Interim report Jan – Sep 2010

STOCKHOLM 28 OCTOBER 2010

On 12 July, SEB announced the divestment of its German retail operations expecting closing before year-end. For comparative purposes, the Group's income statement has been restated as continuing and discontinued operations.

The first nine months – operating profit SEK 6.8bn (3.6)

Continuing operations: net profit SEK 5.0bn (1.4) – earnings per share SEK 2.25 (0.78), RoE 6.7 per cent (2.0)
Including discontinued operations: net profit SEK 3.3bn (0.9) – earnings per share SEK 1.48 (0.57), RoE 4.4 per cent (1.2)

- Operating income dropped by 14 per cent adjusted for a debt buy-back gain of SEK 1.3bn in 2009. Net interest income was down 22 per cent and net fee and commission income up 6 per cent.
- Operating expenses rose by 1 per cent adjusted for goodwill write-downs of SEK 3.0bn in 2009 and restructuring costs of SEK 0.8bn in conjunction with the divestment of the retail operations in Germany 2010.
- Provisions for credit losses decreased by SEK 6.7bn or 75 per cent to SEK 2,256m (8,966); the credit loss level was 0.21 per cent (0.91). Impaired loans decreased by 15 per cent.
- The core Tier 1 capital ratio was 12.1 per cent (11.7) and the Tier 1 capital ratio 14.2 per cent (13.9).

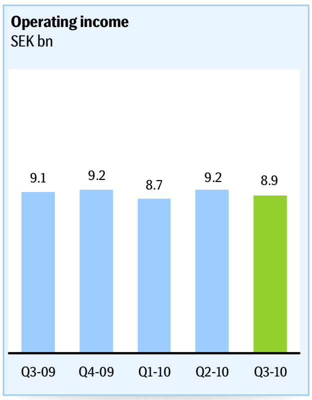
The third quarter – operating profit SEK 2.8bn (0.7)

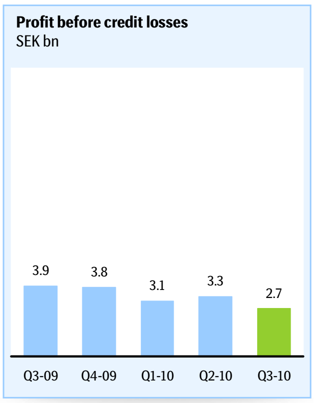
Continuing operations: net profit SEK 2.1bn (0.3)
Including discontinued operations: net profit SEK 0.6 (0.0)

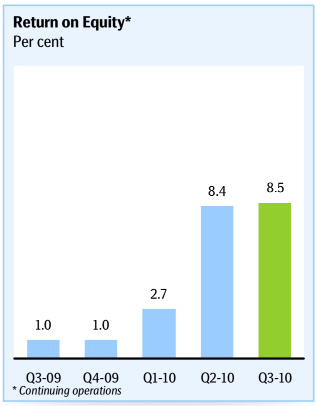
- Operating income decreased by 2 per cent compared to the corresponding quarter in 2009 and by 4 per cent from the previous quarter, mainly due to seasonal effects. Net interest income grew by 11 per cent in the quarter.
- Operating expenses rose by 5 per cent compared to the third quarter of last year, adjusted for one-off items, and decreased by 7 per cent from the previous quarter.
- A net release of provisions for credit losses of SEK 196m (-3,206) was made following the Baltic stabilisation.

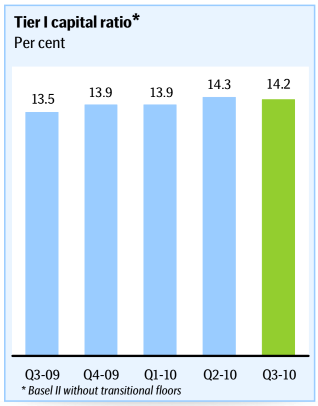
"The turnaround in the Baltic economies is even more visible today and in combination with falling impaired loans the Baltic operations are back in black. As global macro imbalances continue to hamper a broad based economic recovery, uncertainty as to the timing of the pick-up in corporate credit demand in the Nordic region remains."

Annika Falkengren









President's comment

Concerns around the sturdiness of the global recovery continue to dampen corporate demand for credit as well as corporate and institutional activity. Much institutional support is still needed to cater for a fragile economic recovery.

The Nordic countries – and Sweden in particular – have continued to show resilience supported by strong government finances. This was further underlined in the third quarter as all previous Swedish support measures of the funding markets came to an end and the Riksbank continued to hike its repo rate. But given the loss of momentum in global growth that is expected in 2011, the outlook for the activity levels in the Nordic economies is somewhat lower.

Higher profits in a seasonally slow quarter
The underlying business generated an operating profit of SEK 3.6bn. After the provisions in order to right-size infrastructure of the remaining German operations, following the agreed divestment of German Retail, the reported operating profit was SEK 2.8bn. Seasonality and comparatively low volatility dampened trading and commission income. Retail Banking in Sweden and Life recorded higher income.

Baltic businesses back in black
The most notable development this quarter is that our Baltic businesses are now reporting positive operating profit for the first time in two years, both before and after provisions for credit losses. Deposit margins have bottomed out in all three countries, while margins on mortgages and other lending are starting to improve slightly.

Throughout the severe economic downturn in the Baltic countries, we have maintained a proactive and conservative stance in order to safeguard asset quality and long-term customer relations. The economic turnaround in the region is more visible today than it was in the spring. Non-performing loan volumes continued to drop in all three Baltic countries. As a result, we have released some collective provisions in both Latvia and Lithuania in this quarter. Much work is still required as only about 10 per cent of total reserves have been utilized due to time given to find long-term sustainable solutions for the customers and SEB, but also long judicial lead times.

The Business Bank of the Year 2010
Although institutional customer activity was unusually low in the quarter, this was partly offset by our corporate banking businesses. Structured Finance had a record quarter, driven by an increased flow of private equity financings and SEB once again confirmed its position as the leading investment bank in the Nordic and Baltic regions by advising on a number of headline transactions.

SEB is also continuing to gain market share among small and medium-sized companies with 3,300 new corporate payments customers since the start of the year. In this segment, corporate lending volumes have increased by 12 per cent since the start of the year. During the quarter SEB was named the Business Bank of the Year 2010 in Sweden by Finansbarometern.

New regulatory framework outlined
The Basel III changes published in July and September included amendments to the regulatory framework and to the timetable for implementation. In particular, more time was allowed for adjustments to the funding and liquidity rules following the far-reaching effects expressed by the industry across Europe. The capital framework was further clarified. These revisions and the gradual implementation of the proposed regulation mean that the impact of the new regime will not be as severe for customers and the industry as earlier expected. However, it is still true that banks will be asked to hold more capital and long-term funding than before and that this will increase the cost of doing business over time.

Continued focus on customers
Our balance sheet management gives us the flexibility, resilience and capacity to grow our customer businesses while catering for the new regulatory framework.

Our strategy remains unchanged: we will continue to build the leading corporate bank in the Nordics, grow our corporate business in Germany and offer full universal banking services in Sweden and the Baltic countries.
As *the* relationship bank in our part of the world, SEB will be ready to support our customers and take advantage of growth opportunities when global recovery begins to gain real momentum.

The Group

The comparative numbers in this report have been materially affected by the exceptional market circumstances of last year. Exceptionally high volatility, aggressive policy rate cuts and elevated credit spreads created a situation where temporary income effects, both positive and negative, materialised. Large GDP falls, in particular in the Baltic region, also created a large increase of impaired loans and impairment of acquisition goodwill related to Eastern Europe.

In addition, the divestment of SEB's German retail operations, announced on 12 July, and its transaction-related costs impact profitability. The restatement of SEB's historical accounts in continuing and discontinued operations aims at creating increased transparency on long-term financial trends.

Third quarter isolated

SEB's *profit before credit losses* for the third quarter amounted to SEK 2,651m (3,905), a decrease of 32 per cent compared to the corresponding quarter of 2009 and by 20 per cent from the previous quarter.

In order to facilitate comparisons, the result in the table below has been adjusted for the restructuring costs related to the contracted divestment of Retail Germany. Without Retail Germany, operating profit would have been SEK 3,602m.

Operative income statement SEK m	Q3 2010	Q2 2010	%	Q3 2009	%
Operating income	8 882	9 224	-4	9 097	-2
Operating expenses	-5 476	-5 907	-7	-5 192	5
Pre-provision operating profit	**3 406**	**3 317**	**3**	**3 905**	**-13**
Gains less losses on disposals of tangible and intangible assets		- 3		3	
Net credit losses	196	- 639		-3 206	
Operating profit before restructuring	**3 602**	**2 675**	**35**	**702**	
Restructuring costs	- 755				
Operating profit	**2 847**	**2 675**	**6**	**702**	

Operating profit rose by over SEK 2bn to SEK 2,847m (702) compared to the corresponding quarter 2009. In comparison with the previous quarter, operating profit rose by 6 per cent.

Net profit (after tax) amounted to SEK 596m (37). *Net profit from continuing operations* – i.e. excluding the result of Retail Germany and directly related transaction costs– rose to SEK 2,082m (256).

Income

Total operating income amounted to SEK 8,882m (9,097), a decrease of 2 per cent. In comparison with the previous quarter, operating income dropped by 4 per cent, mainly due to seasonal effects.

Net interest income was SEK 4,180m, unchanged from the corresponding quarter 2009. Net interest income grew by 11 per cent on a quarterly basis.

Customer-driven net interest income dropped by 8 per cent compared to the third quarter of 2009 due to lower corporate volumes and falling deposit margins. In comparison with the previous quarter, it grew by 3 per cent as margins slightly recovered.

Net interest income from other activities, mainly the bond investment portfolio and other trading and treasury activities, increased by SEK 277m compared to the corresponding quarter 2009 and was up by SEK 334m from the previous quarter. The Group's positive sensitivity to higher short-term rates in combination with a lower net financing cost due to liquidity portfolio management supported the net interest income. Acquired substitute assets to manage the interest rate risk in relation to the divestment of the German retail operations, expected to close in the fourth quarter, further elevated net interest income in the quarter; this temporary effect will last until the closing of the transaction expected before year-end has taken place.

Net fee and commission income rose by 4 per cent, mainly as an effect of increased revenues from mutual funds and custody as well as from lending. In comparison with the previous quarter, commission income dropped by 8 per cent as an effect of lower activities in the summer months.

Net financial income was down by 23 per cent compared to the third quarter of 2009 and by 26 per cent from the previous quarter. Seasonally slow business activity and low market volatility decreased earnings while tightening credit spreads and falling long-term interest rates recovered most of the valuation losses on fixed-income securities that were recorded last quarter as a consequence of the European sovereign debt situation.

Net life insurance income dropped by 5 per cent on Group level compared to the third quarter of 2009. In comparison with the previous quarter, life insurance income was up by 5 per cent.

Net other income amounted to SEK -230m (-165), mainly due to negative hedge accounting effects and select sales of bonds classified as Available for sale.

Expenses

Total operating expenses amounted to SEK 5,476m (5,192), a decrease of 7 per cent compared to the previous quarter adjusted for the above-mentioned restructuring costs of SEK 755m. The fall was mainly due to seasonal effects. In comparison with the corresponding quarter of last year, expenses rose by 5 per cent on a comparable basis, mainly due to investments in client coverage and IT in 2010.

Provisions for credit losses

Provisions for credit losses decreased by SEK 3.4bn, leading to a net release of SEK 196m (-3,206 in Q3 2009, corresponding to a credit loss level of 0.98 per cent).

The improving asset quality in the Baltic operations enabled a net recovery of SEK 273m (-2,642).

Individually assessed impaired loans decreased by SEK 1,102m, or 6 per cent, to SEK 18,136m during the quarter. The decrease in the Baltic region was SEK 863m, or 7 per cent, of which half was ascribed to an appreciating Swedish krona.

The Group's *past due portfolio assessed loans* were in line with the previous quarter, at SEK 6,980m. The quarterly increase in the Baltic region was SEK 30m, or 0.6 per cent.

The *total reserve ratio for individually assessed impaired loans* decreased to 73 per cent during the quarter and the total non-performing loans coverage ratio to 68 per cent.

The first nine months of 2010

SEB's *profit before credit losses* for January-September 2010 amounted to SEK 9,072m (12,533), down 28 per cent compared to 2009.

The first nine months of last year included goodwill impairment charges related to Eastern Europe as well as capital gains from the buy-back of subordinated debt. The first nine months of 2010 included restructuring costs related to the divestment of SEB's German retail business. In order to facilitate comparisons, income and costs have been adjusted in the table below.

Operative income statement	Jan-Sep		
SEK m	2010	2009	%
Operating income	26 841	31 055	*-14*
Operating expenses	-17 014	-16 834	*1*
Pre-provision operating profit	**9 827**	**14 221**	***-31***
Net tangible and intangible assets	- 7	28	
Net credit provisions	-2 256	-8 966	*-75*
Operating profit before one-off items	**7 564**	**5 283**	***43***
Capital gains		1 300	
Impairment of goodwill		-2 988	
Restructuring cost	- 755		
Operating profit	**6 809**	**3 595**	***89***

Operating profit amounted to SEK 6,809m (3,595), an increase of SEK 3.2bn or 89 per cent compared to the corresponding period of 2009.

Net profit amounted to SEK 3,289m (893), while *net profit from continuing operations* rose to SEK 4,992m (1,445).

Income

Total operating income amounted to SEK 26,841m (31,055), a decrease of 14 per cent adjusted for the above-mentioned capital gain.

Net interest income, at SEK 11,484m (14,714), was SEK 3,230m or 22 per cent lower than in the corresponding period of 2009. Customer-driven net interest income dropped by SEK 1,619m or 14 per cent compared to the corresponding period of last year due to lower volumes and falling deposit margins. The change in total volume and margin contributions were negative at SEK 678m and SEK 941m, respectively. As Swedish short-term rates have started to increase, liability margins will benefit.

Net interest income from other activities, mainly the bond investment portfolio and other trading and treasury activities, decreased by SEK 1,611m compared to 2009. The net cost for the funding actions of last year are subsiding as excess liquidity can be managed at better returns and credit spreads on SEB's issued securities have narrowed in 2010. In addition, the higher short-term rates support net interest income. Net interest income also included a cost of SEK 225m (225) for the charge related to the Swedish stability fund.

Net fee and commission income rose by 6 per cent, to SEK 10,254m (9,698) as an effect of increased securities commissions and on average higher asset under management and custody values.

Net financial income was down by 25 per cent, to SEK 2,654m (3,549), partly due to lower income from the foreign exchange business as market volatility in 2010 is lower compared to last year. The valuation gain in the investment portfolio was SEK 72m (-413) over the income statement.

Net life insurance income dropped by 7 per cent, to SEK 2,475m (2,665). Total income generated from life insurance business (including internal retrocession from fund companies) decreased by 7 per cent. Adjusted for the recovery of guarantee provisions in traditional portfolios of Nya Liv last year, the underlying income was up by 1 per cent.

Net other income amounted to SEK -26m (1,729). The decrease is mainly explained by a capital gain of SEK 1,300m from the buy-back of subordinated debt in 2009 and hedge accounting effects.

Expenses

Total operating expenses amounted to SEK 17,014m (16,834), one per cent up adjusted for the above-mentioned restructuring costs and goodwill impairment charges.

Staff costs were down by 5 per cent due to a decreased number of employees as well as lower cost for redundancies and pensions. The average number of full time equivalents decreased by 1,086 (excluding Retail Germany) - of which 174 in Sweden, 47 in Germany, 482 in the Baltic countries and 383 in other countries - to 17,044 (18,130).

Other expenses rose by 16 per cent, mainly related to investments enabling growth and systems for efficiency. Similar investments were limited in the prevailing market circumstances a year ago.

Provisions for credit losses

Provisions for credit losses decreased by 75 per cent, or SEK 6.7bn, to SEK 2,256m (8,966), leading to a credit loss level of 0.21 per cent (0.91).

Provisions for credit losses in the Baltic region decreased to SEK 1,609m (6,985) – 71 per cent of the Group total – corresponding to a credit loss level of 1.54 per cent (5.29). In Sweden, provisions for credit losses amounted to SEK 202m (875) – equal to 3 basis points (13), in the other Nordic countries to SEK 205m (324) – 27 basis points (47) – and in Germany to SEK 100m (212), excluding Retail Germany – 4 basis points (10).

Individually assessed impaired loans decreased by SEK 3,188m, or 15 per cent, to SEK 18,136m. The decrease in the Baltic region was SEK 2,052m, or 15 per cent, to a large extent due to the appreciation of the Swedish krona by 10 per cent to the Euro. The gross level of impaired loans in the Baltic countries was 9.72 per cent (9.39). The Group's total *reserve ratio for individually assessed impaired loans* increased to 73 per cent compared to 70 per cent at year-end 2009.

The Group's *past due portfolio assessed loans* were up SEK 43m to SEK 6,980m. The increase in the Baltic region was SEK 295m, or 7 per cent. In addition, Baltic household loans of SEK 505m were restructured at the end of September (312 at year-end 2009).

The total non-performing loans coverage ratio increased to 68 per cent (65) as a result of falling non-performing loans and higher collective reserves to cater for the previously fragile Baltic economic recovery, even if provisions in the third quarter started to reverse.

Tax expenses
Total tax amounted to SEK 1,817m (2,150), corresponding to a total tax rate of 27 per cent (60). The reduction in the total tax rate is due to lower losses in the Baltic countries and the non-tax deductible goodwill impairments in 2009.

Business volumes
The Group's total balance sheet was SEK 2,254bn as at 30 September, 2 per cent down from year-end 2009 (2,308). Loan and deposit volumes related to the divestment of SEB's German retail operations have been classified as Assets and Liabilities held for sale, respectively. The balance sheet has not been restated. Excluding this effect, lending to the public decreased by 2 per cent and deposits from the public by 5 per cent, including repos.

SEB's total credit portfolio decreased by 6 per cent, to SEK 1,699bn (1,816), mainly due to lower lending to banks. The Baltic credit portfolio decreased by 17 per cent, excluding currency effects the reduction was 8 per cent.

SEB's total net positions in fixed-income securities for investment, treasury and client trading purposes amounted to SEK 322bn (262 at year-end 2009).

As at 30 September 2010, assets under management amounted to SEK 1,343bn (1,356). Net inflow during the period was SEK 43bn (20), while the change in value was SEK -56bn (74). Assets under custody amounted to SEK 4,879bn (4,853).

Bond investment portfolio
As at 30 September, the bond investment portfolio of Merchant Banking had decreased to SEK 64bn from SEK 97bn a year earlier, in line with the plan to reduce the holdings through amortisations and limited sales. 81 per cent of the holdings are classified as Loans and Receivables.

There are no impaired assets in the portfolio. Under prevailing credit market conditions, SEB views material defaults on the holdings as unlikely and the risk for impairment charges is limited.

Market risk
During the first three quarters 2010, the Group's Value at Risk in the trading operations averaged SEK 292m (193 during the calendar year 2009). Consequently, the Group on average should not expect to lose more than this amount during a ten-day period, with 99 per cent probability.

Liquidity and funding
SEB's loan-to-deposit ratio – net of repos and reclassified bonds – was 138 per cent (139). Bond issuance year-to-date was SEK 60bn, which is about half of the level last year when funding duration was extended. On 30 September, the matched funding of net cash inflows and outflows remained at about 18 months. SEB continued to maintain assets eligible for pledging with central banks in excess of SEK 200bn.

Capital position
SEB has maintained stable and strong capital ratios. As of 30 September 2010 the core Tier 1 capital ratio was 12.1 per cent (11.7 at year-end 2009), the Tier 1 capital ratio was 14.2 per cent (13.9) and the total capital ratio was 14.3 per cent (14.7). The Group's Basel II risk-weighted assets (RWA) amounted to SEK 711bn (730).

Adjusted for the supervisory transitional rules during the first Basel II years, SEB reports RWA of SEK 797bn (795), a Tier 1 capital ratio of 12.7 per cent (12.8) and a total capital ratio of 12.7 per cent (13.5).

Capital adequacy details are found on pp 25-28.

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 divided – whereas Nordic economies have proven to be robust, austerity measures in many countries accentuate sovereign risk and create subdued economic growth, which could impact SEB's main markets. Thus, negative effects on economic recovery cannot be ruled out. Also, sovereign risk may impact valuations.

There are also financial risks, mainly in the form of price risks. Credit and market risks as well as other risks and the management of all the risks of the Group are described in SEB's annual report for 2009 (pp 40-56 and Note 17).

Rating
In June 2010, Moody's changed its outlook for SEB from negative to stable and affirmed the long-term A1 rating. Standard & Poor's and Fitch have a stable outlook on SEB. During the quarter, Fitch upgraded SEB's individual rating to B from B/C.

Changes in the Group Executive Committee
As communicated on 17 September, *Jan Stjernström*, currently head of SEB Trygg Liv Sweden, has been appointed new head of the Life division. He is succeeding *Anders Mossberg*, who as Senior Adviser to the CEO will focus on strategic life insurance development and SEB's savings offering.

Anders Johnsson, currently head of Trading & Capital Markets within Merchant Banking, has been appointed head of Wealth Management. The current head of the division, *Fredrik Boheman*, will be new head of SEB in Germany.

Ulf Peterson, currently head of Staff, Retail Banking, has been appointed Head of Group HR. He is succeeding *Ingrid Engström,* who as Senior Adviser to Fredrik Boheman will support him in managing organisational issues in Germany.

Divestment of German Retail
The divestment of SEB's German retail banking business to Banco Santander, as announced on 12 July, is progressing according to plan in order to achieve closing before year-end.

As communicated in July, the Group has restated its accounts to reflect the divestment. Restructuring charges of

SEK 755m (EUR 80m for right-sizing of infrastructure) in the continuing operations and transaction-related costs of SEK 1,240m (EUR 130m for advisory costs and execution of IT and physical separation including redundancy) in discontinued operations have been recorded in the third quarter. The capital gain, estimated at EUR 135m, and the negative hedge accounting effects, estimated at EUR 245m, will be recorded at the time of closing.

Stockholm, 28 October 2010

Annika Falkengren
President and Chief Executive Officer Director

SEB's new Fact Book is available on www.sebgroup.com/ir.

Further information is available from
Jan Erik Back, Chief Financial Officer
Tel: +46 8 22 19 00
Ulf Grunnesjö, Head of Investor Relations
Tel. + 46 8 763 85 01, +46 70 763 85 01
Viveka Hirdman-Ryrberg, Head of Corporate Communications
Tel. +46 8 763 8577, +46 70 550 35 00
Annika Halldin, Senior Financial Information Officer
Tel. +46 8 763 85 60, +46 70 379 00 60

Press conference and web cast
The press conference at 09.00 (CEST) on 28 October 2010 at Kungsträdgårdsgatan 8 with CEO Annika Falkengren can be followed live in Swedish on www.sebgroup.com/ir and translated into English on the website. It will also be available afterwards.

Access to telephone conference
The telephone conference at 16.00 (CEST) on 28 October 2010 with CEO Annika Falkengren and CFO Jan Erik Back can be accessed by telephone, +44 (0) 20 7162 0025, please quote conference id: 862973, not later than 10 minutes in advance. A replay of the conference call will be available on www.sebgroup.com/ir.

Financial information during 2011

4 February	Annual Accounts for 2010
3 March	Annual Report on www.sebgroup.com
24 March	Annual General Meeting
3 May	Interim Report January-March 2011
14 July	Interim Report January-June 2011
27 October	Interim Report January-September 2011

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

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 to this the Supplementary accounting rules for groups (RFR 1.3) from the Swedish Financial Reporting Board have been applied.

The Parent company has prepared its accounts in accordance with Swedish statutory IFRS and has applied the Supplementary accounting rules for legal entities (RFR 2.3) from the Swedish Financial Reporting Board.

On 10 July an agreement was signed to sell the retail banking business in Germany. The transaction is structured as a carve-out, i.e. assets, liabilities and contracts pertaining to the retail banking business in Germany will be separated from SEB AG, into a carve-out entity and subsequently transferred to the buyer upon the closing of the transaction. As of third quarter, 2010, the carve-out entity is reported in accordance with IFRS 5, "Discontinued operations". This means that discontinued operations are reported net on a separate line in the Group's income statement. The comparative figures in the income statement for the present and previous year have been adjusted as if the discontinued operation had never been part of the Group's continuing operations. In the consolidated balance sheet, assets and liabilities relating to the carve-out entity are separated from other assets and liabilities.

As from 2010 two changes have been introduced in the accounting standards which potentially have a material impact on the financial reports. The changes in *IFRS 3 Business Combinations* (effective for annual periods beginning after July 2009) will change how business combinations are accounted for in respect of transaction costs, possible contingent considerations and business combinations achieved in stages. The changes will not have an impact on previous business combinations but will be applied by the Group to business combinations for which acquisition date is on or after 1 January 2010. In addition, there have been amendments made to *IAS 27 Consolidated and Separate Financial Statements* that principally affect the accounting for transactions or events that result in a change in the Group's interests in its subsidiaries.

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 2009 Annual Report.

Review report

We have reviewed this report for the period 1 January to 30 September 2010 for Skandinaviska Enskilda Banken AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Act for Credit institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

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

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

Stockholm, 28 October 2010

PricewaterhouseCoopers AB

Peter Clemedtson
Authorised Public Accountant

The SEB Group

Income statement – SEB Group

	Q3	Q2		Q3		Jan - Sep			Full year
SEK m	**2010**	**2010**	***%***	**2009**	***%***	**2010**	**2009**	***%***	**2009**
Net interest income	4 180	3 762	*11*	4 197	*0*	11 484	14 714	*-22*	18 046
Net fee and commission income	3 387	3 673	*-8*	3 263	*4*	10 254	9 698	*6*	13 285
Net financial income	727	977	*-26*	945	*-23*	2 654	3 549	*-25*	4 488
Net life insurance income	818	778	*5*	857	*-5*	2 475	2 665	*-7*	3 597
Net other income	- 230	34		- 165	*39*	- 26	1 729		2 159
Total operating income	**8 882**	**9 224**	***-4***	**9 097**	***-2***	**26 841**	**32 355**	***-17***	**41 575**
Staff costs	-3 392	-3 616	*-6*	-3 282	*3*	-10 446	-11 001	*-5*	-13 786
Other expenses	-1 679	-1 875	*-10*	-1 535	*9*	-5 338	-4 612	*16*	-6 740
Depreciation, amortisation and impairment of tangible and intangible assets	- 405	- 416	*-3*	- 375	*8*	-1 230	-4 209	*-71*	-4 672
Restructuring costs	- 755					- 755			
Total operating expenses	**-6 231**	**-5 907**	***5***	**-5 192**	***20***	**-17 769**	**-19 822**	***-10***	**-25 198**
Profit before credit losses	**2 651**	**3 317**	***-20***	**3 905**	***-32***	**9 072**	**12 533**	***-28***	**16 377**
Gains less losses on disposals of tangible and intangible assets		- 3		3		- 7	28		4
Net credit losses	196	- 639		-3 206		-2 256	-8 966	*-75*	-12 030
Operating profit	**2 847**	**2 675**	***6***	**702**		**6 809**	**3 595**	***89***	**4 351**
Income tax expense	- 765	- 600	*28*	- 446	*72*	-1 817	-2 150	*-15*	-2 482
Net profit from continuing operations	**2 082**	**2 075**	***0***	**256**		**4 992**	**1 445**		**1 869**
Discontinued operations	-1 486	- 71		- 219		-1 703	- 552		- 691
Net profit	**596**	**2 004**	**- 70**	**37**		**3 289**	**893**		**1 178**
Attributable to minority interests	15	17	*-12*	12	*25*	47	37	*27*	64
Attributable to equity holders	581	1 987	*-71*	25		3 242	856		1 114
Continuing operations									
Basic earnings per share, SEK	0.94	0.94		0.11		2.25	0.78		0.95
Diluted earnings per share, SEK	0.94	0.94		0.11		2.25	0.78		0.94
Total operations									
Basic earnings per share, SEK	0.26	0.91		0.01		1.48	0.57		0.58
Diluted earnings per share, SEK	0.26	0.90		0.01		1.47	0.57		0.58

Statement of comprehensive income – SEB Group

	Q3	Q2		Q3		Jan - Sep			Full year
SEK m	**2010**	**2010**	***%***	**2009**	***%***	**2010**	**2009**	***%***	**2009**
Net profit	**596**	**2 004**	***-70***	**37**		**3 289**	**893**		**1 178**
Translation of foreign operations	- 571	- 110		- 11		- 948	- 431	*120*	- 187
Available-for-sale financial assets	163	- 696		1 488		- 252	1 752		1 966
Cash flow hedges	- 122	- 105	*16*	- 476	-74	- 484	- 956	*-49*	- 974
Other	- 404	- 188	*115*	- 880		-1 227	- 707	*74*	- 749
Other comprehensive income (net of tax)	**- 934**	**- 1 099**	**- 15**	**121**		**- 2 911**	**- 342**		**56**
Total comprehensive income	**- 338**	**905**		**158**		**378**	**551**	**- 31**	**1 234**
Attributable to minority interests	4	13	-69	12	-67	17	44	*-61*	60
Attributable to equity holders	- 342	892		146		361	507	*-29*	1 174

Key figures - SEB Group

	Q3 2010	Q2 2010	Q3 2009	Jan - Sep 2010	Jan - Sep 2009	Full year 2009
Continuing operations						
Return on equity, continuing operations, %	8.48	8.35	0.99	6.70	2.00	1.89
Basic earnings per share, continuing operations, SEK	0.94	0.94	0.11	2.25	0.78	0.95
Diluted earnings per share, continuing operations, SEK	0.94	0.94	0.11	2.25	0.78	0.94
Cost/income ratio, continuing operations	0.70	0.64	0.57	0.66	0.61	0.61
Number of full time equivalents, continuing operations*	17,133	17,059	17,655	17,044	18,130	17,016
Total operations						
Return on equity, %	2.38	8.05	0.10	4.39	1.22	1.17
Return on total assets, %	0.10	0.34	0.00	0.19	0.05	0.05
Return on risk-weighted assets, %	0.28	0.97	0.01	0.53	0.13	0.13
Basic earnings per share, SEK	0.26	0.91	0.01	1.48	0.57	0.58
Weighted average number of shares, millions**	2,194	2,194	2,194	2,194	1,492	1,906
Diluted earnings per share, SEK	0.26	0.90	0.01	1.47	0.57	0.58
Weighted average number of diluted shares, millions***	2,207	2,199	2,200	2,201	1,498	1,911
Net worth per share, SEK	49.02	49.48	49.91	49.02	49.91	50.08
Average equity, SEK, billion	98.4	98.8	98.7	98.9	94.0	95.4
Credit loss level, %	-0.02	0.16	0.98	0.21	0.91	0.92
Total reserve ratio individually assessed impaired loans, %	73.2	76.9	72.2	73.2	72.2	69.5
Net level of impaired loans, %	0.62	0.60	0.70	0.62	0.70	0.72
Gross level of impaired loans, %	1.29	1.29	1.26	1.29	1.26	1.39
Basel II (Legal reporting with transitional floor) :****						
Risk-weighted assets, SEK billion	797	824	806	797	806	795
Core Tier 1 capital ratio, %	10.80	10.46	10.94	10.80	10.94	10.74
Tier 1 capital ratio, %	12.65	12.40	12.53	12.65	12.53	12.78
Total capital ratio, %	12.73	12.60	14.12	12.73	14.12	13.50
Basel II (without transitional floor):						
Risk-weighted assets, SEK billion	711	714	747	711	747	730
Core Tier 1 capital ratio, %	12.11	12.07	11.80	12.11	11.80	11.69
Tier 1 capital ratio, %	14.18	14.31	13.51	14.18	13.51	13.91
Total capital ratio, %	14.27	14.54	15.23	14.27	15.23	14.69
Basel I:						
Risk-weighted assets, SEK billion	984	1 008	1 019	984	1 019	1 003
Core Tier 1 capital ratio, %	8.75	8.55	8.65	8.75	8.65	8.51
Tier 1 capital ratio, %	10.25	10.14	9.91	10.25	9.91	10.13
Total capital ratio, %	10.31	10.30	11.16	10.31	11.16	10.70
Number of full time equivalents*	19,150	19,091	19,912	19,102	20,402	20,233
Assets under custody, SEK billion	4,879	4,770	4,743	4,879	4,743	4,853
Assets under management, SEK billion	1,343	1,328	1,295	1,343	1,295	1,356
Discontinued operations						
Basic earnings per share, discontinued operations, SEK	-0.68	-0.03	-0.10	-0.78	-0.31	-0.36
Diluted earnings per share, discontinued operations, SEK	-0.67	-0.03	-0.10	-0.77	-0.30	-0.36

* 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 810,155 Class A shares for the employee stock option programme at year end 2009. During 2010 799,669 net of these shares have been sold as employee stock options have been exercised. Thus, as at 30 September 2010 SEB owned 10,486 Class A-shares with a market value of SEK 0.5m.

*** 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 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Net interest income	4 180	3 762	3 542	3 332	4 197
Net fee and commission income	3 387	3 673	3 194	3 587	3 263
Net financial income	727	977	950	939	945
Net life insurance income	818	778	879	932	857
Net other income	- 230	34	170	430	- 165
Total operating income	**8 882**	**9 224**	**8 735**	**9 220**	**9 097**
Staff costs	-3 392	-3 616	-3 438	-2 785	-3 282
Other expenses	-1 679	-1 875	-1 784	-2 128	-1 535
Depreciation, amortisation and impairment of tangible and intangible assets	- 405	- 416	- 409	- 463	- 375
Restructuring costs	- 755				
Total operating expenses	**-6 231**	**-5 907**	**-5 631**	**-5 376**	**-5 192**
Profit before credit losses	**2 651**	**3 317**	**3 104**	**3 844**	**3 905**
Gains less losses on disposals of tangible and intangible assets		- 3	- 4	- 24	3
Net credit losses	196	- 639	-1 813	-3 064	-3 206
Operating profit	**2 847**	**2 675**	**1 287**	**756**	**702**
Income tax expense	- 765	- 600	- 452	- 333	- 446
Net profit from continuing operations	**2 082**	**2 075**	**835**	**423**	**256**
Discontinued operations	-1 486	- 71	- 146	- 139	- 219
Net profit	**596**	**2 004**	**689**	**284**	**37**
Attributable to minority interests	15	17	15	27	12
Attributable to equity holders	581	1 987	674	257	25
Continuing operations					
Basic earnings per share, SEK	0.94	0.94	0.37	0.18	0.11
Diluted earnings per share, SEK	0.94	0.94	0.37	0.18	0.11
Total operations					
Basic earnings per share, SEK	0.26	0.91	0.31	0.12	0.01
Diluted earnings per share, SEK	0.26	0.90	0.31	0.12	0.01

Income statement by division – SEB Group

Jan-Sep 2010, SEK m	Merchant Banking	Retail Banking	Wealth Management	Life*	Baltic	Other incl eliminations	SEB Group
Net interest income	5 990	3 676	349	- 6	1 388	87	11 484
Net fee and commission income	3 793	2 392	2 637		664	768	10 254
Net financial income	3 090	199	59		70	- 764	2 654
Net life insurance income				3 444		- 969	2 475
Net other income	- 112	35	54		27	- 30	- 26
Total operating income	**12 761**	**6 302**	**3 099**	**3 438**	**2 149**	**- 908**	**26 841**
Staff costs	-2 977	-1 993	- 969	- 845	- 495	-3 167	-10 446
Other expenses	-3 085	-2 032	- 961	- 399	- 875	2 014	-5 338
Depreciation, amortisation and impairment of tangible and intangible assets	- 107	- 63	- 61	- 514	- 57	- 428	-1 230
Restructuring costs						- 755	- 755
Total operating expenses	**-6 169**	**-4 088**	**-1 991**	**-1 758**	**-1 427**	**-2 336**	**-17 769**
Profit before credit losses	**6 592**	**2 214**	**1 108**	**1 680**	**722**	**-3 244**	**9 072**
Gains less losses on disposals of tangible and intangible assets	- 1	- 1			- 1	- 4	- 7
Net credit losses	- 96	- 399	- 4		-1 609	- 148	-2 256
Operating profit	**6 495**	**1 814**	**1 104**	**1 680**	**- 888**	**-3 396**	**6 809**

* Business result in Life amounted to SEK 2,500m (2,275), of which change in surplus values was net SEK 820m (730).

Income statement by division relates to continuing operations.

Merchant Banking

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

Income statement

	Q3	Q2		Q3		Jan- Sep			Full year
SEK m	**2010**	**2010**	%	**2009**	%	**2010**	**2009**	%	**2009**
Net interest income	2 012	1 964	*2*	2 402	*- 16*	5 990	8 004	*- 25*	9 982
Net fee and commission income	1 290	1 420	*- 9*	1 326	*- 3*	3 793	4 116	*- 8*	5 647
Net financial income	753	1 320	*- 43*	981	*- 23*	3 090	3 665	*- 16*	4 377
Net other income	- 159	- 3		40		- 112	147		46
Total operating income	**3 896**	**4 701**	***-17***	**4 749**	***-18***	**12 761**	**15 932**	***-20***	**20 052**
Staff costs	- 875	-1 109	*- 21*	- 775	*13*	-2 977	-2 973	*0*	-3 529
Other expenses	- 954	-1 093	*- 13*	-1 007	*- 5*	-3 085	-3 109	*- 1*	-4 134
Depreciation, amortisation and impairment of tangible and intangible assets	- 41	- 39	*5*	- 35	*17*	- 107	- 94	*14*	- 155
Total operating expenses	**-1 870**	**-2 241**	***-17***	**-1 817**	***3***	**-6 169**	**-6 176**	***0***	**-7 818**
Profit before credit losses	**2 026**	**2 460**	***-18***	**2 932**	***-31***	**6 592**	**9 756**	***-32***	**12 234**
Gains less losses on disposals of tangible and intangible assets	- 1					- 1			- 1
Net credit losses	- 23	31		- 107	*- 79*	- 96	- 753	*- 87*	- 805
Operating profit	**2 002**	**2 491**	***-20***	**2 825**	***-29***	**6 495**	**9 003**	***-28***	**11 428**
Cost/Income ratio	0,48	0,48		0,38		0,48	0,39		0,39
Business equity, SEK bn	27,7	28,9		35,1		28,5	35,1		35,1
Return on equity, %	20,8	24,9		23,2		21,9	24,6		23,4
Number of full time equivalents	2 571	2 530		2 582		2 538	2 654		2 630

- Stable earnings in a market with seasonal effects and low volatility
- Asset quality remained high
- Continued focus on growth in home markets

Comments on the first nine months

A seasonally slow third quarter in combination with generally low market volatility put pressure on income. This trend was also fuelled by political uncertainty related to the Swedish election which kept investors on the sideline longer than expected during the summer months. Accumulated over the year, client facilitation income remains strong which is a tribute to Merchant Banking's business model built on long-term customer relationships. Compared to last year, income from the investment portfolio is 1,130m lower as the portfolio gradually amortises.

M&A activity increased during the third quarter, for the second quarter in a row. SEB Enskilda confirmed the position as the leading investment bank in the Nordic and Baltic regions by advising e.g. Ovako, Investor, Hexagon and Ericsson in their successful transactions during the quarter.

Operating income for the first nine months of 2010 decreased compared to 2009, but client related income for the third quarter rose, reflecting improved income mix and lower risks. Operating expenses for the first nine months of 2010 were flat compared to the corresponding period of 2009, but decreased by 17 per cent from the second to the third quarter. Operating profit decreased by SEK 489m compared to the second quarter of 2010. Credit losses decreased by SEK 657m compared to the first nine months 2009, which confirmed the high asset quality.

C*orporate banking* generated a strong quarter, especially within Structured Finance. Activity and demand for corporate borrowing started to pick up and is expected to continue as many Nordic borrowers' credit facilities, closed in 2005-2007, reach maturity and the need for expansionary investments increase.

Lower customer activity and market volatility has always characterized the summer months in *Trading and Capital Markets*. This was true also this quarter and most business areas recorded lower activity.

Global Transaction Services continued the positive trend from the first half year and is expected to improve performance based on the anticipated increase in interest rates during the rest of 2010. At the end of the period assets under custody were SEK 4,879bn (4,853 at year-end 2009).

Merchant Banking continued to increase customer related activities and growing the franchise in the other Nordic countries and in Germany. The plans are progressing as expected and investments in client coverage and distribution capacity for 2010 are almost complete. An important next step will be the establishment of corporate finance activities in the German operations during the autumn.

Retail Banking

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

Income statement

SEK m	Q3 2010	Q2 2010	%	Q3 2009	%	Jan- Sep 2010	Jan- Sep 2009	%	Full year 2009
Net interest income	1 263	1 212	*4*	1 331	*- 5*	3 676	4 146	*- 11*	5 424
Net fee and commission income	774	829	*- 7*	790	*- 2*	2 392	2 392	*0*	3 254
Net financial income	58	76	*- 24*	57	*2*	199	208	*- 4*	292
Net other income	14	12	*17*	17	*- 18*	35	46	*- 24*	64
Total operating income	**2 109**	**2 129**	***- 1***	**2 195**	***- 4***	**6 302**	**6 792**	***- 7***	**9 034**
Staff costs	- 683	- 656	*4*	- 623	*10*	-1 993	-1 971	*1*	-2 542
Other expenses	- 660	- 734	*- 10*	- 646	*2*	-2 032	-2 003	*1*	-2 668
Depreciation, amortisation and impairment of tangible and intangible assets	- 21	- 21	*0*	- 23	*- 9*	- 63	- 71	*- 11*	- 93
Total operating expenses	**-1 364**	**-1 411**	***- 3***	**-1 292**	***6***	**-4 088**	**-4 045**	***1***	**-5 303**
Profit before credit losses	**745**	**718**	***4***	**903**	***- 17***	**2 214**	**2 747**	***- 19***	**3 731**
Gains less losses on disposals of tangible and intangible assets	- 1					- 1			
Net credit losses	- 56	- 147	*- 62*	- 198	*- 72*	- 399	- 617	*- 35*	- 840
Operating profit	**688**	**571**	***20***	**705**	***- 2***	**1 814**	**2 130**	***- 15***	**2 891**
Cost/Income ratio	0,65	0,66		0,59		0,65	0,60		0,59
Business equity, SEK bn	9,8	9,9		10,8		9,7	10,8		10,8
Return on equity, %	20,9	17,1		19,3		18,4	19,5		19,8
Number of full time equivalents	3 420	3 470		3 320		3 382	3 407		3 385

- Strengthened corporate franchise support income generation
- Continued improvement in net interest income
- Solid performance within Card

Retail Germany has not been included in the Retail Banking division in this interim report, following the divestment announced on 12 July. The divisional figures for 2009 have been restated in order to make comparisons possible.

Comments on the first nine months

During 2010, the *Retail Division* has continued to invest in improved availability and enhanced customer service, by added resources to the Telephone bank, extensive participation in networks for entrepreneurs and through recruiting corporate client executives.

Operating income in the third quarter, at SEK 2,109m, was in line with previous quarters. Lower credit losses and stable operating expenses contributed positively to the operating profit compared to last year, but did not fully offset the negative impact from low interest rates. Operating profit amounted to SEK 688m (705).

Within Retail Sweden, customer demand for lending continued and volumes increased by 2 per cent during the quarter to SEK 369bn. The annualized rate is 10 per cent, in line with total growth in 2009. The activity level in the savings area remained high, although concentrated on reallocation of customers existing savings. The deposit volumes on fixed interest accounts continued to increase.

Within both private and corporate segments progresses have been made in the Internet bank in terms of improved personalized interface, navigation and enhanced services. Both corporate and private customers contributed to growing lending volumes. Within private mortgage lending specifically, where SEB has prepared for changes according to new regulations, growth continued at the same pace as in the full year of 2009 at a rate of 8 per cent in the first nine months of 2010. Both lending and deposit margins increased slightly in the last quarter and net interest income continued to rise a second consecutive quarter.

In accordance with SEB's ambition to grow the corporate retail business, investments have continued in terms of recruitment and the setting up of regional centres targeting larger SME customers. The net increase of corporate customers is 3,300 year-to-date in 2010. Provisions for credit losses in Swedish Retail in the first nine months amounted to SEK 173m (276) and operating profit to SEK 1,106m (1,458).

The Card business continued to perform well. Customer activity level was high. Several new features have been developed in order to further strengthen the customer offerings. The business still benefits from the low levels of interest rates.

Provisions for credit losses were SEK 226m (341) mainly due to lower fraud-related losses and substantially lower provisions. Operating profit amounted to SEK 708m (672).

Wealth Management

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

Income statement

	Q3	Q2		Q3		Jan- Sep			Full year
SEK m	**2010**	**2010**	%	**2009**	%	**2010**	**2009**	%	**2009**
Net interest income	118	120	*- 2*	133	*- 11*	349	482	*- 28*	598
Net fee and commission income	830	939	*- 12*	730	*14*	2 637	2 102	*25*	2 955
Net financial income	17	24	*- 29*	17	*0*	59	53	*11*	76
Net other income	7	47	*- 85*	1		54	14		17
Total operating income	**972**	**1 130**	***- 14***	**881**	***10***	**3 099**	**2 651**	***17***	**3 646**
Staff costs	- 311	- 344	*- 10*	- 302	*3*	- 969	- 979	*- 1*	-1 229
Other expenses	- 320	- 339	*- 6*	- 272	*18*	- 961	- 850	*13*	-1 160
Depreciation, amortisation and impairment of tangible and intangible assets	- 20	- 21	*- 5*	- 29	*- 31*	- 61	- 92	*- 34*	- 116
Total operating expenses	**- 651**	**- 704**	***- 8***	**- 603**	***8***	**-1 991**	**-1 921**	***4***	**-2 505**
Profit before credit losses	**321**	**426**	***- 25***	**278**	***15***	**1 108**	**730**	***52***	**1 141**
Gains less losses on disposals of tangible and intangible assets				1	*- 100*		30	*- 100*	29
Net credit losses	- 1	- 2	*- 50*			- 4	- 20	*- 80*	- 28
Operating profit	**320**	**424**	***- 25***	**279**	***15***	**1 104**	**740**	***49***	**1 142**
Cost/Income ratio	0,67	0,62		0,68		0,64	0,72		0,69
Business equity, SEK bn	5,2	5,2		5,5		5,2	5,5		5,5
Return on equity, %	17,6	23,5		14,6		20,4	12,9		14,9
Number of full time equivalents	996	969		981		976	1 023		1 016

- Base commission income supported by higher market values
- High net sales with many new customers and mandates
- Strong demand for broader investment solutions with down-side protection

Comments on the first nine months

The customer activity continued on a very high level, both within Institutional Clients and Private Banking. In connection with the default of a small local Swedish bank, SEB assisted clients in managing the situation and attracted significant inflows of new clients. Compared to the corresponding period last year, SEB's net sales continued to increase for both Private Banking, at SEK 16.1bn (14.2) and, in particular, Institutional Clients, at SEK 26.2bn (10.7).

SEB continues to concentrate on providing solutions that take the customers' whole financial situation into account, for example tailored solutions for entrepreneurs.

Several actions have been taken in order to further develop modern portfolio strategies and a modernized investment process via a broadened range of asset classes which cover both traditional and newer options.

SEB's broad offering and approach towards the institutional clients continues to gain momentum. During the third quarter an increasing number of new mandates were included in assets under management. Customers also have the opportunity to invest in a number of SEB index products as well as other third-party products as complementary to SEB's own offering.

The expansion outside SEB's home markets continued to yield results with a volume of close to SEK 19bn. Inflows derive from a number of mutual fund product areas, which shows that SEB's funds are competitive in a global market place.

Operating income increased by 17 per cent compared to the corresponding period of last year. The decrease between the second and third quarters was mainly due to lower performance and transaction fees. For the first nine months the performance and transactions fees almost doubled, to SEK 193m (96). The trend for base commission increased due to SEB's asset mix and net sales. Operating expenses were up 4 per cent from last year, mainly due to higher activity and investment level.

Average assets under management improved by 9 per cent compared to the corresponding period last year. The improvement was due to the strong net sales of SEK 41bn (21) and the market development. Investment performance as a per cent of portfolios above benchmark increased to 66 per cent (63), while 64 per cent (72) of assets under management were ahead of their respective benchmarks. Brokerage income remained strong despite the normally weaker summer period, at SEK 221m (219). The net interest income is still not in line with last year at SEK 349m (482).

Life

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

Income statement

	Q3	Q2		Q3		Jan - Sep			Full year
SEK m	**2010**	**2010**	*%*	**2009**	*%*	**2010**	**2009**	*%*	**2009**
Net interest income	-2	-2	*0*	-2	*0*	-6	-17	*-65*	-18
Net life insurance income	1 143	1 115	*3*	1 107	*3*	3 444	3 298	*4*	4 443
Total operating income	**1 141**	**1 113**	***3***	**1 105**	***3***	**3 438**	**3 281**	***5***	**4 425**
Staff costs	-276	-287	*-4*	-271	*2*	-845	-844	*0*	-1 107
Other expenses	-133	-135	*-1*	-120	*11*	-399	-392	*2*	-536
Depreciation of assets	-169	-172	*-2*	-158	*7*	-514	-500	*3*	-667
Total operating expenses	**-578**	**-594**	***-3***	**-549**	***5***	**-1 758**	**-1 736**	***1***	**-2 310**
Operating profit	**563**	**519**	***8***	**556**	***1***	**1 680**	**1 545**	***9***	**2 115**
Change in surplus values, net	400	191	*109*	224	*79*	820	730	*12*	900
Business result	**963**	**710**	***36***	**780**	***23***	**2 500**	**2 275**	***10***	**3 015**
Cost/Income ratio	0,51	0,53		0,50		0,51	0,53		0,52
Business equity, SEK bn	6,0	6,0		6,8		6,0	6,8		6,8
Return on equity, %									
based on operating profit	33,0	30,4		28,8		32,9	26,7		27,4
based on business result	56,5	41,7		40,4		48,9	39,3		39,0
Number of full time equivalents	1 200	1 173		1 184		1 179	1 195		1 191

- Strong result - operating profit increased by 9 per cent
- Diversified unit-linked offering helps customers in volatile markets
- High premium inflow confirms customer confidence

Comments on the first nine months

During the first nine months of 2010, several customer activities were launched. Improved availability at customer service centres, increased advisory service and enhanced product offerings have been in focus - all in order to strengthen long-term relations with customers.

The capacity at the service centres has expanded and customer feedback now forms part of a continuous review of the division's customer offerings. The ongoing efforts to ensure a high quality fund offering include a launch of additional Strategy funds. The continued high premium inflow confirms that the initiatives are well received by the customers. Total premium income increased by 4 per cent, to SEK 22.7bn (21.9).

Operating profit increased by 9 per cent compared with the first nine months of 2009. Excluding the effect of recovered guarantee provisions in traditional portfolios, income rose by 12 per cent and profit rose by 27 per cent, mainly related to higher income from unit-linked products. Recovered guarantee provisions amounted to SEK 26m compared with SEK 243 last year. The remaining guarantee provisions amount to SEK 79m in total. All business areas showed increased profit levels. Continued focus on unit-linked has led to moderate risk exposure, improved capital efficiency and increased return on business equity.

Unit-linked income continued to improve as a result of positive market trends and high risk appetite among policyholders, selecting more advanced and equity related alternatives. The total fund value increased by 16 per cent to SEK 169bn compared to SEK 145bn in September 2009. The result for other product areas also developed favourably during the period. Client funds in the traditional business also generated satisfactory returns.

Operating expenses, excluding depreciation, were stable compared with last year. Continued improvement of the administrative efficiency supports a stable cost trend per policy. Depreciation of deferred acquisition costs increased but should be seen in the light of increased unit-linked income.

Unit-linked insurance remains the major product group, representing 86 per cent (79) of total sales. The share of corporate paid policies increased to 64 per cent (63). Sales in the Baltic countries have stabilised and show some improvement.

Total assets under management (net assets) amounted to SEK 414bn, which is an increase of 5 per cent from a year ago and 3 per cent from year-end.

Baltic

The division encompasses the retail and all lending operations in Estonia, Latvia and Lithuania. In the Fact Book on page 20, the full Baltic geographical segmentation is reported including the operations in Merchant Banking, Wealth Management and Life.

Income statement

	Q3	Q2		Q3		Jan- Sep			Full year
SEK m	**2010**	**2010**	%	**2009**	%	**2010**	**2009**	%	**2009**
Net interest income	442	456	*- 3*	628	*- 30*	1 388	2 157	*- 36*	2 679
Net fee and commission income	229	226	*1*	227	*1*	664	713	*- 7*	934
Net financial income	8	36	*- 78*	35	*- 77*	70	95	*- 26*	126
Net other income	21	2		- 6		27	- 2		55
Total operating income	**700**	**720**	***- 3***	**884**	***- 21***	**2 149**	**2 963**	***- 27***	**3 794**
Staff costs	- 155	- 161	*- 4*	- 176	*- 12*	- 495	- 593	*- 17*	- 730
Other expenses	- 286	- 285	*0*	- 307	*- 7*	- 875	- 988	*- 11*	-1 452
Depreciation, amortisation and impairment of tangible and intangible assets	- 18	- 19	*- 5*	- 15	*20*	- 57	-2 368	*- 98*	-2 389
Total operating expenses	**- 459**	**- 465**	***- 1***	**- 498**	***- 8***	**-1 427**	**-3 949**	***- 64***	**-4 571**
Profit before credit losses	**241**	**255**	***- 5***	**386**	***- 38***	**722**	**- 986**		**- 777**
Gains less losses on disposals of tangible and intangible assets		- 1		3		- 1	- 1	*0*	- 17
Net credit losses	273	- 451		-2 642		-1 609	-6 985	*- 77*	-9 569
Operating profit	**514**	**- 197**		**-2 253**		**- 888**	**-7 972**	***- 89***	**-10 363**
Cost/Income ratio	0,66	0,65		0,56		0,66	1,33		1,20
Business equity, SEK bn	11,8	11,8		11,8		11,8	11,8		11,8
Return on equity, %	15,2	negative		negative		negative	negative		negative
Number of full time equivalents	2 959	2 937		3 252		2 957	3 308		3 275

- Positive operating profit in the third quarter – break-even sooner than expected
- Substantially lower provisions for credit losses – recoveries in the third quarter
- Stabilisation of income and cost levels

Comments on the first nine months

The delicate economic recovery in the Baltic region that commenced early in 2010 has continued. Exports and consumer confidence indicators continue to point upwards, although unemployment levels remain high. As presented in SEB's Eastern European Outlook in October, the GDP forecast for 2011 is 4 per cent growth rate for each of Estonia, Lithuania and Latvia. In July, ECOFIN Council took the final positive decision on Estonia to adopt the Euro as from 1 January 2011.

SEB continued to win customer awards across the Baltics in the third quarter. Throughout the region, SEB was ranked as the best Investment Bank. In Estonia, SEB was voted the most customer-friendly company in the Estonian financial sector. SEB Lithuania was rewarded by two surveys for best Internet Banking service provider.

In the first nine months, the level of deposit volumes stabilised across the three countries. Total new lending volume also stabilised and is now starting to gradually increase in Latvia. Loan margins stabilised in the first nine months, although deposit margins remained low due to the ongoing low interest rate environment.

At the end of September, the leasing portfolio amounted to SEK 12.3bn. The average recovery rate on repossessed vehicles was approximately 60 per cent.

As at 30 September 2010, SEB's real estate holding companies in the three Baltic countries had acquired assets with a total volume of SEK 295m. SEB's Baltic real estate lending amounted to SEK 23bn, of which 29 per cent was impaired as at 30 September 2010.

Third quarter income of SEK 700m was 3 per cent lower than in the second quarter. The decline was mainly due to the strengthening of the Swedish krona seen during the quarter.

Year-to-date operating expenses of SEK 1,427m were significantly lower than for the first nine months of 2009. This reflects both the goodwill write-off of SEK 2.3bn in the second quarter 2009 and the right-sizing of the distribution network.

Operating profit for the first nine months was SEK -888m (-7,972). The improvement was due to significantly lower provisions for credit losses, at SEK 1,609m, including a net release of provisions of SEK 273m in the third quarter. Non-performing loans stabilised in all three countries. The reserve ratio decreased slightly to 65 per cent.

Result by geography – January-September 2010

As a relationship bank, SEB in Sweden and the Baltic countries offers financial advice and a wide range of financial services. 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 international nature of SEB's business is reflected in its presence in some 20 countries worldwide.

- Low policy rates continue to negatively affect deposit margins in all markets
- Robust Nordic economies expected to support improving business volumes and corporate credit demand
- Improved asset quality across the borders; accentuated improvement in the Baltic countries

Comments on the first nine months

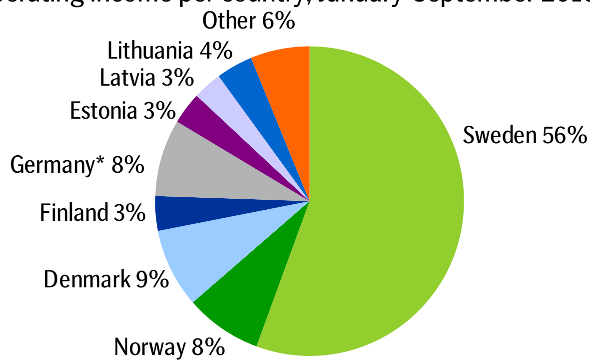
In *Sweden*, which accounts for 56 per cent of SEB's operating income, corporate activity in general remained subdued. Mortgage lending increased by 8 per cent compared to the first nine months 2009. Operating profit for the Wealth and Life divisions improved compared to last year. The Group's operating profit in Sweden compared to last year decreased by 19 per cent.

In *Denmark*, SEB's operating profit for the first nine months rose by 3 per cent compared to last year. Within Merchant Banking, SEB's growth initiatives have resulted in an inflow of new key customers. Income development was strong within Trading & Capital Markets. Unit-linked sales increased by 47 per cent compared to 2009 in local currency, while sales of traditional products fell by 35 per cent. Premium income overall increased by 24 per cent in local currency.

In *Finland*, SEB's total operating profit rose by 20 per cent. Merchant Banking's result was up by 12 per cent. Wealth Management's operating profit increased following higher net sales and client activities. Card's result improved compared with last year.

In *Norway*, SEB's overall financial performance was lower than in the exceptional previous year. On the corporate side, SEB participated in a number of major transactions, among them the merger between EDB and Ergo Group. Client focus on capital structure was high, which rewards SEB's offering with combined debt and equity advisory capabilities. Private Banking and Institutional Clients experienced an inflow of new clients and volumes, with high growth rate in mutual funds inflows.

Operating income per country, January-September 2010



** Excluding centralised Treasury operations*

In *Germany*, Merchant Banking increased its client activities but capital markets income was lower. Income in Wealth Management increased. The divestment of Retail Germany is progressing according to plan. As previously communicated, the third quarter includes a restructuring cost of EUR 80m for streamlining of continuing operations.

In the *Baltic* region, the gradual recovery continued, as described on page 16.

Distribution by country Jan - Sep	Total operating income			Total operating expenses			Operating profit		
SEK m	**2010**	**2009**	***%***	**2010**	**2009**	***%***	**2010**	**2009**	***%***
Sweden	14,947	18 205	*-18*	-10 627	-12 266	*-13*	4 118	5 064	*-19*
Norway	2,096	2 799	*-25*	- 941	-1 071	*-12*	1 043	1 539	*-32*
Denmark	2,297	2 351	*-2*	-1 166	-1 220	*-4*	1 052	1 020	*3*
Finland	923	819	*13*	- 409	- 378	*8*	500	416	*20*
Germany*	2,198	2 384	*-8*	-2 197	-1 499	*47*	- 101	668	
Estonia	897	1 032	*-13*	- 507	- 808	*-37*	141	- 674	
Latvia	793	1 356	*-42*	- 418	- 585	*-29*	- 261	-1 772	*-85*
Lithuania	1,030	1 368	*-25*	- 658	-1 329	*-50*	- 353	-3 507	*-90*
Other countries and eliminations	1,660	2 041	*-19*	- 846	- 666	*27*	670	841	*-20*
Total	**26 841**	**32 355**	***-17***	**-17 769**	**-19 822**	***-10***	**6 809**	**3 595**	***89***

*Excluding centralised Treasury operations
Restructuring costs amounted to EUR 80m in Q3 2010.
Goodwill impairments for holdings in Baltic countries, Russia and Ukraine affected operating expenses and profit in Sweden, Estonia and Lithuania with SEK 2,1bn, 0,3bn and 0,6bn, respectively in 2009.

The SEB Group

Net interest income – SEB Group

SEK m	Q3 2010	Q2 2010	%	Q3 2009	%	Jan - Sep 2010	Jan - Sep 2009	%	Full year 2009
Interest income	12 444	12 037	*3*	13 867	*- 10*	36 488	49 474	*- 26*	61 970
Interest expense	-8 264	-8 275	*0*	-9 670	*- 15*	-25 004	-34 760	*- 28*	-43 924
Net interest income	**4 180**	**3 762**	***11***	**4 197**	***0***	**11 484**	**14 714**	***- 22***	**18 046**

Net fee and commission income – SEB Group

SEK m	Q3 2010	Q2 2010	%	Q3 2009	%	Jan - Sep 2010	Jan - Sep 2009	%	Full year 2009
Issue of securities	20	124	*- 84*	99	*- 80*	189	302	*- 37*	501
Secondary market	374	419	*- 11*	525	*- 29*	1 219	1 655	*- 26*	2 174
Custody and mutual funds	1 675	1 805	*- 7*	1 427	*17*	5 147	4 096	*26*	5 656
Securities commissions	**2 069**	**2 348**	***- 12***	**2 051**	***1***	**6 555**	**6 053**	***8***	**8 331**
Payments	387	408	*- 5*	408	*- 5*	1 189	1 218	*- 2*	1 633
Card fees	1 021	1 038	*- 2*	1 034	*- 1*	3 048	3 135	*- 3*	4 203
Payment commissions	**1 408**	**1 446**	***- 3***	**1 442**	***- 2***	**4 237**	**4 353**	***- 3***	**5 836**
Advisory	185	96	*93*	157	*18*	345	435	*- 21*	650
Lending	440	448	*- 2*	356	*24*	1 224	1 042	*17*	1 393
Deposits	25	26	*- 4*	27	*- 7*	77	82	*- 6*	108
Guarantees	103	108	*- 5*	114	*- 10*	323	308	*5*	413
Derivatives	110	157	*- 30*	130	*- 15*	401	442	*- 9*	556
Other	179	207	*- 14*	161	*11*	534	507	*5*	708
Other commissions	**1 042**	**1 042**		**945**	***10***	**2 904**	**2 816**	*3*	**3 828**
Fee and commission income	**4 519**	**4 836**	***- 7***	**4 438**	***2***	**13 696**	**13 222**	***4***	**17 995**
Securities commissions	- 288	- 297	*- 3*	- 241	*20*	- 875	- 650	*35*	- 844
Payment commissions	- 599	- 609	*- 2*	- 588	*2*	-1 795	-1 812	*- 1*	-2 413
Other commissions	- 245	- 257	*- 5*	- 346	*- 29*	- 772	-1 062	*- 27*	-1 453
Fee and commission expense	**-1 132**	**-1 163**	***- 3***	**-1 175**	***- 4***	**-3 442**	**-3 524**	***- 2***	**-4 710**
Securities commissions, net	1 781	2 051	*- 13*	1 810	*- 2*	5 680	5 403	*5*	7 487
Payment commissions, net	809	837	*- 3*	854	*- 5*	2 442	2 541	*- 4*	3 423
Other commissions, net	797	785	*2*	599	*33*	2 132	1 754	*22*	2 375
Net fee and commission income	**3 387**	**3 673**	***- 8***	**3 263**	***4***	**10 254**	**9 698**	***6***	**13 285**

Net financial income – SEB Group

SEK m	Q3 2010	Q2 2010	%	Q3 2009	%	Jan - Sep 2010	Jan - Sep 2009	%	Full year 2009
Equity instruments and related derivatives	188	334	*-44*	- 40		660	- 111		- 64
Debt instruments and related derivatives	17	205	*-92*	- 33		549	593	*-7*	803
Currency related	500	506	*-1*	1 059	*- 53*	1 501	3 227	*-53*	3 911
Other financial instruments	20	- 14		- 12		8	- 11		- 4
Impairments	2	- 54		- 29		- 64	- 149	*-57*	- 158
Net financial income	**727**	**977**	***-26***	**945**	***- 23***	**2 654**	**3 549**	***-25***	**4 488**

Net credit losses – SEB Group

	Q3	Q2		Q3		Jan - Sep			Full year
SEK m	**2010**	**2010**	*%*	**2009**	*%*	**2010**	**2009**	*%*	**2009**
Provisions:									
Net collective provisions for individually assessed loans	407	214	*90*	- 199		- 117	-2 416	*-95*	-1 836
Net collective provisions for portfolio assessed loans	- 89	- 201	*-56*	- 530	*-83*	- 688	-1 511	*-54*	-1 962
Specific provisions	- 338	- 921	*-63*	-1 953	*-83*	-1 974	-4 269	*-54*	-6 685
Reversal of specific provisions no longer required	350	325	*8*	129	*171*	1 024	407	*152*	491
Net provisions for off-balance sheet items	- 2	8		- 83	*-98*	- 30	- 101	*-70*	- 224
Net provisions	**328**	**- 575**	***-157***	**-2 636**	***-112***	**-1 785**	**-7 890**	***-77***	**-10 216**
Write-offs:									
Total write-offs	- 679	- 224		- 730	*-7*	-1 477	-1 516	*-3*	-2 616
Reversal of specific provisions utilized for write-offs	518	140		146		921	360	*156*	688
Write-offs not previously provided for	- 161	- 84		- 584		- 556	-1 156	*-52*	-1 928
Recovered from previous write-offs	29	20	*45*	14	*107*	85	80	*6*	114
Net write-offs	**- 132**	**- 64**		**- 570**		**- 471**	**-1 076**	***-56***	**-1 814**
Net credit losses	**196**	**- 639**		**-3 206**		**-2 256**	**-8 966**	***-75***	**-12 030**

Balance sheet – SEB Group

SEK m	30 Sep 2010	31 Dec 2009	30 Sep 2009
Cash and cash balances with central banks	34 384	36 589	25 158
Loans to credit institutions	225 236	331 460	231 697
Loans to the public	1 088 736	1 187 837	1 206 833
Financial assets at fair value *	666 731	581 641	604 624
Available-for-sale financial assets *	66 937	87 948	88 138
Held-to-maturity investments *	1 461	1 332	1 793
Assets held for sale	79 280	596	192
Investments in associates	1 020	995	1 122
Tangible and intangible assets	26 998	27 770	27 432
Other assets	62 996	52 059	46 410
Total assets	**2 253 779**	**2 308 227**	**2 233 399**
Deposits from credit institutions	238 293	397 433	342 518
Deposits and borrowing from the public	717 005	801 088	752 966
Liabilities to policyholders	256 953	249 009	237 665
Debt securities	536 882	456 043	480 564
Financial liabilities at fair value	238 741	191 440	201 069
Liabilities held for sale	50 680	165	177
Other liabilities	86 732	74 984	76 678
Provisions	1 478	2 033	1 791
Subordinated liabilities	29 910	36 363	40 993
Total equity	97 105	99 669	98 978
Total liabilities and equity	**2 253 779**	**2 308 227**	**2 233 399**
* Of which bonds and other interest bearing securities including derivatives.	485 206	457 209	496 467

Off-balance sheet items – SEB Group

SEK m	30 Sep 2010	31 Dec 2009	30 Sep 2009
Collateral pledged for own liabilities	270 625	420 302	458 454
Other pledged collateral	214 712	202 168	175 658
Contingent liabilities	81 538	84 058	81 889
Commitments	396 786	378 442	371 651

Statement of changes in equity – SEB Group

SEK m	Share capital	Retained earnings	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Other	Total Share holders' equity	Minority interests	Total Equity
Jan-Sep 2010									
Opening balance	21 942	76 699	- 412	-1 096	793	1 491	**99 417**	252	**99 669**
Net profit		3 242					**3 242**	47	**3 289**
Other comprehensive income (net of tax)			-948	- 252	- 484	-1 197	**-2 881**	- 30	**-2 911**
Total comprehensive income		**3 242**	**- 948**	**- 252**	**- 484**	**-1 197**	**361**	**17**	**378**
Dividend to shareholders		-2 194					**-2 194**		**-2 194**
Swap hedging of employee stock option programme*		- 774					**-774**		**-774**
Eliminations of repurchased shares for employee stock option programme**		26					**26**		**26**
Closing balance	**21 942**	**76 999**	**-1 360**	**-1 348**	**309**	**294**	**96 836**	**269**	**97 105**

SEK m	Share capital	Retained earnings	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Other	Total Share holders' equity	Minority interests	Total Equity
Jan-Dec 2009									
Opening balance	6 872	75 949	-225	-3 062	1 767	2 236	**83 537**	192	**83 729**
Net profit		1 114					**1 114**	64	**1 178**
Other comprehensive income (net of tax)			-187	1 966	- 974	-745	**60**	- 4	**56**
Total comprehensive income		**1 114**	**- 187**	**1 966**	**- 974**	**- 745**	**1 174**	**60**	**1 234**
Rights issue	15 070	- 397					**14 673**		**14 673**
Swap hedging of employee stock option programme*		2					**2**		**2**
Eliminations of repurchased shares for employee stock option programme**		31					**31**		**31**
Closing balance	**21 942**	**76 699**	**- 412**	**-1 096**	**793**	**1 491**	**99 417**	**252**	**99 669**

SEK m	Share capital	Retained earnings	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Other	Total Share holders' equity	Minority interests	Total Equity
Jan-Sep 2009									
Opening balance	6 872	75 949	-225	-3 062	1 767	2 236	**83 537**	192	**83 729**
Net profit		857					**857**	37	**894**
Other comprehensive income (net of tax)			-431	1 752	- 956	-714	**- 349**	7	**- 342**
Total recognised income		**857**	**- 431**	**1 752**	**- 956**	**- 714**	**508**	**44**	**552**
Rights issue	15 070	- 397					**14 673**		**14 673**
Swap hedging of employee stock option programme*		2					**2**		**2**
Eliminations of repurchased shares for employee stock option programme**		22					**22**		**22**
Closing balance	**21 942**	**76 433**	**- 656**	**-1 310**	**811**	**1 522**	**98 742**	**236**	**98 978**

* Includes changes in nominal amounts of equity swaps used for hedging of stock option programmes.
** As of 31 December 2009 SEB owned 810,155 Class A-shares for the employee stock option programme. The acquisition cost for these shares is deducted from shareholders' equity. During 2010 799,669 net of these shares have been sold as employee stock options have been exercised. Thus, as at 30 September 2010 SEB owned 10,486 Class A-shares with a market value of SEK 0.5m for hedging of the long-term incentive programmes.

Cash flow statement – SEB Group

SEK m	Jan - Sep 2010	Jan - Sep 2009	%	Full year 2009
Cash flow from operating activities	88 627	- 43 055		- 74 456
Cash flow from investment activities	678	- 23		- 5
Cash flow from financing activities	- 44 418	- 6 923		- 11 013
Net increase in cash and cash equivalents	**44 887**	**- 50 001**		**- 85 474**
Cash and cash equivalents at the beginning of year	89 673	175 147	*- 49*	175 147
Net increase in cash and cash equivalents	44 887	- 50 001		- 85 474
Cash and cash equivalents at the end of period[1)]	**134 560**	**125 146**	***8***	**89 673**

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 2010	Q2 2010	%	Q3 2009	%	Jan - Sep 2010	Jan - Sep 2009	%	Full year 2009
Reclassified, SEK m									
Opening balance	107 004	114 156	*-6*	152 127	*-30*	125 339	107 899	*16*	107 899
Reclassified							51 770		51 770
Amortisations	- 604	-1 342	*-55*	-1 696	*-64*	-3 614	-5 471	*-34*	-6 683
Securities sold	-3 905	-4 633	*-16*	-8 585	*-55*	-14 161	-12 412	*14*	-18 180
Accrued coupon	2	- 198		- 93		35	524	*-93*	465
Exchange rate differences	-7 494	- 979		-10 315		-12 596	-10 872	*16*	-9 932
Closing balance*	**95 003**	**107 004**	***- 11***	**131 438**	***- 28***	**95 003**	**131 438**	***-28***	**125 339**
* Market value	93 302	104 503	*-11*	124 077	*-25*	93 302	124 077	*-25*	120 635
Fair value impact - if not reclassified, SEK m									
In Equity (AFS origin)	588	1 200	*-51*	2 627	*-78*	3 036	-1 093		759
In Income Statements (HFT origin)	212	- 597		471	*-55*	- 33	607		1 412
Total	**800**	**603**	***33***	**3 098**	***-74***	**3 003**	**- 486**		**2 171**
Effect in Income Statements, SEK m*									
Net interest income	524	442	*19*	529	*-1*	1 346	2 574	*-48*	2 974
Net financial income	-8 834	- 690		-7 100	*24*	-7 613	-7 168	*6*	-5 141
Other income	- 98	- 34	*188*	64		- 102	73		50
Total	**-8 408**	**- 282**		**-6 507**	***29***	**-6 369**	**-4 521**	***41***	**-2 117**

* 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 2010	31 Dec 2009	30 Sep 2009
Individually assessed impaired loans			
Impaired loans, past due > 60 days	15 256	18 157	17 298
Impaired loans, performing or past due < 60 days	2 880	3 167	1 071
Total individually assessed impaired loans	**18 136**	**21 324**	**18 369**
Specific reserves	- 9 455	- 10 456	- 8 347
for impaired loans, past due > 60 days	*- 8 214*	*- 9 489*	*- 7 691*
for impaired loans, performing or past due < 60 days	*- 1 241*	*- 967*	*- 656*
Collective reserves	- 3 822	- 4 371	- 4 915
Impaired loans net	**4 859**	**6 497**	**5 107**
Specific reserve ratio for individually assessed impaired loans	52.1%	49.0%	45.4%
Total reserve ratio for individually assessed impaired loans	73.2%	69.5%	72.2%
Net level of impaired loans	0.62%	0.72%	0.70%
Gross level of impaired loans	1.29%	1.39%	1.26%
Portfolio assessed loans			
Portfolio assessed loans past due > 60 days	6 980	6 937	6 939
Restructured loans	505	312	
Collective reserves for portfolio assessed loans	- 3 594	- 3 250	- 2 781
Reserve ratio for portfolio assessed loans	48.0%	44.8%	40.1%
Reserves			
Specific reserves	- 9 455	- 10 456	-8 347
Collective reserves	- 7 416	- 7 621	-7 696
Reserves for off-balance sheet items	- 491	- 478	- 348
Total reserves	**- 17 362**	**- 18 555**	**- 16 391**
Non-performing loans			
Non-performing loans*	25 621	28 573	25 308
NPL coverage ratio	67.8%	64.9%	64.8%
NPL % of lending	1.82%	1.86%	1.74%

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

Seized assets – SEB Group

SEK m	30 Sep 2010	31 Dec 2009	30 Sep 2009
Properties, vehicles and equipment	582	217	428
Shares	55	62	62
Total seized assets	**637**	**279**	**490**

Discontinued operations – SEB Group

Income statement

	Q3	Q2		Q3		Jan - Sep			Full year
SEK m	**2010**	**2010**	**%**	**2009**	**%**	**2010**	**2009**	**%**	**2009**
Total operating income	642	687	*-7*	747	*-14*	2 049	2 286	*-10*	3 042
Total operating expenses*	-1 936	- 802	*141*	- 932	*108*	-3 557	-2 751	*29*	-3 603
Profit before credit losses	**-1 294**	**- 115**		**- 185**		**-1 508**	**- 465**		**- 561**
Net credit losses	- 108	20		- 129	*-16*	- 201	- 322	*-38*	- 418
Operating profit	**-1 402**	**- 95**		**- 314**		**-1 709**	**- 787**	***117***	**- 979**
Income tax expense	- 84	24		95	*-188*	6	235	*-97*	288
Net profit from discontinued operations	**-1 486**	**- 71**		**- 219**		**-1 703**	**- 552**		**- 691**

*Transaction related costs of SEK 1,240m (EUR 130m) recorded in discontinued operations in the third quarter consists of advisory costs and execution of IT and physical separation including redundancy.

Assets and liabilities held for sale

SEK m	30 Sep 2010	31 Dec 2009	30 Sep 2009
Loans to the public	77 668		
Other assets	1 612	596	192
Total assets held for sale	**79 280**	**596**	**192**
Deposits from credit institutions	6 436		
Deposits and borrowing from the public	41 927		
Other liabilities	2 317	165	177
Total liabilities held for sale	**50 680**	**165**	**177**

Cash flow statement

	Jan - Sep			Full year
SEK m	**2010**	**2009**	**%**	**2009**
Cash flow from operating activities	- 39	- 566	*- 93*	- 635
Cash flow from investment activities	- 2	- 2	*0*	29
Cash flow from financing activities	31	558	*- 94*	595
Net increase in cash and cash equivalents from discontinued operations	**- 10**	**- 10**	***0***	**- 11**

Capital base of the SEB financial group of undertakings

SEK m	30 Sep 2010	31 Dec 2009
Total equity according to balance sheet (1)	97 105	99 669
./. Dividend (excl repurchased shares)	-1 646	-2 193
./. Investments outside the financial group of undertakings (2)	-34	-47
./. Other deductions outside the financial group of undertakings (3)	-2 261	-2 570
= Total equity in the capital adequacy	**93 164**	**94 859**
Adjustment for hedge contracts (4)	1 085	-419
Net provisioning amount for IRB-reported credit exposures (5)	0	-297
Unrealised value changes on available-for-sale financial assets (6)	1 348	1 096
./. Exposures where RWA is not calculated (7)	-1 175	-1 169
./. Goodwill (8)	-4 184	-4 464
./. Other intangible assets	-2 633	-2 616
./. Deferred tax assets	-1 441	-1 609
= Core Tier 1 capital	**86 164**	**85 381**
Tier 1 capital contribution (non-innovative)	4 577	5 130
Tier 1 capital contribution (innovative)	10 155	11 093
= Tier 1 capital	**100 896**	**101 604**
Dated subordinated debt	5 014	11 028
./. Deduction for remaining maturity	-368	-658
Perpetual subordinated debt	7 050	7 386
Net provisioning amount for IRB-reported credit exposures (5)	808	-297
Unrealised gains on available-for-sale financial assets (6)	484	642
./. Exposures where RWA is not calculated (7)	-1 175	-1 169
./. Investments outside the financial group of undertakings (2)	-34	-47
= Tier 2 capital	**11 779**	**16 885**
./. Investments in insurance companies (9)	-10 500	-10 601
./. Pension assets in excess of related liabilities (10)	-652	-543
= Capital base	**101 523**	**107 345**

Total equity according to the balance sheet (1) includes the current year's profit, which has been reviewed by the auditors.

Deductions (2) for investments outside the financial group of undertakings should be made with equal parts from Tier 1 and Tier 2 capital. However, investments in insurance companies made before 20 July 2006 can be deducted from the capital base (9) – this holds for SEB's investments in insurance companies.

The deduction (3) consists of retained earnings in subsidiaries outside the financial group of undertakings.

The adjustment (4) refers to differences in how hedging contracts are acknowledged according to the capital adequacy regulation, as compared with the preparation of the balance sheet.

If provisions and value adjustments for credit exposures reported according to the Internal Rating Based approach fall short of expected losses on these exposures, the difference (5) should be deducted in equal parts from Tier 1 and Tier 2 capital. A corresponding excess can, up to a certain limit, be added to Tier 2 capital.

For Available For Sale portfolios (6) value changes on debt instruments should not be acknowledged for capital adequacy. Any surplus attributable to equity instruments may be included in Tier 2 capital.

Securitisation positions with external rating below BB/Ba are not included in RWA calculations but are treated via deductions (7) from Tier 1 and Tier 2 capital.

Goodwill in (8) relates only to consolidation into the financial group of undertakings. When consolidating the entire Group's balance sheet further goodwill of SEK 5,721m is created. This is included in the deduction (9) for insurance investments.

Pension surplus values (10) should be deducted from the capital base, excepting such indemnification as prescribed in the Swedish Act on safeguarding of pension undertakings.

On 30 September 2010 the parent company's Tier 1 capital was SEK 94,262m (93,674) and the reported Tier 1 capital ratio was 15.9 per cent (14.8).

Capital requirements for the SEB financial group of undertakings

Capital requirements SEK m	30 Sep 2010	31 Dec 2009
Credit risk, IRB reported capital requirements		
Institutions	3 411	4 016
Corporates (1)	32 275	32 406
Securitisation positions	632	847
Retail mortgages	5 311	5 202
Other retail exposures	801	863
Other exposure classes	121	131
Total for credit risk, IRB approach	**42 551**	**43 465**
Further capital requirements		
Credit risk, Standardised approach (2)	6 430	7 805
Operational risk, Advanced Measurement approach	3 635	3 157
Foreign exchange rate risk	1 253	636
Trading book risks	3 042	3 376
Total	**56 911**	**58 439**
Summary		
Credit risk	48 981	51 270
Operational risk	3 635	3 157
Market risk	4 295	4 012
Total	**56 911**	**58 439**
Adjustment for flooring rules		
Addition according to transitional flooring (3)	6 888	5 175
Total reported	**63 799**	**63 614**

Corporate exposures (1) exclude such small companies where the total exposure does not exceed certain regulatory-defined thresholds.

The Standardised approach (2) is used for credit exposures to central governments, central banks and local governments and authorities, and to exposures where IRB implementation is on-going. The reported capital requirement is dominated by the Corporate and Retail exposure classes.

During 2009 institutions were required to have a capital base not below 80 per cent of the capital requirement according to Basel I regulation. According to the Swedish Financial Supervisory Authority, this minimum level should apply to the years 2010 and 2011. The addition (3) is made in consequence with these transitional arrangements.

Capital adequacy analysis

Representing business volumes as RWA (risk-weighted assets, 12.5 times the capital requirement) the regulatory minima can be expressed as a total capital ratio of at least 8 per cent and a Tier 1 capital ratio of at least 4 per cent. However, and following the "second pillar" of the new framework, banks are expected to operate above this level. The margin supports SEB's high rating ambitions, covering risks that are not included in the capital adequacy regulation, and representing a buffer for the less benign phases of the business cycle. The Group's internal capital assessment process is based on the long term business plans and utilises SEB's economic capital model, supplemented e.g. with macro economic analysis and stress testing.

Capital adequacy	**30 Sep 2010**	**31 Dec 2009**
Capital resources		
Core Tier 1 capital	86 164	85 381
Tier 1 capital	100 896	101 604
Capital base	101 523	107 345
Capital adequacy without transitional floor (Basel II)		
Capital requirement	56 911	58 439
Expressed as Risk-weighted assets	711 381	730 492
Core Tier 1 capital ratio	12,1%	11,7%
Tier 1 capital ratio	14,2%	13,9%
Total capital ratio	14,3%	14,7%
Capital adequacy quotient (capital base / capital requirement)	1,78	1,84
Capital adequacy including transitional floor		
Transition floor applied	80%	80%
Capital requirement	63 799	63 614
Expressed as Risk-weighted assets	797 483	795 177
Core Tier 1 capital ratio	10,8%	10,7%
Tier 1 capital ratio	12,7%	12,8%
Total capital ratio	12,7%	13,5%
Capital adequacy quotient (capital base / capital requirement)	1,59	1,69
Capital adequacy with risk weighting according to Basel I		
Capital requirement	78 738	80 260
Expressed as Risk-weighted assets	984 225	1 003 250
Core Tier 1 capital ratio	8,8%	8,5%
Tier 1 capital ratio	10,3%	10,1%
Total capital ratio	10,3%	10,7%
Capital adequacy quotient (capital base / capital requirement)	1,29	1,34

Overall Basel II RWA (before the effect of transitional flooring) decreased with 3 per cent or SEK 19bn over the first three quarters. The biggest factor behind this change was the currency translation effect from the stronger Swedish krona which decreased RWA with SEK 40bn. Risk class migration is discussed below. Underlying credit volumes showed a mixed pattern where increased corporate lending added some SEK 8bn to RWA while e.g. inter-bank volumes decreased. The net effect of efficiency projects and underlying credit volumes was to increase RWA with SEK 8bn. Operational and market RWA taken together increased SEK 10bn over the three quarters.

With the effect of transitional flooring included RWA increased from SEK 795bn to 797bn over the three quarters. The transitional rule is not only based on "80 per cent of Basel I" but also considers net provisioning; since this amount increased over the three quarters reported RWA remained virtually unchanged even though Basel I RWA decreased with 19bn SEK.

The above means that un-floored Basel II RWA was 28 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. The current best estimate indicates that this would mean a reduction in total RWA (compared with Basel I, and as a business cycle average) of 35 per cent. This cannot be equated with a similar capital release, however, due to the new framework's increased business cycle sensitivity, supervisory evaluation and rating agency considerations. In addition the estimate will certainly be affected by the proposed revisions to the international capital framework

("Basel III") as published by the Basel Committee in 2009 and 2010. SEB participated in the Basel Committee's impact study concerned with the proposal.

The following table exposes average risk weights (RWA divided by EAD, Exposure At Default) for exposures where RWA is calculated following the IRB approach. Repo-style 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) **Average risk weight**	**30 Sep 2010**	**31 Dec 2009**
Institutions	17,8%	17,5%
Corporates	59,1%	57,8%
Securitisation positions	22,4%	22,6%
Retail mortgages	17,2%	17,2%
Other retail exposures	38,7%	38,5%

Risk class migration increased RWA for corporate exposures with SEK 5bn over the three quarters. No migration effect was recorded for inter-bank exposures but the average risk weight increased slightly since the overall volume decrease was not proportional over risk classes.

Income statement – Skandinaviska Enskilda Banken AB (publ)

In accordance with FSA regulations	Q3	Q2		Q3		Jan - Sep			Full year
SEK m	2010	2010	%	2009	%	2010	2009	%	2009
Interest income	7 168	6 529	10	7 249	-1	19 947	27 144	-27	33 420
Leasing income	1 367	1 361	0	1 404	-3	4 081	4 421	-8	5 800
Interest expense	-4 974	-4 524	10	-5 077	-2	-14 005	-19 498	-28	-24 151
Dividends	754	152		19		1 140	296		2 757
Fee and commission income	1 988	2 230	-11	1 836	8	6 080	5 718	6	7 851
Fee and commission expense	- 360	- 413	-13	- 368	-2	-1 140	-1 206	-5	-1 636
Net financial income	705	1 119	-37	815	-13	2 790	3 208	-13	4 065
Other income	3	118	-97	191	-98	315	2 260	-86	2 811
Total operating income	**6 651**	**6 572**	***1***	**6 069**	***10***	**19 208**	**22 343**	***-14***	**30 917**
Administrative expenses	-3 215	-3 579	-10	-2 722	18	-10 076	-9 287	8	-12 117
Depreciation, amortisation and impairment of tangible and intangible assets	-1 159	-1 162	0	-1 171	-1	-3 465	-3 601	-4	-5 125
Total operating expenses	**-4 374**	**-4 741**	***-8***	**-3 893**	***12***	**-13 541**	**-12 888**	***5***	**-17 242**
Profit before credit losses	**2 277**	**1 831**	***24***	**2 176**	***5***	**5 667**	**9 455**	***-40***	**13 675**
Net credit losses	- 6			- 138	-96	- 177	- 747	-76	- 984
Impairment of financial assets	3	- 412	-101			- 449	- 747	-40	-1 222
Operating profit	**2 274**	**1 419**	***60***	**2 038**	***12***	**5 041**	**7 961**	***-37***	**11 469**
Appropriations	4	2	100	- 1		5	- 3		-1 510
Income tax expense	- 889	- 620	43	- 952	-7	-2 436	-1 322	84	-1 451
Other taxes		- 53	-100	- 228		- 53	-1 540	-97	-1 544
Net profit	**1 389**	**748**	***86***	**857**	***62***	**2 557**	**5 096**	***-50***	**6 964**

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

	Q3	Q2		Q3		Jan - Sep			Full year
SEK m	2010	2010	%	2009	%	2010	2009	%	2009
Net profit	**1 389**	**748**	***86***	**857**	***62***	**2 557**	**5 096**	***-50***	**6 964**
Translation of foreign operations	-19	23	-183	14		-37	-179	-79	- 96
Available-for-sale financial assets	213	-454	-147	840	-75	-114	949	-112	1 053
Cash flow hedges	-119	-217	-45	-477	-75	-478	-973	-51	- 965
Group contributions	503	216	133	416	21	1 004	452	122	662
Other	-92	-67	37	19		-155	128		146
Other comprehensive income (net of tax)	**486**	**- 499**	**- 197**	**812**	***-40***	**220**	**377**	**- 42**	**800**
Total comprehensive income	**1 875**	**249**		**1 669**	***12***	**2 777**	**5 473**	**- 49**	**7 764**

Balance sheet - Skandinaviska Enskilda Banken AB (publ)

Condensed SEK m	30 Sep 2010	31 Dec 2009	30 Sep 2009
Cash and cash balances with central banks	5 552	21 815	5 999
Loans to credit institutions	294 735	376 223	288 523
Loans to the public	760 953	732 475	734 430
Financial assets at fair value	379 773	304 675	342 562
Available-for-sale financial assets	18 907	16 331	18 057
Held-to-maturity investments	3 758	3 789	3 877
Investments in associates	942	907	1 034
Shares in subsidiaries	55 755	59 325	56 856
Tangible and intangible assets	41 016	41 354	40 625
Other assets	48 238	39 022	30 748
Total assets	**1 609 629**	**1 595 916**	**1 522 711**
Deposits from credit institutions	247 282	386 530	336 598
Deposits and borrowing from the public	469 082	490 850	433 158
Debt securities	490 187	368 784	391 921
Financial liabilities at fair value	224 375	176 604	182 882
Other liabilities	60 965	48 886	53 076
Provisions	189	496	501
Subordinated liabilities	29 453	35 498	40 113
Untaxed reserves	22 642	22 645	21 137
Total equity	65 454	65 623	63 325
Total liabilities, untaxed reserves and shareholders' equity	**1 609 629**	**1 595 916**	**1 522 711**

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

SEK m	30 Sep 2010	31 Dec 2009	30 Sep 2009
Collateral pledged for own liabilities	159 882	268 284	323 665
Other pledged collateral	45 791	47 031	31 639
Contingent liabilities	61 907	64 045	62 362
Commitments	289 238	275 203	264 278