets	852	1,724
Exposures where RWA is not calculated	-1,010	-1,184
Goodwill	-4,215	-4,174
Other intangible assets	-2,896	-2,564
Deferred tax assets	-1,359	-1,694
= Core Tier 1 capital	93,030	87,387
Tier 1 capital contribution (non-innovative)	4,618	4,492
Tier 1 capital contribution (innovative)	10,319	10,101
= Tier 1 capital	107,967	101,980
Dated subordinated debt	4,990	4,922
Deduction for remaining maturity	-331	-361
Perpetual subordinated debt	4,372	4,152
Net provisioning amount for IRB-reported credit exposures	-120	91
Unrealised gains on available-for-sale financial assets	728	511
Exposures where RWA is not calculated	-1,010	-1,184
Investments outside the financial group of undertakings	-42	-40
= Tier 2 capital	8,587	8,091
Investments in insurance companies	-10,500	-10,500
Pension assets in excess of related liabilities	-437	-422
= Capital base	105,617	99,149

On 30 September 2011 the parent company's Tier 1 capital was SEK 99,413m (94,050m) and the reported Tier 1 capital ratio was 16.7 percent (16.0).

Risk-weighted assets for the SEB financial group of undertakings

Minimum capital requirements are 8 per cent of risk-weighted assets as stated below.

Risk-weighted assets SEK m	30 Sep 2011	31 Dec 2010
Credit risk IRB approach		
Institutions	35,824	37,405
Corporates	399,545	403,128
Securitisation positions	6,396	6,337
Retail mortgages	45,572	65,704
Other retail exposures	10,204	9,826
Other exposure classes	1,589	1,511
Total credit risk IRB approach	499,130	523,911
Further risk-weighted assets		
Credit risk, Standardised approach	70,007	91,682
Operational risk, Advanced Measurement approach	43,371	44,568
Foreign exchange rate risk	13,253	15,995
Trading book risks	41,403	39,970
Total risk-weighted assets	667,164	716,126
Summary		
Credit risk	569,137	615,593
Operational risk	43,371	44,568
Market risk	54,656	55,965
Total	667,164	716,126
Adjustment for flooring rules		
Addition according to transitional flooring	159,698	83,672
Total reported	826,862	799,798

Capital adequacy analysis

Capital adequacy	30 Sep 2011	31 Dec 2010
Capital resources		
Core Tier 1 capital	93,030	87,387
Tier 1 capital	107,967	101,980
Capital base	105,617	99,149
Capital adequacy without transitional floor (Basel II)		
Risk-weighted assets	667,164	716,126
Expressed as capital requirement	53,373	57,290
Core Tier 1 capital ratio	13,9%	12,2%
Tier 1 capital ratio	16,2%	14,2%
Total capital ratio	15,8%	13,8%
Capital base in relation to capital requirement	1,98	1,73
Capital adequacy including transitional floor		
Transition floor applied	80%	80%
Risk-weighted assets	826,862	799,798
Expressed as capital requirement	66,149	63,984
Core Tier 1 capital ratio	11,3%	10,9%
Tier 1 capital ratio	13,1%	12,8%
Total capital ratio	12,8%	12,4%
Capital base in relation to capital requirement	1,60	1,55
Capital adequacy with risk weighting according to Basel I		
Risk-weighted assets	1,037,313	998,326
Expressed as capital requirement	82,985	79,866
Core Tier 1 capital ratio	9,0%	8,8%
Tier 1 capital ratio	10,4%	10,2%
Total capital ratio	10,2%	9,9%
Capital base in relation to capital requirement	1,27	1,24

Overall Basel II risk weighted assets ('RWA') (before the effect of transitional flooring) decreased with 7 per cent or SEK 49bn since year-end. The largest factor behind this decrease is the divestiture of the German retail portfolios (decrease SEK 37bn). Underlying credit volumes expressed as RWA increased SEK 26bn, mainly due to increased corporate exposures and the acquisition of DnB NOR's retail mortgages. The Swedish krona weakened since year-end resulting in an RWA increase of SEK 10bn. The effect of risk class migration was an RWA decrease of SEK 2bn since year-end. RWA process changes, above all implementation of an Advanced Unsecured loss-given-default model in the parent company resulted in an RWA decrease of SEK 24bn. There was a decrease in RWA of SEK 16bn due to improved risk-weights. Operational and market risk RWA taken together decreased SEK 2bn since year-end. Including other changes this resulted in a net decrease of RWA according to Basel II (without transitional floor) to SEK 667bn.

Un-floored Basel II RWA was 36 per cent lower than Basel I RWA. SEB uses a gradual roll-out of the Basel II framework; 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 excluding a small number of insignificant portfolios.

In 2011 the national implementation of amendments of the EU's Capital Requirements Directive (CRD II and III) will make a modest impact on SEB with respect to market risk and in the capital requirement for securitisations. The forthcoming regulatory directive, CRD IV, establishes explicit minimum levels for Core Tier 1 and Tier 1 capital and requires banks to hold more and higher quality capital. This is in line with SEB's actions during recent years. SEB supports the intention of regulators to incentivise banks to build capital buffers during benign phases of a business cycle. SEB is actively monitoring the regulatory development and is taking part in consultations via national and international industry organisations.

The following table exposes 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	2011	2010
Institutions	21,5%	19,5%
Corporates	52,2%	57,0%
Securitisation positions	28,7%	20,6%
Retail mortgages	12,6%	16,9%
Other retail exposures	37,7%	38,2%

Implementation of an Advanced Unsecured loss given default 'LGD' model and risk class migration have contributed to the decline in corporate risk-weight. A limited migration effect which increased RWA with SEK 1bn since year-end was recorded for inter-bank exposures. The increase in risk-weight for securitisation positions relates to relatively higher amortization in better risk grades. The decrease in risk weight

for retail mortgages relates to the divestiture during the first quarter of 2011 of the German retail portfolios, typically having higher loan-to value (and thus risk weight) than Group averages. Excluding the German portfolios the average risk weight for retail mortgages was 12.6 per cent at year-end 2010.

Income statement – Skandinaviska Enskilda Banken AB (publ)

In accordance with FSA regulations SEK m	Q3		Q2		Q3		Jan - Sep			Full year
	2011	2011	%	2010	%	2011	2010	%	2010	
Interest income	9 465	9 109	4	7 168	32	26 618	19 947	33	27 830	
Leasing income	1 456	1 448	1	1 367	7	4 286	4 081	5	5 496	
Interest expense	-7 135	-6 643	7	-4 974	43	-19 444	-14 005	39	-19 498	
Dividends	1 005	1 316	-24	754	33	3 409	1 140	199	1 182	
Fee and commission income	2 130	2 268	-6	1 988	7	6 579	6 080	8	8 408	
Fee and commission expense	- 390	- 424	-8	- 360	8	-1 171	-1 140	3	-1 501	
Net financial income	872	750	16	705	24	2 425	2 790	-13	3 239	
Other income	494	244	102	3		904	315	187	532	
Total operating income	7 897	8 068	-2	6 651	19	23 606	19 208	23	25 688	
Administrative expenses	-3 372	-3 690	-9	-3 215	5	-10 703	-10 076	6	-13 935	
Depreciation, amortisation and impairment of tangible and intangible assets	-1 206	-1 199	1	-1 159	4	-3 567	-3 465	3	-4 630	
Total operating expenses	-4 578	-4 889	-6	-4 374	5	-14 270	-13 541	5	-18 565	
Profit before credit losses	3 319	3 179	4	2 277	46	9 336	5 667	65	7 123	
Net credit losses	- 114	- 31		- 6		- 268	- 177	51	- 362	
Impairment of financial assets	- 32	- 700	-95	3		- 732	- 449	63	- 442	
Operating profit	3 173	2 448	30	2 274	40	8 336	5 041	65	6 319	
Appropriations				4	-100		5	-100	-1 283	
Income tax expense	- 494	- 292	69	- 889	-44	-1 305	-2 436	-46	-2 591	
Other taxes	6	- 35				- 26	- 53	-51	- 75	
Net profit	2 685	2 121	27	1 389	93	7 005	2 557	174	2 370	

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

SEK m	Q3		Q2		Q3		Jan - Sep			Full year
	2011	2011	%	2010	%	2011	2010	%	2010	
Net profit	2 685	2 121	27	1 389	93	7 005	2 557	174	2 370	
Available-for-sale financial assets	- 40	- 11		213	-119	124	- 114		- 337	
Cash flow hedges	1 302	507	157	- 119		1 332	- 478		-1 208	
Translation of foreign operations	9	205	- 96	- 19		55	- 37		- 29	
Group contributions	167	153	9	503	- 67	592	1 004	- 41	1 203	
Other	- 233	124		- 92	153	- 294	- 155	90	603	
Other comprehensive income (net of tax)	1 205	978	23	486	148	1 809	220		232	
Total comprehensive income	3 890	3 099	26	1 875	107	8 814	2 777		2 602	

Balance sheet - Skandinaviska Enskilda Banken AB (publ)

Condensed	30 Sep	31 Dec	30 Sep
SEK m	2011	2010	2010
Cash and cash balances with central banks	83 466	19 941	5 552
Loans to credit institutions	227 759	250 568	294 735
Loans to the public	871 513	763 441	760 953
Financial assets at fair value	438 336	334 060	379 773
Available-for-sale financial assets	18 175	16 583	18 907
Held-to-maturity investments	2 876	3 685	3 758
Investments in associates	1 112	967	942
Shares in subsidiaries	55 451	55 145	55 755
Tangible and intangible assets	43 194	40 907	41 016
Other assets	42 433	51 031	48 238
Total assets	1 784 315	1 536 328	1 609 629
Deposits from credit institutions	262 953	195 408	247 282
Deposits and borrowing from the public	561 848	484 839	469 082
Debt securities	515 642	488 533	490 187
Financial liabilities at fair value	273 121	190 638	224 375
Other liabilities	48 452	62 363	60 965
Provisions	86	180	189
Subordinated liabilities	27 315	25 096	29 453
Untaxed reserves	23 930	23 930	22 642
Total equity	70 968	65 341	65 454
Total liabilities, untaxed reserves and shareholders' equity	1 784 315	1 536 328	1 609 629

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

SEK m	30 Sep	31 Dec	30 Sep
	2011	2010	2010
Collateral pledged for own liabilities	123 658	138 775	159 882
Other pledged collateral	45 345	35 663	45 791
Contingent liabilities	70 851	64 120	61 907
Commitments	292 118	291 046	289 238