

# Interim report January - June 2012

STOCKHOLM 16 JULY 2012

## First half year 2012 – operating profit SEK 7,660m (8,471)

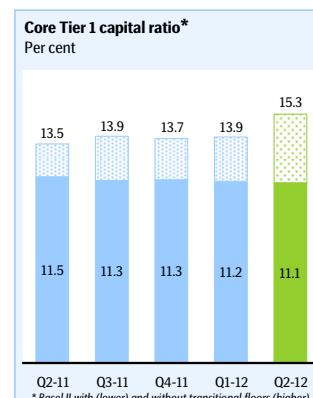
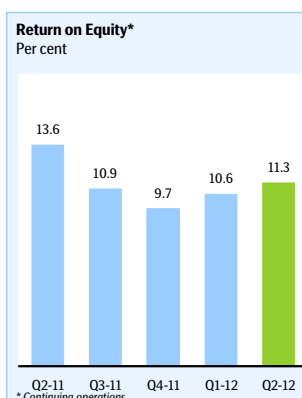
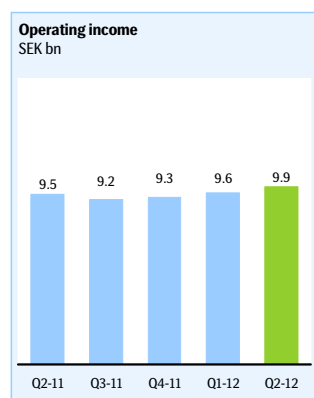
- Profit before credit losses up 9 per cent to SEK 8.1bn (7.5).
- Operating income SEK 19.5bn (19.1). Operating expenses SEK 11.4bn (11.7).
- Net interest income SEK 8.7bn (8.5), net fee and commission income SEK 6.7bn (7.0) and net financial income SEK 2.5bn (2.1).
- Net credit provisions SEK 475m corresponding to a credit loss level of 0.07 per cent.
- Net profit SEK 5.7bn (6.0).
- Return on equity in continuing operations 10.9 per cent (13.6) and earnings per share SEK 2.73 (3.10). Return on equity including discontinued operations 10.3 per cent (11.9) and earnings per share SEK 2.58 (2.72).
- Lending to the public SEK 1,248bn (1,138) and deposits from the public SEK 860bn (764), up 10 and 13 per cent, respectively, over the last 12 months.
- Core Tier 1 capital ratio 15.3 per cent and Tier 1 capital ratio 17.5 per cent.
- Liquidity Coverage Ratio 108 per cent, core liquidity reserve SEK 339bn and total liquid resources SEK 537bn.

## Second quarter 2012 – operating profit SEK 3,951m (4,200)

- Profit before credit losses SEK 4.2bn (3.6).
- Operating income up 4 per cent. Operating expenses down 3 per cent.
- Net profit SEK 3.0bn (3.4).

“SEB’s relationship banking model has supported a high and stable level of earnings in a quarter marked by a challenging environment. SEB’s expansion in the Nordic region has provided a strong platform for future growth and further deepening of customer relationships.”

Annika Falkengren



## President's comment

Five years ago the financial markets reacted to the first signs of the subprime crisis in the U.S. Since then, the world economy has had to adjust to a global financial crisis followed by a sovereign debt crisis. Unprecedented market dislocation has been met by unprecedented liquidity measures. Central bank balance sheets have increased fivefold during these five years. In Europe and North America, public and household debt ratios have reached their highest levels in 130 years. This has been a challenging period to be a bank. In SEB, we have prioritised a strong balance sheet and a long-term perspective in order to support and grow our customer relationships. We have grown deposits by SEK 180bn and increased lending by SEK 220bn during the past five years. At the same time, we have strengthened our financial position and our improved resilience has been confirmed by tightened relative credit spreads on our funding and an affirmed A1 rating by Moody's.

### Improved earnings generation

Market volatility remained high this quarter following the challenges for several countries in the eurozone. The Nordic region once again proved to be a safe haven in Europe, triggering bond yields to fall to historic low levels. In this environment, SEB delivered a robust quarterly result of SEK 3,951m. Operating income grew by 4 per cent and pre-provision profit increased by 16 per cent compared to a year ago.

SEB's customer business continued to grow. Our relationship banking model where we take a holistic perspective on customer needs, rendered higher business volumes in all customer segments. Customer loans and deposit volumes grew by 10 and 13 per cent, respectively. By the end of June we had refinanced 90 per cent of our long-term funding maturities for 2012.

### Balanced and healthy growth of the customer business

Merchant Banking's diversified business mix and growing customer base in the Nordic countries and Germany have provided a strong result despite the difficult climate and lack of M&A or primary market activity. In areas such as cash management, custody services and capital markets, customer activity and volumes increased. Large corporate lending volumes were stable while the trends towards more corporate bond issuance continued. This is an area where SEB is the market leader in both Norway and Sweden.

In our Swedish retail business, deposit and loan volumes grew – a result of the way we adapt our large corporate advisory products and business model to meet the needs of SME customers. The volumes were also driven by an increase in the number of private home bank customers where mortgages are typically key to the relationship. We continue to safeguard customers' repayment capacity on mortgages by requiring amortization, restrictions on the household debt ratio and the ability to manage mortgage rates of 7 per cent.



Customers appreciate our 24/7 personal telephone bank service as well as new functionality in mobile banking – in June only more than 2.5 million log ins have been made into our mobile banking services.

In the savings area, customers have increasingly turned to low risk saving products. Our Private Banking business again attracted new customers and generated SEK 6bn of new assets under management this quarter.

### A strategy built on operating leverage

The first six months of 2012 have highlighted the potential of combining SEB's organic growth strategy with improved cost control. In the last two years, average quarterly income has increased by 6 per cent while costs have decreased by 4 per cent.

Together with our deleveraging and risk mitigating actions of the last five years, earnings volatility has been substantially reduced. We have divested non-core businesses such as the retail operations in Germany and Ukraine and increased cost efficiency. We have deepened relationships with our existing customers and invested in our Nordic and German corporate and institutional franchise. In addition, we have built a strong balance sheet in terms of capital, liquidity reserves, funding structure and asset quality.

Our direction is firm: We prioritise long-term customer relations and disciplined growth in targeted markets while maintaining a high degree of resilience in a changing regulatory landscape as well as in a difficult economic environment.

## The Group

### Second quarter isolated

Operating profit amounted to SEK 3,951m (4,200). Net profit from continuing operations was SEK 3,102m (3,411).

Net profit (after tax), including the net result from discontinued operations, amounted to SEK 3,016m (3,370).

### Operating income

Total operating income amounted to SEK 9,916m (9,501).

Net interest income increased to SEK 4,530m (4,215).

SEK	Q2 2012	Q1 2012	Q2 2011
Customer driven NII (m)	3,959	3,902	3,704
Non-customer NII (m)	571	279	511

Customer loans and deposits combined contributed an additional SEK 255m to net interest income compared with the corresponding quarter 2011 as the average loan and deposit volumes were 7 and 18 per cent higher, respectively. Compared to the first quarter 2012, customer driven net interest income was stable; average customer loan and deposit volumes both grew by 3 per cent supporting net interest income, while lower short-term rates reduced it.

Net interest income from other activities was up SEK 60m compared with the corresponding quarter 2011 and SEK 292m from the previous quarter. The increase was primarily due to lower funding costs.

Net fee and commission income amounted to SEK 3,449m (3,554). Lower market values of the average volumes of assets under management affected base commissions negatively compared to last year. Average volumes were stable compared to the previous quarter. Performance and transactions fees increased. For services that are less dependent on the stock market, particularly payments and cards, fee income increased by 5 per cent compared to last year and 9 per cent to the previous quarter.

Net financial income was SEK 1,127m (825). Income in the trading operations, which is customer driven, continued to display a high level of stability and grew following increased activity in the debt capital markets business. In the result for the second quarter 2011, there was a negative effect from the evaluation of the GIIPS portfolio in the amount of SEK 180m. The market values of fixed income securities in the liquidity portfolio were lower in the second quarter 2012 compared to the previous quarter since the spreads widened.

Net life insurance income amounted to SEK 821m (764). Unit-linked income increased from the acquisition of Irish Life International.

Net other income at SEK -11m (143) reflected realised losses from the sale of securities classified as Available-for-Sale.

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

### Operating expenses

Total operating expenses amounted to SEK 5,692m (5,854). Staff costs increased by 3 per cent, partly due to social security contributions relating to the long-term incentive programmes. Other expenses decreased by 16 per cent.

### Credit losses and provisions

Provisions for credit losses amounted to SEK 269m for the quarter (in the second quarter 2011, there was a net reversal of SEK 558m), corresponding to a credit loss level of 8 basis points in the quarter. The provisions for credit losses for the Group, excluding the Baltic region, decreased and equaled a credit loss level of 5 basis points in the quarter. The provisions in the Baltic region increased and corresponded to a credit loss level of 41 basis points in the quarter.

Non-performing loans in the Group, excluding the Baltic region, fell by 11 per cent in the quarter reflecting continued strong asset quality as well as an effect from selling the Ukrainian retail operations. In the Baltic region non-performing loans fell by 5 per cent as loans continued to be written off against the reserves.

Individually assessed impaired loans decreased by SEK 881m to SEK 9,797m during the quarter.

The Group's portfolio assessed loans past due >60 days decreased by SEK 340m during the quarter to SEK 6,064m.

### Discontinued operations

The net result from discontinued operations, was SEK -86m (-41). The work to finalise the operational separation of the divested unit in Germany continued. The divestment of the Ukrainian bank was finalised on 7 June 2012. SEB will continue to operate in Ukraine as a corporate bank, serving its Nordic, Baltic and German corporate and institutional customers.

## The first half year

*Operating profit* for the first half year amounted to SEK 7,660m (8,471). *Profit before credit losses* increased by 9 per cent to SEK 8,137m (7,485). *Net profit from continuing operations* was SEK 6,003m (6,817).

*Net profit (after tax)*, including the net result from discontinued operations, was SEK 5,671m (5,986).

## Operating income

*Total operating income* amounted to SEK 19,505m (19,145), an increase of 2 per cent compared to the first half of 2011.

*Net interest income* amounted to SEK 8,711m (8,461).

SEK	H1 2012	H1 2011	Δ %
Customer driven NII (m)	7,860	7,183	+9
Non-customer NII (m)	851	1,278	-33

Customer loans and deposits combined contributed an additional SEK 678m to net interest income compared with the first six months of 2011 as the average loan and deposit volumes were 8 and 18 per cent higher, respectively. The positive contribution from the volumes was somewhat reduced by lower customer margins as short-term rates fell.

Net interest income from other activities was SEK 428m lower compared with the first six months of 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 worthiness as an issuer of bonds strengthened. This reduced funding costs.

*Net fee and commission income* amounted to SEK 6,713m (7,049). Securities commissions were lower, but they were partly offset by higher payment commissions due to increased turnover. Performance and transaction fee levels were back at historically normal levels from the unusually high level in the first half of 2011. The market values of the average volumes of assets under management were lower compared to the start of 2011 and thus base commissions were lower.

*Net financial income* amounted to SEK 2,506m (2,056). 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. In the result for the first half year in 2011, there was a negative effect from the evaluation of the GIIPS portfolio in the amount of SEK 201m. Further, during the first six months of 2012 there was a positive effect in the market value of the liquidity portfolio as spreads returned to more normal levels after being elevated during 2011.

*Net life insurance income* increased by 12 per cent to SEK 1,736m (1,546). Unit-linked income increased following the acquisition of Irish Life International last year. The result from traditional insurance increased.

*Net other income* was negative at SEK -161m for the period compared to an income of SEK 33m for the corresponding period last year. The result included realised losses from the sale of securities classified as Available-for-Sale.

## Operating expenses

*Total operating expenses* decreased by 3 per cent to SEK 11,368m. Staff costs increased by 1 per cent as some 100 former consultants were transferred to pay-roll in SEB. Other expenses decreased by 12 per cent.

## Credit losses and provisions

*Provisions for credit losses* amounted to SEK 475m corresponding to a credit loss level of 7 basis points. In the corresponding period 2011 there was a reversal of SEK 985m. The provisions for credit losses for the Group, excluding the Baltic region, equaled a credit loss level of 6 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 12 per cent during the first six 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 8 per cent as loans continue to be written off against reserves.

*Individually assessed impaired loans* decreased by SEK 1,293m to SEK 9,797m during the first half year.

The Group's *portfolio assessed loans past due >60 days* decreased by SEK 419m during the half year to SEK 6,064m.

The *total reserve ratio for individually assessed impaired loans* and the *total non-performing loans coverage ratio* were virtually unchanged from year-end at 71 and 64 per cent, respectively.

## Income tax expense

*Total income tax* amounted to SEK 1,657m (1,654) corresponding to an effective tax rate of 22 per cent (20).

## Discontinued operations

The net result from the *discontinued operations* decreased to a loss of SEK 332m (831m). In the corresponding period 2011 there was a negative result after tax from the divestment of SEB's German retail operations, which consisted of the operating result, the capital gain and the effect of unwinding of hedges.

The divestment of the retail operations in Ukraine was finalised on 7 June 2012.

## Business volumes

Total assets as at 30 June 2012 amounted to SEK 2,373bn. One year ago, total assets amounted to SEK 2,201bn and they were SEK 2,363bn at year-end 2011. Loans to the public increased to SEK 1,248bn, up SEK 110bn from a year ago and SEK 62bn from year-end. Deposits from the public amounted to SEK 860bn, up SEK 95bn from a year ago and down SEK 2bn from year-end. As uncertainty renewed in the second quarter of 2012, SEB once again attracted a strong deposit inflow, which increased by SEK 77bn, or 10 per cent.

SEB's total credit portfolio increased to SEK 1,743bn (1,641). The household volumes increased by SEK 46bn in the year. The combined corporate and property management portfolios grew by SEK 71bn.

At 30 June 2012, assets under management amounted to SEK 1,261bn (1,356). This was at par with the SEK 1,261bn year-end level. The net inflow of assets during the first half of 2012 was SEK 9bn which was offset by the decrease in value of SEK 9bn. The decrease from the corresponding period 2011 is primarily due to lower market values. Assets under custody amounted to SEK 4,989bn (4,683), 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 238bn (280), of which the bond investment portfolio, now in run-off, was SEK 25bn (34).

Four per cent of the total holdings were GIIPS-related which amounted to SEK 12.2bn nominally (17). Sovereign debt holdings of SEK 0.3bn (1.2) refer to Italy. SEK 8.1bn, or 66 per cent, of the GIIPS-related holdings refer to Spanish covered bonds.

SEK 7.8bn of the total SEK 12.2bn holdings were classified as Available-for-Sale and negative valuations of SEK 1.7bn have reduced book equity; in the first six months 2012 by SEK -0.3bn. SEK 0.8bn were classified as Held-for-Trading and valuations reflected in Net financial income. The remaining SEK 3.6bn were classified as Loans and receivables.

#### Market risk

The trading business is customer flow-driven. This is confirmed by the fact that there was only one loss-making day during the first half of the year.

During the first six months 2012, Value-at-Risk in the trading operations averaged SEK 180m. 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 131 per cent (140), excluding repos and debt instruments. SEK 61bn of new long-term funding was raised so far of the SEK 70bn of long-term debt that matures this year.

The core liquidity reserve at 30 June amounted to SEK 339bn (283). The total liquid resources, including net trading assets and unutilised collateral in the cover pool, amounted to SEK 537bn (467). 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 108 per cent at quarter-end (95 at year-end), while the USD and EUR LCR were both above 100 per cent.

#### Capital position

	Jun 2012	Dec 2011
Core tier 1 capital ratio, %	15.3	13.7
Tier 1 capital ratio, %	17.5	15.9
RWA, SEK bn	632	679

	Jun 2012	Dec 2011
<i>Adjusted for supervisory transitional rules:</i>		
Core tier 1 capital ratio, %	11.1	11.2
Tier 1 capital ratio, %	12.8	13.0
RWA, SEK bn	867	828

During the period, SEB's application for an internal ratings based (IRB) model to calculate non-retail real estate risk-weighted assets was approved by the Swedish Financial Supervisory Authority. This constitutes an independent recognition that SEB's risk assessment is a more precise measurement of underlying risks. The effect of implementing the model was a SEK 42bn decrease of RWA because internal specific and validated rather than generic risk parameters were used to calculate risk-weighted assets.

#### 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.

In May 2012, Moody's announced the conclusion of the review of SEB. The result was that Moody's confirmed the A1 (stable) rating.

#### 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 are still relatively robust, austerity measures in many countries may increase sovereign risk and create subdued economic growth, which could impact SEB's main markets. Such an impact was evident following the increased uncertainty during 2011 which remained in 2012. The European macro-economic scenario looks increasingly uncertain.

SEB also 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 internationally agreed 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.

#### 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 June 2012, the negative effect on equity that was SEK 5.3bn at year-end 2011 would have been approximately SEK 0.6bn higher. The corresponding change before tax would have added SEK 0.9bn to the SEK 7.2bn at year-end.

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

Following the increased clarification of the Basel III regulation for capital, liquidity and funding to be implemented in Sweden starting 2013, SEB has continued to align the framework for

capital and liquidity management. 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. Further refinements are likely during the remainder of 2012.

### Stockholm, 16 July 2012

*The Board of Directors and the President declare that the Interim Accounts for January-June 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.*

Marcus Wallenberg  
Chairman

Tuve Johannesson  
Deputy chairman

Jacob Wallenberg  
Deputy chairman

Johan H. Andresen, Jr.  
Director

Signhild Arnegård Hansen  
Director

Urban Jansson  
Director

Birgitta Kantola  
Director

Tomas Nicolin  
Director

Magdalena Olofsson  
Director\*

Jesper Ovesen  
Director

Pernilla Pählman  
Director\*

Carl Wilhelm Ros  
Director

Annika Falkengren  
President and Chief Executive Officer

\* appointed by the employees

### Press conference and webcasts

The press conference at 9.00 (CEST) on 16 July 2012 at Kungsträdgårdsgatan 8 with President and CEO Annika Falkengren can be followed live in Swedish on [www.sebgroup.se/ir](http://www.sebgroup.se/ir) and translated into English on [www.sebgroup.com/ir](http://www.sebgroup.com/ir). It will also be available afterwards.

### Access to telephone conference

The telephone conference at 15.30 (CEST) on 16 July 2012 with the President and CEO Annika Falkengren, the CFO Jan Erik Back and the head of the Retail Division, Mats Torstendahl, can be accessed by telephone, +44(0)20 7162 0025. Please quote conference id: 919348, not later than 10 minutes in advance. A replay of the conference call will be available on [www.sebgroup.com/ir](http://www.sebgroup.com/ir).

### Financial information calendar

25 October 2012      Interim report Jan-Sep 2012  
31 January 2013      Annual Accounts 2012

### Further information is available from

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Corporate organisation number: 502032-9081

Additional financial information is available in SEB's Fact Book which is published quarterly on [www.sebgroup.com/ir](http://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 June 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, 16 July 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	Q2		Q1		Q2		Jan - Jun			Full year
	2012	2012	%	2011	%	2012	2011	%	2011	
Net interest income	4 530	4 181	8	4 215	7	8 711	8 461	3	16 901	
Net fee and commission income	3 449	3 264	6	3 554	-3	6 713	7 049	-5	14 175	
Net financial income	1 127	1 379	-18	825	37	2 506	2 056	22	3 548	
Net life insurance income	821	915	-10	764	7	1 736	1 546	12	3 197	
Net other income	- 11	- 150	-93	143	-108	- 161	33		- 135	
<b>Total operating income</b>	<b>9 916</b>	<b>9 589</b>	<b>3</b>	<b>9 501</b>	<b>4</b>	<b>19 505</b>	<b>19 145</b>	<b>2</b>	<b>37 686</b>	
Staff costs	-3 642	-3 559	2	-3 525	3	-7 201	-7 117	1	-13 933	
Other expenses	-1 590	-1 653	-4	-1 904	-16	-3 243	-3 689	-12	-7 424	
Depreciation, amortisation and impairment of tangible and intangible assets	- 460	- 464	-1	- 425	8	- 924	- 854	8	-1 764	
<b>Total operating expenses</b>	<b>-5 692</b>	<b>-5 676</b>	<b>0</b>	<b>-5 854</b>	<b>-3</b>	<b>-11 368</b>	<b>-11 660</b>	<b>-3</b>	<b>-23 121</b>	
<b>Profit before credit losses</b>	<b>4 224</b>	<b>3 913</b>	<b>8</b>	<b>3 647</b>	<b>16</b>	<b>8 137</b>	<b>7 485</b>	<b>9</b>	<b>14 565</b>	
Gains less losses from disposals of tangible and intangible assets	- 4	2		- 5	-20	- 2	1		2	
Net credit losses	- 269	- 206	31	558	-148	- 475	985	-148	778	
<b>Operating profit</b>	<b>3 951</b>	<b>3 709</b>	<b>7</b>	<b>4 200</b>	<b>-6</b>	<b>7 660</b>	<b>8 471</b>	<b>-10</b>	<b>15 345</b>	
Income tax expense	- 849	- 808	5	- 789	8	-1 657	-1 654	0	-3 046	
<b>Net profit from continuing operations</b>	<b>3 102</b>	<b>2 901</b>	<b>7</b>	<b>3 411</b>	<b>-9</b>	<b>6 003</b>	<b>6 817</b>	<b>-12</b>	<b>12 299</b>	
Discontinued operations	- 86	- 246	-65	- 41	110	- 332	- 831	-60	-1 155	
<b>Net profit</b>	<b>3 016</b>	<b>2 655</b>	<b>14</b>	<b>3 370</b>	<b>-11</b>	<b>5 671</b>	<b>5 986</b>	<b>-5</b>	<b>11 144</b>	
Attributable to minority interests	6	5	20	6		11	20	-45	37	
Attributable to shareholders	3 010	2 650	14	3 364	-11	5 660	5 966	-5	11 107	
Continuing operations										
Basic earnings per share, SEK	1.41	1.32		1.55		2.73	3.10		5.59	
Diluted earnings per share, SEK	1.41	1.32		1.54		2.73	3.09		5.56	
Total operations										
Basic earnings per share, SEK	1.37	1.21		1.53		2.58	2.72		5.06	
Diluted earnings per share, SEK	1.37	1.21		1.52		2.58	2.71		5.04	

## Statement of comprehensive income

SEK m	Q2		Q1		Q2		Jan - Jun			Full year
	2012	2012	%	2011	%	2012	2011	%	2011	
<b>Net profit</b>	<b>3 016</b>	<b>2 655</b>	<b>14</b>	<b>3 370</b>	<b>-11</b>	<b>5 671</b>	<b>5 986</b>	<b>-5</b>	<b>11 144</b>	
Available-for-sale financial assets	- 66	425	-116	186	-135	359	197	82	722	
Cash flow hedges	329	- 587	-156	502	-34	- 258	24		1 529	
Translation of foreign operations	- 79	- 58	36	515	-115	- 137	253	-154	- 140	
Taxes on translation effects	- 15	- 88	-83	237	-106	- 103	164	-163	- 76	
Other				149	-100		- 61	-100	- 454	
<b>Other comprehensive income (net of tax)</b>	<b>169</b>	<b>- 308</b>	<b>-155</b>	<b>1 589</b>	<b>-89</b>	<b>- 139</b>	<b>577</b>	<b>-124</b>	<b>1 581</b>	
<b>Total comprehensive income</b>	<b>3 185</b>	<b>2 347</b>	<b>36</b>	<b>4 959</b>	<b>-36</b>	<b>5 532</b>	<b>6 563</b>	<b>-16</b>	<b>12 725</b>	
Attributable to minority interests	5	11	-55	12	-58	16	20	-20	36	
Attributable to shareholders	3 180	2 336	36	4 947	-36	5 516	6 543	-16	12 689	



## Key figures – SEB Group

	Q2	Q1	Q2	Jan - Jun		Full year
	2012	2012	2011	2012	2011	2011
<b>Continuing operations</b>						
Return on equity, continuing operations, %	11.33	10.61	13.62	10.94	13.59	11.89
Basic earnings per share, continuing operations, SEK	1.41	1.32	1.55	2.73	3.10	5.59
Diluted earnings per share, continuing operations, SEK	1.41	1.32	1.54	2.73	3.09	5.56
Cost/income ratio, continuing operations	0.57	0.59	0.62	0.58	0.61	0.61
Number of full time equivalents, continuing operations*	16,747	16,706	16,779	16,734	16,622	16,704
<b>Total operations</b>						
Return on equity, %	11.01	9.71	13.46	10.34	11.93	10.77
Return on total assets, %	0.50	0.45	0.62	0.47	0.55	0.50
Return on risk-weighted assets, %	1.41	1.27	1.71	1.34	1.52	1.39
Basic earnings per share, SEK	1.37	1.21	1.53	2.58	2.72	5.06
Weighted average number of shares, millions**	2,192	2,189	2,194	2,191	2,194	2,194
Diluted earnings per share, SEK	1.37	1.21	1.52	2.58	2.71	5.04
Weighted average number of diluted shares, millions***	2,196	2,196	2,206	2,197	2,205	2,204
Net worth per share, SEK	56.50	54.51	52.30	56.50	52.30	54.92
Average shareholders' equity, SEK, billion	109.3	109.1	100.0	109.5	100.0	103.1
Credit loss level, %	0.08	0.06	-0.20	0.07	-0.18	-0.08
Total reserve ratio individually assessed impaired loans, %	71.3	71.8	64.8	71.3	64.8	71.1
Net level of impaired loans, %	0.34	0.36	0.56	0.34	0.56	0.39
Gross level of impaired loans, %	0.71	0.79	1.11	0.71	1.11	0.84
Basel II (Legal reporting with transitional floor) :****						
Risk-weighted assets, SEK billion	867	835	798	867	798	828
Core Tier 1 capital ratio, %	11.12	11.24	11.47	11.12	11.47	11.25
Tier 1 capital ratio, %	12.79	12.96	13.27	12.79	13.27	13.01
Total capital ratio, %	12.31	12.35	12.86	12.31	12.86	12.50
Basel II (without transitional floor):						
Risk-weighted assets, SEK billion	632	675	678	632	678	679
Core Tier 1 capital ratio, %	15.25	13.91	13.50	15.25	13.50	13.71
Tier 1 capital ratio, %	17.54	16.03	15.62	17.54	15.62	15.87
Total capital ratio, %	16.88	15.29	15.12	16.88	15.12	15.24
Number of full time equivalents*	16,813	17,434	17,576	17,364	17,688	17,633
Assets under custody, SEK billion	4,989	4,982	4,683	4,989	4,683	4,490
Assets under management, SEK billion	1,261	1,317	1,356	1,261	1,356	1,261
<b>Discontinued operations</b>						
Basic earnings per share, discontinued operations, SEK	-0.04	-0.11	-0.02	-0.15	-0.38	-0.53
Diluted earnings per share, discontinued operations, SEK	-0.04	-0.11	-0.02	-0.15	-0.38	-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 2011. During 2012 SEB has repurchased 10,187,956 shares and 10,494,729 shares have been sold as employee stock options have been exercised. Thus, as at 30 June 2012 SEB owned 2,037,593 Class A-shares with a market value of SEK 91m.

\*\*\* 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

	Q2	Q1	Q4	Q3	Q2
SEK m	2012	2012	2011	2011	2011
Net interest income	4 530	4 181	4 318	4 122	4 215
Net fee and commission income	3 449	3 264	3 637	3 489	3 554
Net financial income	1 127	1 379	589	903	825
Net life insurance income	821	915	992	659	764
Net other income	- 11	- 150	- 202	34	143
<b>Total operating income</b>	<b>9 916</b>	<b>9 589</b>	<b>9 334</b>	<b>9 207</b>	<b>9 501</b>
Staff costs	-3 642	-3 559	-3 423	-3 393	-3 525
Other expenses	-1 590	-1 653	-2 030	-1 705	-1 904
Depreciation, amortisation and impairment of tangible and intangible assets	- 460	- 464	- 475	- 435	- 425
<b>Total operating expenses</b>	<b>-5 692</b>	<b>-5 676</b>	<b>-5 928</b>	<b>-5 533</b>	<b>-5 854</b>
<b>Profit before credit losses</b>	<b>4 224</b>	<b>3 913</b>	<b>3 406</b>	<b>3 674</b>	<b>3 647</b>
Gains less losses from disposals of tangible and intangible assets	- 4	2	- 1	2	- 5
Net credit losses	- 269	- 206	- 240	33	558
<b>Operating profit</b>	<b>3 951</b>	<b>3 709</b>	<b>3 165</b>	<b>3 709</b>	<b>4 200</b>
Income tax expense	- 849	- 808	- 531	- 861	- 789
<b>Net profit from continuing operations</b>	<b>3 102</b>	<b>2 901</b>	<b>2 634</b>	<b>2 848</b>	<b>3 411</b>
Discontinued operations	- 86	- 246	- 300	- 24	- 41
<b>Net profit</b>	<b>3 016</b>	<b>2 655</b>	<b>2 334</b>	<b>2 824</b>	<b>3 370</b>
Attributable to minority interests	6	5	10	7	6
Attributable to shareholders	3 010	2 650	2 324	2 817	3 364
Continuing operations					
Basic earnings per share, SEK	1.41	1.32	1.20	1.29	1.55
Diluted earnings per share, SEK	1.41	1.32	1.20	1.29	1.54
Total operations					
Basic earnings per share, SEK	1.37	1.21	1.06	1.28	1.53
Diluted earnings per share, SEK	1.37	1.21	1.06	1.28	1.52

## Income statement by Division – SEB Group

Jan-Jun 2012, SEK m	Merchant Banking	Retail Banking	Wealth Management	Life*	Baltic	Other incl eliminations	SEB Group
Net interest income	3 779	3 433	350	- 48	934	263	8 711
Net fee and commission income	2 590	1 563	1 657		442	461	6 713
Net financial income	2 060	161	50		221	14	2 506
Net life insurance income				2 379		- 643	1 736
Net other income	181	33	34		- 8	- 401	- 161
<b>Total operating income</b>	<b>8 610</b>	<b>5 190</b>	<b>2 091</b>	<b>2 331</b>	<b>1 589</b>	<b>- 306</b>	<b>19 505</b>
Staff costs	-2 026	-1 419	- 671	- 615	- 346	-2 124	-7 201
Other expenses	-2 285	-1 591	- 727	- 272	- 510	2 142	-3 243
Depreciation, amortisation and impairment of tangible and intangible assets	- 81	- 41	- 22	- 457	- 64	- 259	- 924
<b>Total operating expenses</b>	<b>-4 392</b>	<b>-3 051</b>	<b>-1 420</b>	<b>-1 344</b>	<b>- 920</b>	<b>- 241</b>	<b>-11 368</b>
<b>Profit before credit losses</b>	<b>4 218</b>	<b>2 139</b>	<b>671</b>	<b>987</b>	<b>669</b>	<b>- 547</b>	<b>8 137</b>
Gains less losses from disposals of tangible and intangible assets	- 6				3	1	- 2
Net credit losses	- 111	- 235	2		- 132	1	- 475
<b>Operating profit</b>	<b>4 101</b>	<b>1 904</b>	<b>673</b>	<b>987</b>	<b>540</b>	<b>- 545</b>	<b>7 660</b>

\* Business result in Life amounted to SEK 1,395m (1,590), of which change in surplus values was net SEK 408m (572).

## 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

Distribution by country Jan - Jun												
SEK m	Total operating income			Total operating expenses			Operating profit			Operating profit in local currency		
	2012	2011	%	2012	2011	%	2012	2011	%	2012	2011	%
Sweden	10 995	11 496	-4	-7 114	-7 997	-11	3 650	3 373	8	3 650	3 373	8
Norway	1 723	1 454	19	-699	-565	24	1 003	834	20	855	730	17
Denmark	1 558	1 414	10	-734	-771	-5	793	615	29	664	513	29
Finland	745	676	10	-327	-334	-2	416	340	22	47	38	24
Germany*	1 549	1 616	-4	-881	-926	-5	636	673	-5	72	75	-4
Estonia**	612	584	5	-277	-296	-6	369	430	-14	42	48	-13
Latvia**	508	496	2	-266	-234	14	115	597	-81	9	47	-81
Lithuania**	712	682	4	-433	-421	3	243	1 035	-77	94	400	-77
Other countries and eliminations	1 103	727	52	-637	-116	0	435	574	-24			
<b>Total</b>	<b>19 505</b>	<b>19 145</b>	<b>2</b>	<b>-11 368</b>	<b>-11 660</b>	<b>-3</b>	<b>7 660</b>	<b>8 471</b>	<b>-10</b>			

\*Excluding centralised Treasury operations

\*\*Profit before credit losses increased in Estonia by 16 per cent and in Lithuania by 7 per cent while it was 8 per cent lower in Latvia.

- SEB's strong franchise was further recognised as Euromoney named SEB best bank in the Nordic and Baltic regions and Prospera named SEB best at FX and Commercial Real Estate in Sweden
- Operating profit increased in all Nordic countries
- The Baltic area (excluding the real estate holding companies) improved both in terms of volumes and profit

### Comments on the first six months

In *Sweden* the operating profit of SEK 3,650m was an increase from the same period last year of SEK 277m. SEB continued to strengthen its market position within lending and deposits. As an example, according to SCB (Statistics Sweden) the SEB corporate deposit market share at above 24 per cent was the highest among Swedish banks. Corporate lending volumes improved with new large corporate clients business. Net interest income was lower year-on-year due to lower interest rates but there was an increase in the second quarter mainly due to positive development in Retail and lower funding costs. IT and staff costs were lower.

Activities in *Norway* increased. This was primarily due to growth within Trading and Capital Markets and Corporate Banking. With continued uncertainty and high volatility in the financial markets SEB strengthened the position as a trusted business partner. The income year to date increased and contributed to an overall increase in operating profit in local currency by 17 per cent so far in 2012.

In *Denmark*, operating profit in local currency was up 29 per cent compared to last year while costs remained flat. All business areas showed positive development in the first six months. Cards and in particular the trading related activities were the main drivers behind the increased profit.

In *Finland*, operating profit in local currency increased by 24 per cent from the same period last year. Trading and Capital Markets and Structured Finance continued the positive trend while Corporate Finance and Wealth Management had low activity levels. Corporate Banking maintained operating profit at the same level.

In *Germany*, operating profit was 4 per cent lower due to the wind-down portfolio of real estate assets. Trading and Capital Markets and Corporate Banking contributed positively to the income with a strong result for the six months. Despite continued uncertainty, customer activities were higher in the second quarter than the first. Wealth Management's result was stable. During the second quarter, it was decided that SEB's investment fund ImmoInvest will be dissolved at the latest as of 30 April 2017.

In *Estonia and Lithuania* profit before credit losses for the six months compared to last year increased by 16 and 7 per cent, respectively, while there was a decrease of 8 per cent in *Latvia*. 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	Q2			Q1			Q2			Jan- Jun			Full year
	2012	2012	%	2011	2011	%	2012	2011	%	2012	2011	%	2011
Net interest income	1 880	1 899	- 1	1 885	0		3 779	3 617	4				7 533
Net fee and commission income	1 351	1 239	9	1 342	1		2 590	2 601	0				5 378
Net financial income	1 074	986	9	995	8		2 060	2 080	- 1				4 000
Net other income	70	111	- 37	135	- 48		181	170	6				618
<b>Total operating income</b>	<b>4 375</b>	<b>4 235</b>	<b>3</b>	<b>4 357</b>	<b>0</b>		<b>8 610</b>	<b>8 468</b>	<b>2</b>				<b>17 529</b>
Staff costs	- 996	- 1 030	- 3	- 998	0		- 2 026	- 2 060	- 2				- 3 915
Other expenses	- 1 143	- 1 142	0	- 1 269	- 10		- 2 285	- 2 476	- 8				- 4 841
Depreciation, amortisation and impairment of tangible and intangible assets	- 40	- 41	- 2	- 50	- 20		- 81	- 101	- 20				- 227
<b>Total operating expenses</b>	<b>- 2 179</b>	<b>- 2 213</b>	<b>- 2</b>	<b>- 2 317</b>	<b>- 6</b>		<b>- 4 392</b>	<b>- 4 637</b>	<b>- 5</b>				<b>- 8 983</b>
<b>Profit before credit losses</b>	<b>2 196</b>	<b>2 022</b>	<b>9</b>	<b>2 040</b>	<b>8</b>		<b>4 218</b>	<b>3 831</b>	<b>10</b>				<b>8 546</b>
Gains less losses from disposals of tangible and intangible assets	- 6			- 3	100		- 6						- 1
Net credit losses	- 30	- 81	- 63	- 36	- 17		- 111	- 84	32				- 224
<b>Operating profit</b>	<b>2 160</b>	<b>1 941</b>	<b>11</b>	<b>2 001</b>	<b>8</b>		<b>4 101</b>	<b>3 747</b>	<b>9</b>				<b>8 321</b>
Cost/Income ratio	0.50	0.52		0.53			0.51	0.55					0.51
Business equity, SEK bn	37.5	37.5		26.6			37.6	26.1					26.7
Return on business equity, %	17.1	15.3		21.7			16.1	20.7					22.4
Number of full time equivalents	2 508	2 506		2 485			2 504	2 484					2 493

- Continued inflow of new customers stemming from strategic investments
- Earnings stability in a turbulent market environment
- Strong balance sheets of clients create resilient asset quality, in spite of market uncertainty

### Comments on the first six months

Market uncertainty fuelled by the election in Greece and increased attention on Spain characterised the second quarter. The Nordic region once again proved to be a safe haven in Europe, which was confirmed by Moody's downgrading of many European financial institutions. SEB's position of strength has continued to improve and SEB attracted more customer attention and business proposals.

Operating income for the first six months increased 2 per cent compared with 2011 reflecting the diversified business mix and larger customer base. Operating expenses decreased by 5 per cent compared with 2011 as a result of the continued focus on efficiency. The scalable platforms in Germany and the Nordic region provided room for additional efficiency. Operating profit amounted to SEK 4,101m, a 9 per cent increase year-on-year. Asset quality remained strong.

*Corporate Banking* continued the solid performance also in the second quarter even though both M&A and Equity Capital Market activities remained subdued, albeit the M&A activity picked up slightly at the end of the period. Corporate lending volumes moved sideways during the first six months and the trend towards more bond issuance continued. SEB

was the leading underwriter of corporate bonds in Norway and Sweden.

*Global Transaction Services* performed well in all segments with increasing customer activities and volumes. After the first six months, assets under custody were SEK 4,989bn (4,490 at year-end 2011).

*Trading and Capital Markets* continued to show earnings stability stemming from its flow-oriented focus and an increase in customer demand for hedging products as a result of the market volatility. In particular *Capital Markets* continued to improve 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 254 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	Q2		Q1		Q2		Jan- Jun			Full year
	2012	2012	%	2011		2012	2011	%	2011	
Net interest income	1 759	1 674	5	1 436	22	3 433	2 785	23	5 846	
Net fee and commission income	801	762	5	822	- 3	1 563	1 610	- 3	3 175	
Net financial income	90	71	27	83	8	161	147	10	302	
Net other income	20	13	54	40	- 50	33	54	- 39	96	
<b>Total operating income</b>	<b>2 670</b>	<b>2 520</b>	<b>6</b>	<b>2 381</b>	<b>12</b>	<b>5 190</b>	<b>4 596</b>	<b>13</b>	<b>9 419</b>	
Staff costs	- 716	- 703	2	- 689	4	- 1 419	- 1 362	4	- 2 694	
Other expenses	- 797	- 794	0	- 940	- 15	- 1 591	- 1 822	- 13	- 3 568	
Depreciation, amortisation and impairment of tangible and intangible assets	- 21	- 20	5	- 19	11	- 41	- 38	8	- 79	
<b>Total operating expenses</b>	<b>- 1 534</b>	<b>- 1 517</b>	<b>1</b>	<b>- 1 648</b>	<b>- 7</b>	<b>- 3 051</b>	<b>- 3 222</b>	<b>- 5</b>	<b>- 6 341</b>	
<b>Profit before credit losses</b>	<b>1 136</b>	<b>1 003</b>	<b>13</b>	<b>733</b>	<b>55</b>	<b>2 139</b>	<b>1 374</b>	<b>56</b>	<b>3 078</b>	
Gains less losses from disposals of tangible and intangible assets				- 1						
Net credit losses	- 133	- 102	30	- 84	58	- 235	- 182	29	- 476	
<b>Operating profit</b>	<b>1 003</b>	<b>901</b>	<b>11</b>	<b>648</b>	<b>55</b>	<b>1 904</b>	<b>1 192</b>	<b>60</b>	<b>2 602</b>	
Cost/Income ratio	0.57	0.60		0.69		0.59	0.70		0.67	
Business equity, SEK bn	13.9	14.0		10.2		14.0	10.0		10.2	
Return on business equity, %	21.4	19.0		18.9		20.2	17.6		18.9	
Number of full time equivalents	3 688	3 583		3 596		3 603	3 512		3 532	

- Household customers continued to increase lending and deposit volumes with SEB
- Strengthened SME franchise with 5,200 new customers during 2012
- Card operating profit of SEK 532m was at an all time high

### Comments on the first six months

The overall positive trend for the division continued throughout the first half of the year. Surrounding macro pressure did not materialise in lower business activity. Customer activity remained high which was seen in constructive discussions with both new and existing clients. The focus to deliver on our customer promise and build long-term relationships resulted in above market growth in key strategic areas such as SMEs, residential mortgages and cards. Customers sought more advisory services and continued to increase the use of new meeting places which was evident in the increase in mobile banking visits by private customers reaching 2.5 million in June.

The division increased business volumes both in terms of loans, SEK 27bn since year-end, deposits, SEK 11bn since year-end, and within cash management. As a result, operating profit grew by 60 per cent. Asset quality was stable, but a slight increase in credit losses reflecting an increase in the collective reserves.

Retail Sweden's profit growth was driven by continued customer acquisition as a result of strengthened distribution and successful customer offerings. Cost control is on track.

Commission income was lower based on limited customer activity and low value growth in assets under management. Deposit inflow was positive and SEB reached its highest household market share at 12 per cent since 2008. The growth in the number of home bank customers continued at a steady pace, +11,300. The number of SME customers increased by 5,200, reaching nearly 127,000 active payment service customers.

Card operating profit increased by 13 per cent to reach a new high of SEK 532m. Volume increases supported profit growth and turnover reached an all time high in the second quarter. The 12 per cent growth in turnover compared to a year ago was the result of higher customer activity from existing business, and from integrating a new large co-brand partner. Volume growth stemmed from all segments, but mainly within the acquiring business. Net interest income development was positive based on lower market rates in Norway, Denmark and Finland. The interest bearing volumes continued to increase. Cost levels remained stable. Several new corporate contracts were signed.

## 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	Q2		Q1		Q2		Jan- Jun		Full year
	2012	2012	%	2011	2011	2011	2011	%	2011
Net interest income	179	171	5	160	12	350	303	16	636
Net fee and commission income	858	799	7	865	-1	1 657	1 859	-11	3 717
Net financial income	23	27	-15	22	5	50	37	35	87
Net other income	32	2		26	23	34	28	21	7
<b>Total operating income</b>	<b>1 092</b>	<b>999</b>	<b>9</b>	<b>1 073</b>	<b>2</b>	<b>2 091</b>	<b>2 227</b>	<b>-6</b>	<b>4 447</b>
Staff costs	-347	-324	7	-365	-5	-671	-733	-8	-1 406
Other expenses	-372	-355	5	-388	-4	-727	-756	-4	-1 502
Depreciation, amortisation and impairment of tangible and intangible assets	-11	-11	0	-10	10	-22	-22	0	-49
<b>Total operating expenses</b>	<b>-730</b>	<b>-690</b>	<b>6</b>	<b>-763</b>	<b>-4</b>	<b>-1 420</b>	<b>-1 511</b>	<b>-6</b>	<b>-2 957</b>
<b>Profit before credit losses</b>	<b>362</b>	<b>309</b>	<b>17</b>	<b>310</b>	<b>17</b>	<b>671</b>	<b>716</b>	<b>-6</b>	<b>1 490</b>
Gains less losses from disposals of tangible and intangible assets									
Net credit losses	1	1		-1	-200	2	-2		-9
<b>Operating profit</b>	<b>363</b>	<b>310</b>	<b>17</b>	<b>309</b>	<b>17</b>	<b>673</b>	<b>714</b>	<b>-6</b>	<b>1 481</b>
Cost/Income ratio	0.67	0.69		0.71		0.68	0.68		0.66
Business equity, SEK bn	6.1	6.2		4.9		6.1	5.0		5.0
Return on business equity, %	17.6	14.8		18.0		16.2	20.6		21.3
Number of full time equivalents	1 001	1 005		1 015		1 008	1 011		1 006

- Continued strong confidence from Private Banking customers: net new AuM SEK 13bn and 562 new clients
- Lower operating profit due to lower performance and transaction fees
- Improved result in the second quarter in spite of the current volatile markets

### Comments on the first six months

Following a positive start of the year, equity markets were down in the second quarter. Risk appetite and customer activity in equity related products decreased compared to the same period previous year.

Customer offerings such as structured bonds and other products that serve as an alternative to the equity markets increased during the first six months. Several new products were launched, for instance the first public Swedish real estate fund, Domestica.

In these uncertain and turbulent markets, SEB offered private banking customers more advice on investment decisions. SEB proactively put more effort into client communication and intensified the client interaction during the second quarter. Among other things, various market-oriented seminars were arranged to enable customers to monitor the economic development, especially in Europe. In the first half of the year Private Banking had an inflow of 562 new customers. New volumes of assets under management amounted to SEK 13bn. In the second quarter, an international investment savings account was launched, a product for customers who move across borders.

Operating profit in the first six months of 2012 was down by 6 per cent compared to the same period last year due to lower performance and transaction fees. These amounted to SEK 57m in the first half of 2012 (144). Base commissions were down 6 per cent due to lower market value on assets under management as a result of falling stock markets in the second half of 2011. Operating expenses decreased. Compared to the first quarter 2012, operating profit increased by 17 per cent in the second quarter.

It was decided that SEB ImmoInvest, an SEB real estate fund in Germany, will be dissolved at the latest as of 30 April 2017. Total assets amounted to EUR 6bn. Fund holders received a first pay-out of approximately 20 per cent of the assets in June 2012. The ambition is to make semi-annual redemptions as the real estate divestments are realised.

Total assets under management within the division amounted to SEK 1,173bn (1,175 at year-end and 1,298 in June 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	Q2		Q1		Q2		Jan- Jun		Full year
	2012	2012	%	2011	2011	2012	2011	%	2011
Net interest income	- 24	- 24	0	- 10	140	- 48	- 18	167	- 33
Net life insurance income	1 140	1 239	- 8	1 125	1	2 379	2 263	5	4 504
<b>Total operating income</b>	<b>1 116</b>	<b>1 215</b>	<b>- 8</b>	<b>1 115</b>	<b>0</b>	<b>2 331</b>	<b>2 245</b>	<b>4</b>	<b>4 471</b>
Staff costs	- 307	- 308	0	- 305	1	- 615	- 597	3	- 1 193
Other expenses	- 136	- 136	0	- 111	23	- 272	- 246	11	- 536
Depreciation, amortisation and impairment of tangible and intangible assets	- 228	- 229	0	- 192	19	- 457	- 384	19	- 785
<b>Total operating expenses</b>	<b>- 671</b>	<b>- 673</b>	<b>0</b>	<b>- 608</b>	<b>10</b>	<b>- 1 344</b>	<b>- 1 227</b>	<b>10</b>	<b>- 2 514</b>
<b>Operating profit</b>	<b>445</b>	<b>542</b>	<b>- 18</b>	<b>507</b>	<b>- 12</b>	<b>987</b>	<b>1 018</b>	<b>- 3</b>	<b>1 957</b>
Change in surplus values, net	325	83		545	- 40	408	572	- 29	1 188
<b>Business result</b>	<b>770</b>	<b>625</b>	<b>23</b>	<b>1 052</b>	<b>- 27</b>	<b>1 395</b>	<b>1 590</b>	<b>- 12</b>	<b>3 145</b>
Cost/Income ratio	0.60	0.55		0.55		0.58	0.55		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	23.8	29.0		27.9		26.4	28.0		26.9
based on business result	41.2	33.5		57.9		37.3	43.7		43.2
Number of full time equivalents	1 303	1 305		1 241		1 306	1 237		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
- Growing interest from corporate customers in occupational pension products
- Increasing demand for bundling of financial services with pensions and insurance solutions

### Comments on the first six months

There is a growing interest from corporate clients to combine financial services with pension, sick and health insurance solutions, underlining the rationale for SEB's bancassurance model. The focus on the occupational pension market continues. In the last six months, sales increased in this area and penetration in the large corporate segment has improved.

During 2012 SEB Pension, as the first pension company in Denmark, released a feature that enables private customers to transfer all their pension information from the public portal "Pensionsinfo" automatically into their SEB e-Pension. This gives the customers a better overview of their pension and proves SEB Pension's position as the leader of customer-oriented pension solutions.

Operating profit decreased by 3 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 Irish Life International. Income from traditional and risk insurance and other income were in line with last year. The increase in expenses compared to last year is entirely related to Irish 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 26m (-6). Operating profit decreased with 17 per cent compared with last year. Unit

linked income decreased due to lower market values and because customers reallocated to lower risk investments. Operating profit in Denmark increased by 9 per cent compared with last year, due to higher return from own account investments. Insurance income and operating expenses were stable. Operating profit for International improved significantly from last year's SEK 37m to SEK 99m mainly driven by positive investment results in traditional portfolios.

The premium income relating to new and existing policies amounted to SEK 13.8bn which was 11 per cent lower than last year. The weighted sales volume of new policies decreased by 14 per cent to SEK 20.3bn, and reflected lower volumes in the Swedish endowment pension market. The share of corporate paid policies increased to 74 per cent (64).

The unit-linked fund value increased from year-end by SEK 7.9bn to 194.7bn. The net inflow was SEK 2.9bn and the increase in value was SEK 5.0bn. Total net assets under management amounted to SEK 429bn.

In Sweden, SEB continued to take an active part in the overall discussion on the demographic challenges and the implications for future pensioners as well for overall economic development, proposing among other things a new incentive for long-term savings.



## 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	Q2			Q1			Q2			Jan- Jun			Full year
	2012	2012	%	2011	2011	%	2012	2011	%	2012	2011	%	2011
Net interest income	462	472	- 2	486	- 5		934	942	- 1				1 980
Net fee and commission income	231	211	9	240	- 4		442	449	- 2				894
Net financial income	108	113	- 4	89	21		221	169	31				365
Net other income	- 1	- 7	- 86	- 12	- 92		- 8	- 17	- 53				- 33
<b>Total operating income</b>	<b>800</b>	<b>789</b>	<b>1</b>	<b>803</b>	<b>0</b>		<b>1 589</b>	<b>1 543</b>	<b>3</b>				<b>3 206</b>
Staff costs	- 175	- 171	2	- 187	- 6		- 346	- 333	4				- 699
Other expenses	- 259	- 251	3	- 263	- 2		- 510	- 513	- 1				- 1 113
Depreciation, amortisation and impairment of tangible and intangible assets	- 31	- 33	- 6	- 33	- 6		- 64	- 65	- 2				- 133
<b>Total operating expenses</b>	<b>- 465</b>	<b>- 455</b>	<b>2</b>	<b>- 483</b>	<b>- 4</b>		<b>- 920</b>	<b>- 911</b>	<b>1</b>				<b>- 1 945</b>
<b>Profit before credit losses</b>	<b>335</b>	<b>334</b>	<b>0</b>	<b>320</b>	<b>5</b>		<b>669</b>	<b>632</b>	<b>6</b>				<b>1 261</b>
Gains less losses from disposals of tangible and intangible assets	2	1	100	- 2			3						2
Net credit losses	- 108	- 24		679	- 116		- 132	1 251					1 485
<b>Operating profit</b>	<b>229</b>	<b>311</b>	<b>- 26</b>	<b>997</b>	<b>- 77</b>		<b>540</b>	<b>1 883</b>	<b>- 71</b>				<b>2 748</b>
Cost/Income ratio	0.58	0.58		0.60			0.58	0.59					0.61
Business equity, SEK bn	7.7	8.1		8.0			7.9	8.1					8.1
Return on business equity, %	10.9	14.0		44.1			12.5	40.7					30.0
Number of full time equivalents	2 986	3 026		3 179			3 017	3 188					3 145

- 10,000 new home bank customers added during the first six months
- Deposits from the public increased by 14 per cent since the end of June 2011
- SEB recognised as Most Attractive Employer in Lithuania

### Comments on the first six months

Against a difficult global economic background, the Baltic economies each displayed strong year-on-year GDP growth. Consumer confidence has trended upwards in Estonia, where the growth in the mortgage portfolio for the quarter was the largest since 2008. The corporate sector has shown strength in Latvia, where gross loans have grown year-on-year, with a strong pipeline of corporate deals.

Overall, Baltic loans to the public of SEK 99bn grew 1 per cent in the second quarter with relatively stable lending margins. Baltic home banking customers have increased by some 10,000 during the first six months of 2012. Deposit volumes increased and the total deposit volume of SEK 66bn was 14 per cent higher than at June 2011. Deposit margins were, however, somewhat reduced in each of the Baltic countries when compared to the corresponding period last year.

SEB continued to win customer and employer awards and was named Best Bank in the Nordics and Baltics in the annual Euromoney awards. SEB was recognised as the Most

Attractive Employer in Lithuania for the fourth year in a row. SEB Latvia achieved the Gold category in the annual sustainability index and was recognised as a Family friendly company.

Operating income for the first six months was 3 per cent higher than the corresponding period of 2011. Adjusting for the strengthened Swedish krona, operating income for Baltic banking business (excluding the real estate holding companies) during the first six months increased by 5 per cent, year-on-year.

The operating profit of SEK 540m (1,883) included net credit losses of SEK 132m (net recovery of SEK 1,251m). Operating profit before credit losses increased by 6 per cent. Non-performing loans declined by 20 per cent since June 2011 and the NPL coverage ratio has remained at 59 per cent.

SEB's Baltic real estate holding companies held assets with a total volume of SEK 1,780m (786), with a corresponding operating loss in the first six months of SEK -45m (-24).

# The SEB Group

## Net interest income – SEB Group

SEK m	Q2		Q1		Q2		Jan - Jun			Full year 2011
	2012	2012	%	2011	%	2012	2011	%		
Interest income	13 536	14 291	- 5	13 978	- 3	27 827	26 891	3	56 163	
Interest expense	-9 006	-10 110	- 11	-9 763	- 8	-19 116	-18 430	4	-39 262	
<b>Net interest income</b>	<b>4 530</b>	<b>4 181</b>	<b>8</b>	<b>4 215</b>	<b>7</b>	<b>8 711</b>	<b>8 461</b>	<b>3</b>	<b>16 901</b>	

## Net fee and commission income – SEB Group

SEK m	Q2		Q1		Q2		Jan - Jun			Full year 2011
	2012	2012	%	2011	%	2012	2011	%		
Issue of securities	31	57	- 46	70	- 56	88	132	- 33	252	
Secondary market	353	366	- 4	371	- 5	719	811	- 11	1 821	
Custody and mutual funds	1 664	1 625	2	1 809	- 8	3 289	3 712	- 11	7 218	
<b>Securities commissions</b>	<b>2 048</b>	<b>2 048</b>		<b>2 250</b>	<b>- 9</b>	<b>4 096</b>	<b>4 655</b>	<b>- 12</b>	<b>9 291</b>	
Payments	413	395	5	400	3	808	786	3	1 575	
Card fees	1 132	1 041	9	1 008	12	2 173	1 952	11	4 034	
<b>Payment commissions</b>	<b>1 545</b>	<b>1 436</b>	<b>8</b>	<b>1 408</b>	<b>10</b>	<b>2 981</b>	<b>2 738</b>	<b>9</b>	<b>5 609</b>	
Advisory	111	114	- 3	147	- 24	225	213	6	432	
Lending	521	476	9	583	- 11	997	1 028	- 3	1 963	
Deposits	30	29	3	26	15	59	52	13	106	
Guarantees	115	109	6	99	16	224	194	15	398	
Derivatives	114	126	- 10	134	- 15	240	285	- 16	715	
Other	148	116	28	136	9	264	261	1	509	
<b>Other commissions</b>	<b>1 039</b>	<b>970</b>	<b>7</b>	<b>1 125</b>	<b>- 8</b>	<b>2 009</b>	<b>2 033</b>	<b>- 1</b>	<b>4 123</b>	
<b>Fee and commission income</b>	<b>4 632</b>	<b>4 454</b>	<b>4</b>	<b>4 783</b>	<b>- 3</b>	<b>9 086</b>	<b>9 426</b>	<b>- 4</b>	<b>19 023</b>	
Securities commissions	- 307	- 327	- 6	- 359	- 14	- 634	- 711	- 11	- 1 385	
Payment commissions	- 670	- 635	6	- 575	17	- 1 305	- 1 116	17	- 2 301	
Other commissions	- 206	- 228	- 10	- 295	- 30	- 434	- 550	- 21	- 1 162	
<b>Fee and commission expense</b>	<b>- 1 183</b>	<b>- 1 190</b>	<b>- 1</b>	<b>- 1 229</b>	<b>- 4</b>	<b>- 2 373</b>	<b>- 2 377</b>	<b>0</b>	<b>- 4 848</b>	
Securities commissions, net	1 741	1 721	1	1 891	- 8	3 462	3 944	- 12	7 906	
Payment commissions, net	875	801	9	833	5	1 676	1 622	3	3 308	
Other commissions, net	833	742	12	830	0	1 575	1 483	6	2 961	
<b>Net fee and commission income</b>	<b>3 449</b>	<b>3 264</b>	<b>6</b>	<b>3 554</b>	<b>- 3</b>	<b>6 713</b>	<b>7 049</b>	<b>- 5</b>	<b>14 175</b>	

## Net financial income – SEB Group

SEK m	Q2		Q1		Q2		Jan - Jun			Full year 2011
	2012	2012	%	2011	%	2012	2011	%		
Equity instruments and related derivatives	- 175	416	- 142	207	- 185	241	353	- 32	- 21	
Debt instruments and related derivatives	767	76		110		843	328	157	1 057	
Currency related	588	881	- 33	659	- 11	1 469	1 520	- 3	2 981	
Other	- 53	6		- 151	- 65	- 47	- 145	- 68	- 469	
<b>Net financial income</b>	<b>1 127</b>	<b>1 379</b>	<b>- 18</b>	<b>825</b>	<b>37</b>	<b>2 506</b>	<b>2 056</b>	<b>22</b>	<b>3 548</b>	

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.

In Q2, 2012 structured products offered to the public (such as equity-linked bonds) generated a negative effect of approximately SEK 370m in Equity related instruments (positive effect of SEK 330m in the previous quarter) and a corresponding positive effect in Debt related instruments (negative in previous quarter). The overall decrease is mainly Treasury related.

## Net credit losses – SEB Group

SEK m	Q2		Q1		Q2		Jan - Jun			Full year 2011
	2012	2012	%	2011	%	2012	2011	%		
<i>Provisions:</i>										
Net collective provisions for individually assessed loans	3	39	-92	352	-99	42	627	-93	707	
Net collective provisions for portfolio assessed loans	- 26	- 1		145	-118	- 27	104	-126	68	
Specific provisions	- 194	- 250	-22	- 309	-37	- 444	- 622	-29	- 800	
Reversal of specific provisions no longer required	142	144	-1	522	-73	286	1 091	-74	1 421	
Net provisions for off-balance sheet items	4	17	-76	14	-71	21	28	-25	68	
<b>Net provisions</b>	<b>- 71</b>	<b>- 51</b>	<b>39</b>	<b>724</b>	<b>-110</b>	<b>- 122</b>	<b>1 228</b>	<b>-110</b>	<b>1 464</b>	
<i>Write-offs:</i>										
Total write-offs	- 704	- 440	60	- 659	7	-1 144	-1 133	1	-2 705	
Reversal of specific provisions utilized for write-offs	474	262	81	475	0	736	843	-13	1 909	
Write-offs not previously provided for	- 230	- 178	29	- 184	25	- 408	- 290	41	- 796	
Recovered from previous write-offs	32	23	39	18	78	55	47	17	110	
<b>Net write-offs</b>	<b>- 198</b>	<b>- 155</b>	<b>28</b>	<b>- 166</b>	<b>19</b>	<b>- 353</b>	<b>- 243</b>	<b>45</b>	<b>- 686</b>	
<b>Net credit losses</b>	<b>- 269</b>	<b>- 206</b>	<b>31</b>	<b>558</b>	<b>-148</b>	<b>- 475</b>	<b>985</b>	<b>-148</b>	<b>778</b>	

## Balance sheet – SEB Group

SEK m	30 Jun 2012	31 Dec 2011	30 Jun 2011
Cash and cash balances with central banks	81 307	148 042	106 558
Other loans to central banks	105 693	80 548	
Loans to other credit institutions <sup>1)</sup>	117 796	128 763	148 216
Loans to the public	1 248 166	1 186 223	1 138 257
Financial assets at fair value *	680 334	670 633	655 454
Available-for-sale financial assets *	51 308	57 377	66 705
Held-to-maturity investments *	128	282	293
Assets held for sale		2 005	
Investments in associates	1 387	1 289	1 208
Tangible and intangible assets	29 632	29 016	27 952
Other assets	57 397	58 475	56 465
<b>Total assets</b>	<b>2 373 148</b>	<b>2 362 653</b>	<b>2 201 108</b>
Deposits from credit institutions	211 505	201 274	209 039
Deposits and borrowing from the public	859 576	861 682	764 078
Liabilities to policyholders	276 597	269 683	264 834
Debt securities	589 690	589 873	545 250
Financial liabilities at fair value	228 944	232 247	213 087
Liabilities held for sale		1 962	
Other liabilities	70 715	69 883	75 437
Provisions	2 150	1 779	1 726
Subordinated liabilities	22 979	25 109	24 836
Total equity	110 992	109 161	102 821
<b>Total liabilities and equity</b>	<b>2 373 148</b>	<b>2 362 653</b>	<b>2 201 108</b>
* Of which bonds and other interest bearing securities including derivatives.	438 886	456 915	420 258

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 Jun 2012	31 Dec 2011	30 Jun 2011
Collateral pledged for own liabilities	221 641	204 265	230 786
Other pledged collateral	236 116	221 626	227 176
Contingent liabilities	95 190	94 004	89 749
Commitments	389 553	390 352	369 597

## 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	Other	Total Shareholders' equity	Minority interests	Total Equity
<b>Jan-Jun 2012</b>									
Opening balance	21 942	88 612	-1 003	1 107	-1 285	- 473	<b>108 900</b>	261	<b>109 161</b>
Net profit		5 660					<b>5 660</b>	11	<b>5 671</b>
Other comprehensive income (net of tax)			359	- 258	- 142	- 103	<b>- 144</b>	5	<b>- 139</b>
<b>Total comprehensive income</b>		<b>5 660</b>	<b>359</b>	<b>- 258</b>	<b>- 142</b>	<b>- 103</b>	<b>5 516</b>	<b>16</b>	<b>5 532</b>
Dividend to shareholders		-3 795					<b>-3 795</b>		<b>-3 795</b>
Employee share programme*		63					<b>63</b>		<b>63</b>
Change in holdings of own shares		31					<b>31</b>		<b>31</b>
<b>Closing balance</b>	<b>21 942</b>	<b>90 571</b>	<b>- 644</b>	<b>849</b>	<b>-1 427</b>	<b>- 576</b>	<b>110 715</b>	<b>277</b>	<b>110 992</b>

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

<b>Jan-Jun 2011</b>									
Opening balance	21 942	80 571	-1 725	- 422	-1 145	56	<b>99 277</b>	266	<b>99 543</b>
Net profit		5 966					<b>5 966</b>	20	<b>5 986</b>
Other comprehensive income (net of tax)			197	24	253	103	<b>577</b>		<b>577</b>
<b>Total recognised income</b>		<b>5 966</b>	<b>197</b>	<b>24</b>	<b>253</b>	<b>103</b>	<b>6 543</b>	<b>20</b>	<b>6 563</b>
Dividend to shareholders		-3 242					<b>-3 242</b>		<b>-3 242</b>
Employee share programme*		- 4					<b>- 4</b>		<b>- 4</b>
Change in holdings of own shares		- 39					<b>- 39</b>		<b>- 39</b>
<b>Closing balance</b>	<b>21 942</b>	<b>83 252</b>	<b>-1 528</b>	<b>- 398</b>	<b>- 892</b>	<b>159</b>	<b>102 535</b>	<b>286</b>	<b>102 821</b>

\* 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 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 10.5 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 June 2012 SEB owned 2.0 million Class A-shares with a market value of SEK 91m.

## Cash flow statement – SEB Group

SEK m	Jan - Jun			Full year 2011
	2012	2011	%	
Cash flow from operating activities	- 67 185	99 437	- 168	218 830
Cash flow from investment activities	- 1 208	290		- 1 952
Cash flow from financing activities	- 5 904	- 3 999	48	- 3 671
<b>Net increase in cash and cash equivalents</b>	<b>- 74 297</b>	<b>95 728</b>	<b>- 178</b>	<b>213 207</b>
Cash and cash equivalents at the beginning of year	276 853	63 646		63 646
Net increase in cash and cash equivalents	- 74 297	95 728	- 178	213 207
<b>Cash and cash equivalents at the end of period<sup>1)</sup></b>	<b>202 556</b>	<b>159 374</b>	<b>27</b>	<b>276 853</b>

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	Q2		Q1		Q2		Jan - Jun			Full year 2011
	2012	2012	%	2011	%	2012	2011	%		
<b>Reclassified, SEK m</b>										
Opening balance	35 333	42 169	-16	64 498	-45	42 169	78 681	-46	78 681	
Amortisations	- 576	- 721	-20	-2 063	-72	-1 297	-4 201	-69	-6 360	
Securities sold	-1 766	-5 335	-67	-7 826	-77	-7 101	-18 834	-62	-29 058	
Accrued coupon	- 15	31	-148	- 28	-46	16	12	33	- 4	
Exchange rate differences	231	- 811	-128	736	-69	- 580	- 341	70	-1 090	
<b>Closing balance*</b>	<b>33 207</b>	<b>35 333</b>	<b>- 6</b>	<b>55 317</b>	<b>- 40</b>	<b>33 207</b>	<b>55 317</b>	<b>-40</b>	<b>42 169</b>	
* Market value	31 824	33 748	-6	54 607	-42	31 824	54 607	-42	39 284	
<b>Fair value impact - if not reclassified, SEK m</b>										
In Equity (AFS origin)	226	339	-33	187	21	565	729	-22	21	
In Income Statements (HFT origin)	- 11	107	-110	57	-119	96	104	-8	127	
<b>Total</b>	<b>215</b>	<b>446</b>	<b>-52</b>	<b>244</b>	<b>-12</b>	<b>661</b>	<b>833</b>	<b>-21</b>	<b>148</b>	
<b>Effect in Income Statements, SEK m*</b>										
Net interest income	165	209	-21	478	-65	374	790	-53	1 214	
Net financial income	367	- 662	-155	20		- 295	- 980	-70	-1 147	
Other income	- 111	- 276	-60	- 113	-2	- 387	- 272	42	- 473	
<b>Total</b>	<b>421</b>	<b>- 729</b>	<b>-158</b>	<b>385</b>	<b>9</b>	<b>- 308</b>	<b>- 462</b>	<b>-33</b>	<b>- 406</b>	

\* 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 Jun	31 Dec	30 Jun
SEK m	2012	2011	2011
<b>Individually assessed impaired loans</b>			
Impaired loans, past due > 60 days	8 809	9 831	12 649
Impaired loans, performing or past due < 60 days	988	1 259	1 806
<b>Total individually assessed impaired loans</b>	<b>9 797</b>	<b>11 090</b>	<b>14 455</b>
Specific reserves	- 5 135	- 5 938	- 7 234
<i>for impaired loans, past due &gt; 60 days</i>	- 4 637	- 5 311	- 6 507
<i>for impaired loans, performing or past due &lt; 60 days</i>	- 498	- 627	- 727
Collective reserves	- 1 855	- 1 948	- 2 132
<b>Impaired loans net</b>	<b>2 807</b>	<b>3 204</b>	<b>5 089</b>
Specific reserve ratio for individually assessed impaired loans	52.4%	53.5%	50.0%
Total reserve ratio for individually assessed impaired loans	71.3%	71.1%	64.8%
Net level of impaired loans	0.34%	0.39%	0.56%
Gross level of impaired loans	0.71%	0.84%	1.11%
<b>Portfolio assessed loans</b>			
Portfolio assessed loans past due > 60 days	6 064	6 483	6 795
Restructured loans	494	501	523
Collective reserves for portfolio assessed loans	- 3 051	- 3 351	- 3 418
Reserve ratio for portfolio assessed loans	46.5%	48.0%	46.7%
<b>Reserves</b>			
Specific reserves	- 5 135	- 5 938	- 7 234
Collective reserves	- 4 906	- 5 299	- 5 550
Reserves for off-balance sheet items	- 351	- 369	- 398
<b>Total reserves</b>	<b>- 10 392</b>	<b>- 11 606</b>	<b>- 13 182</b>
<b>Non-performing loans</b>			
Non-performing loans*	16 355	18 074	21 773
NPL coverage ratio	63.5%	64.2%	60.5%
NPL % of lending	1.19%	1.36%	1.68%

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

## Seized assets – SEB Group

	30 Jun	31 Dec	30 Jun
SEK m	2012	2011	2011
Properties, vehicles and equipment	1 885	1 603	1 004
Shares	49	53	57
<b>Total seized assets</b>	<b>1 934</b>	<b>1 656</b>	<b>1 061</b>

## Discontinued operations – SEB Group

### Income statement

SEK m	Q2		Q1		Q2		Jan - Jun			Full year
	2012	2012	%	2011	%	2012	2011	%	2011	
Total operating income	126	- 3		82	54	123	- 767	-116	- 535	
Total operating expenses	- 208	- 251	-17	- 144	44	- 459	- 462	-1	-1 093	
<b>Profit before credit losses</b>	<b>- 82</b>	<b>- 254</b>	<b>-68</b>	<b>- 62</b>	<b>32</b>	<b>- 336</b>	<b>-1 229</b>	<b>-73</b>	<b>-1 628</b>	
Net credit losses	- 1	- 1		85	-101	- 2	182		180	
<b>Operating profit</b>	<b>- 83</b>	<b>- 255</b>	<b>-67</b>	<b>23</b>		<b>- 338</b>	<b>-1 047</b>	<b>-68</b>	<b>-1 448</b>	
Income tax expense	- 3	9	-133	- 64	-95	6	216	-97	293	
<b>Net profit from discontinued operations</b>	<b>- 86</b>	<b>- 246</b>	<b>-65</b>	<b>- 41</b>	<b>110</b>	<b>- 332</b>	<b>- 831</b>	<b>-60</b>	<b>-1 155</b>	

### Assets and liabilities held for sale

SEK m	30 Jun 2012	31 Dec 2011	30 Jun 2011
Loans to the public		734	
Other assets		1 271	
<b>Total assets held for sale</b>		<b>2 005</b>	
Deposits from credit institutions		1 275	
Deposits and borrowing from the public		663	
Other liabilities		24	
<b>Total liabilities held for sale</b>		<b>1 962</b>	

### Cash flow statement

SEK m	Q2		Q1		Q2		Jan - Jun			Full year
	2012	2012	%	2011	%	2012	2011	%	2011	
Cash flow from operating activities	- 7	- 7		307	-102	- 14	27 081	- 100	27 387	
Cash flow from investment activities	47	- 9		56	-16	38	313	- 88	423	
Cash flow from financing activities	72	97	-26	- 171	-142	169	- 27 775	- 101	- 27 800	
<b>Net increase in cash and cash equivalents from discontinued operations</b>	<b>112</b>	<b>81</b>	<b>38</b>	<b>192</b>		<b>193</b>	<b>- 381</b>	<b>- 151</b>	<b>10</b>	

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. The sale of Retail Ukraine was finalised on 7 June 2012. The total loss of the sale was SEK 266m of which SEK 265m was recognized in the fourth quarter 2011 when the net assets were accounted for at fair value less costs to sell.



## Capital base of the SEB financial group of undertakings

SEK m	30 June 2012	31 Dec 2011
Total equity according to balance sheet	110 992	109 161
Dividend (excl repurchased shares)	-1 918	-3 836
Investments outside the financial group of undertakings	-66	-41
Other deductions outside the financial group of undertakings	-3 753	-3 728
<b>= Total equity in the capital adequacy</b>	<b>105 255</b>	<b>101 556</b>
Adjustment for hedge contracts	108	229
Net provisioning amount for IRB-reported credit exposures	0	-108
Unrealised value changes on available-for-sale financial assets	343	717
Exposures where RWA is not calculated	-772	-914
Goodwill	-4 179	-4 147
Other intangible assets	-3 310	-2 943
Deferred tax assets	-1 067	-1 293
<b>= Core Tier 1 capital</b>	<b>96 378</b>	<b>93 097</b>
Tier 1 capital contribution (non-innovative)	4 379	4 455
Tier 1 capital contribution (innovative)	10 116	10 159
<b>= Tier 1 capital</b>	<b>110 873</b>	<b>107 711</b>
Dated subordinated debt	4 445	4 815
Deduction for remaining maturity	-40	-320
Perpetual subordinated debt	2 169	2 225
Net provisioning amount for IRB-reported credit exposures	153	-108
Unrealised gains on available-for-sale financial assets	930	799
Exposures where RWA is not calculated	-772	-914
Investments outside the financial group of undertakings	-66	-41
<b>= Tier 2 capital</b>	<b>6 819</b>	<b>6 456</b>
Investments in insurance companies	-10 500	-10 500
Pension assets in excess of related liabilities	-485	-222
<b>= Capital base</b>	<b>106 707</b>	<b>103 445</b>

On 30 June 2012 the parent company's core tier 1 capital was SEK 86,990m (83,483m at year-end) and the reported core Tier 1 capital ratio was 13.5 per cent (13.6).

## Risk-weighted assets for the SEB financial group of undertakings

Risk-weighted assets SEK m	30 June 2012	31 Dec 2011
<b>Credit risk IRB approach</b>		
Institutions	26 237	29 552
Corporates	352 920	394 094
Securitisation positions	6 704	6 515
Retail mortgages	45 287	45 241
Other retail exposures	9 173	9 460
Other exposure classes	1 683	1 651
<b>Total credit risk IRB approach</b>	<b>442 004</b>	<b>486 513</b>
<b>Further risk-weighted assets</b>		
Credit risk, Standardised approach	75 636	77 485
Operational risk, Advanced Measurement approach	40 821	42 267
Foreign exchange rate risk	14 823	13 173
Trading book risks	58 697	59 403
<b>Total risk-weighted assets</b>	<b>631 981</b>	<b>678 841</b>
<b>Summary</b>		
Credit risk	517 640	563 998
Operational risk	40 821	42 267
Market risk	73 520	72 576
<b>Total</b>	<b>631 981</b>	<b>678 841</b>
<b>Adjustment for flooring rules</b>		
Addition according to transitional flooring	234 710	148 774
<b>Total reported</b>	<b>866 691</b>	<b>827 615</b>

## Capital adequacy analysis

Capital adequacy	30 June 2012	31 Dec 2011
<b>Capital resources</b>		
Core Tier 1 capital	96 378	93 097
Tier 1 capital	110 873	107 711
Capital base	106 707	103 445
<b>Capital adequacy without transitional floor (Basel II)</b>		
Risk-weighted assets	631 981	678 841
Expressed as capital requirement	50 558	54 307
Core Tier 1 capital ratio	15.3%	13.7%
Tier 1 capital ratio	17.5%	15.9%
Total capital ratio	16.9%	15.2%
Capital base in relation to capital requirement	2.11	1.90
<b>Capital adequacy including transitional floor</b>		
Transition floor applied	80%	80%
Risk-weighted assets	866 691	827 615
Expressed as capital requirement	69 335	66 209
Core Tier 1 capital ratio	11.1%	11.2%
Tier 1 capital ratio	12.8%	13.0%
Total capital ratio	12.3%	12.5%
Capital base in relation to capital requirement	1.54	1.56
<b>Capital adequacy with risk-weighting according to Basel I</b>		
Risk-weighted assets	1 080 979	1 037 898
Expressed as capital requirement	86 478	83 032
Core Tier 1 capital ratio	8.9%	9.0%
Tier 1 capital ratio	10.3%	10.4%
Total capital ratio	9.9%	10.0%
Capital base in relation to capital requirement	1.23	1.25

Overall Basel II risk-weighted assets ('RWA'), before the effect of transitional flooring, decreased with 6.9 per cent or SEK 47bn since year-end. Implementation of a non-retail real estate LGD model resulted in an RWA decrease of SEK 42bn. Another decrease of SEK 2bn was due to transition to IRB foundation for a minor retail mortgage portfolio in the parent company. RWA process changes resulted in an RWA decrease of SEK 4bn. The Swedish krona strengthened resulting in an RWA decrease of SEK 2bn. Volume changes increased RWA with SEK 15bn. The effect of risk class migration was an RWA increase of SEK 2bn. Risk-weight changes decreased RWA with SEK 12bn. Market risk RWA increased with SEK 1bn and operational risk RWA decreased with SEK 1bn. Including other changes this resulted in a net decrease of RWA according to Basel II (without transitional floor) to SEK 632bn (679).

Un-floored Basel II RWA was 42 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). 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.

<b>IRB reported credit exposures (less repos and securities lending)</b>	<b>30 June</b>	<b>31 Dec</b>
<b>Average risk-weight</b>	<b>2012</b>	<b>2011</b>
Institutions	17.4%	19.2%
Corporates	44.7%	51.6%
Securitisation positions	39.6%	34.9%
Retail mortgages	11.4%	12.1%
Other retail exposures	36.4%	37.5%

The corporate risk-weights have declined mainly due to implementation of a non-retail real estate LGD model. The increase in risk-weight for securitisation positions is due to relatively higher amortisation in better risk grades.

## Income statement – Skandinaviska Enskilda Banken AB (publ)

In accordance with FSA regulations	Q2			Q1			Q2			Jan - Jun			Full year
SEK m	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	2011	
Interest income	9 694	9 718	0	9 109	6	19 412	17 153	13	36 819				
Leasing income	1 460	1 528	-4	1 448	1	2 988	2 830	6	5 756				
Interest expense	-6 779	-7 084	-4	-6 643	2	-13 863	-12 309	13	-27 034				
Dividends	1 854	279		1 523	22	2 133	2 981	-28	4 409				
Fee and commission income	2 302	2 114	9	2 268	1	4 416	4 449	-1	9 030				
Fee and commission expense	-402	-345	17	-424	-5	-747	-781	-4	-1 634				
Net financial income	977	1 169	-16	750	30	2 146	1 553	38	3 133				
Other income	187	12		244	-23	199	410	-51	1 183				
<b>Total operating income</b>	<b>9 293</b>	<b>7 391</b>	<b>26</b>	<b>8 275</b>	<b>12</b>	<b>16 684</b>	<b>16 286</b>	<b>2</b>	<b>31 662</b>				
Administrative expenses	-3 710	-3 420	8	-3 690	1	-7 130	-7 331	-3	-14 479				
Depreciation, amortisation and impairment of tangible and intangible assets	-1 229	-1 278	-4	-1 199	3	-2 507	-2 361	6	-4 884				
<b>Total operating expenses</b>	<b>-4 939</b>	<b>-4 698</b>	<b>5</b>	<b>-4 889</b>	<b>1</b>	<b>-9 637</b>	<b>-9 692</b>	<b>-1</b>	<b>-19 363</b>				
<b>Profit before credit losses</b>	<b>4 354</b>	<b>2 693</b>	<b>62</b>	<b>3 386</b>	<b>29</b>	<b>7 047</b>	<b>6 594</b>	<b>7</b>	<b>12 299</b>				
Net credit losses	-91	-139	-35	-31	194	-230	-154	49	-458				
Impairment of financial assets				-700	-100		-700	-100	-759				
<b>Operating profit</b>	<b>4 263</b>	<b>2 554</b>	<b>67</b>	<b>2 655</b>	<b>61</b>	<b>6 817</b>	<b>5 740</b>	<b>19</b>	<b>11 082</b>				
Appropriations	-2					-2			-1 119				
Income tax expense	-722	-765	-6	-346	109	-1 487	-962	55	-2 122				
Other taxes	-9	9		-35	-74		-32	-100	10				
<b>Net profit</b>	<b>3 530</b>	<b>1 798</b>	<b>96</b>	<b>2 274</b>	<b>55</b>	<b>5 328</b>	<b>4 746</b>	<b>12</b>	<b>7 851</b>				

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

	Q2			Q1			Q2			Jan - Jun			Full year
SEK m	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	2011	
<b>Net profit</b>	<b>3 530</b>	<b>1 798</b>	<b>96</b>	<b>2 274</b>	<b>55</b>	<b>5 328</b>	<b>4 746</b>	<b>12</b>	<b>7 851</b>				
Available-for-sale financial assets	-195	226		-11		31	164	-81	36				
Cash flow hedges	329	-586		507	-35	-257	30		1 536				
Translation of foreign operations		-15	-100	205	-100	-15	46		44				
Other				124	-100		-61	-100	-452				
<b>Other comprehensive income (net of tax)</b>	<b>134</b>	<b>-375</b>	<b>-136</b>	<b>825</b>	<b>-84</b>	<b>-241</b>	<b>179</b>		<b>1 164</b>				
<b>Total comprehensive income</b>	<b>3 664</b>	<b>1 423</b>	<b>157</b>	<b>3 099</b>	<b>18</b>	<b>5 087</b>	<b>4 925</b>	<b>3</b>	<b>9 015</b>				

## Balance sheet - Skandinaviska Enskilda Banken AB (publ)

<b>Condensed</b>	<b>30 Jun</b>	<b>31 Dec</b>	<b>30 Jun</b>
<b>SEK m</b>	<b>2012</b>	<b>2011</b>	<b>2011</b>
Cash and cash balances with central banks	66 685	121 948	80 566
Loans to credit institutions	231 894	245 796	211 685
Loans to the public	936 776	873 335	824 072
Financial assets at fair value	397 821	386 830	374 664
Available-for-sale financial assets	16 844	16 739	17 706
Held-to-maturity investments	1 666	2 771	2 839
Investments in associates	1 179	1 092	1 039
Shares in subsidiaries	52 311	53 686	55 001
Tangible and intangible assets	43 103	43 363	42 371
Other assets	39 569	43 290	34 260
<b>Total assets</b>	<b>1 787 848</b>	<b>1 788 850</b>	<b>1 644 203</b>
Deposits from credit institutions	238 818	229 428	262 175
Deposits and borrowing from the public	590 982	608 645	506 767
Debt securities	566 021	558 747	506 523
Financial liabilities at fair value	222 358	226 717	205 988
Other liabilities	48 383	44 157	47 142
Provisions	54	76	96
Subordinated liabilities	22 912	24 727	24 456
Untaxed reserves	25 049	25 049	23 930
Total equity	73 271	71 304	67 126
<b>Total liabilities, untaxed reserves and shareholders' equity</b>	<b>1 787 848</b>	<b>1 788 850</b>	<b>1 644 203</b>

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

<b>SEK m</b>	<b>30 Jun</b>	<b>31 Dec</b>	<b>30 Jun</b>
<b>SEK m</b>	<b>2012</b>	<b>2011</b>	<b>2011</b>
Collateral pledged for own liabilities	131 637	104 496	140 026
Other pledged collateral	41 108	51 077	46 647
Contingent liabilities	80 055	74 435	67 177
Commitments	298 300	303 315	294 630