

Interim Report January – June 2013

STOCKHOLM 15 JULY 2013

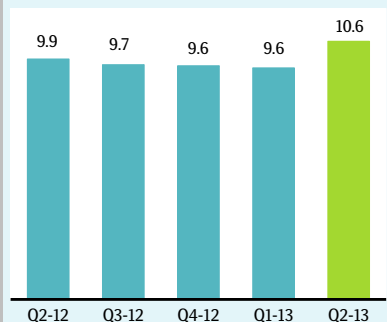
” During the first six months, we continued to strengthen our franchise and made clear progress towards our financial targets.”

Annika Falkengren

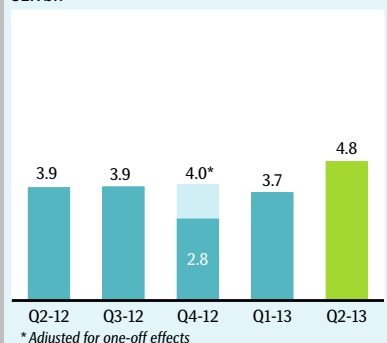


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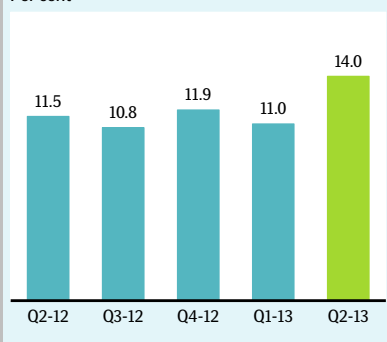
Operating income SEK bn



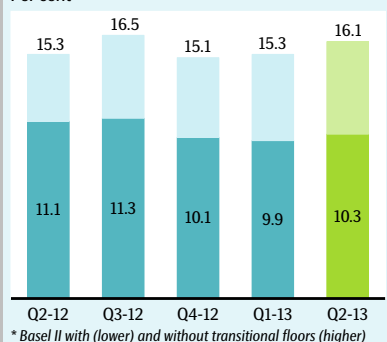
Operating profit SEK bn



Return on Equity Per cent



Core Tier 1 capital ratio* Per cent



First half year 2013 – SEK 8.5bn operating profit

(compared to the first half year 2012)

- Operating profit up 13 per cent to SEK 8.5bn (7.5).
- Operating income SEK 20.2bn (19.5). Operating expenses SEK 11.2bn (11.5).
- Net interest income SEK 9.1bn (8.7), net fee and commission income SEK 7.1bn (6.7) and net financial income SEK 2.0bn (2.5).
- Net credit provisions SEK 0.5bn (0.5) and a credit loss level of 0.08 per cent (0.07).
- Net profit SEK 6.8bn (5.6).
- Return on equity 12.5 per cent (10.8) and earnings per share SEK 3.10 (2.54).

Second quarter 2013 – SEK 4.8bn operating profit

(compared to the second quarter 2012)

- Operating profit up 23 per cent to SEK 4.8bn (3.9).
- Operating income SEK 10.6bn (9.9). Operating expenses SEK 5.6bn (5.8).
- Net interest income SEK 4.7bn (4.5), net fee and commission income SEK 3.8bn (3.4) and net financial income SEK 1.1bn (1.1).
- Net credit provisions SEK 0.3bn (0.3) and a credit loss level of 0.09 per cent (0.08).
- Net profit SEK 3.8bn (3.0).
- Return on equity 14.0 per cent (11.5) and earnings per share SEK 1.73 (1.35).

Volumes

- Lending to the public amounted to SEK 1,290bn, an increase of SEK 54bn from year-end and 42bn from one year ago.
- Deposits from the public amounted to SEK 898bn, up by SEK 36bn from year-end and SEK 39bn from one year ago.

Capital and funding

- The core Tier 1 capital ratio was 16.1 per cent and the Tier 1 capital ratio was 17.4 per cent. The Common Equity Tier 1 ratio (Basel III) according to best estimate was 14.2 per cent.
- The liquidity coverage ratio was 114 per cent.
- The core liquidity reserve amounted to SEK 411bn and the total liquid resources amounted to SEK 686bn.

President's comment

Following the elevated market anxiety after the bail-out of Cyprus in the first quarter, economic data turned slightly more positive this quarter. Clearly, the central banks' unprecedented liquidity support has mitigated the risks in the real economy. This is slowly impacting the euro-zone, even though the long-term political challenges remain for the structural reforms necessary to bring down debt levels. The Federal Reserve's indication to reduce its liquidity support as the economy recovers is therefore fundamentally a good sign. In SEB's main market, the Nordic region, the Swedish economy has rebounded somewhat although the export sector is still hampered by the low growth in Europe. In early July, the Council of the European Union invited Latvia as the second Baltic country to join the euro. Latvia must be acknowledged for the substantial measures undertaken to restructure the economy since the sharp downturn in 2008.

All in all, we see a cautiously more positive business sentiment among our customers with activity levels picking up.

Stronger franchise with more full-service customers

SEB reported an operating profit of SEK 4.8bn in the second quarter, up 29 per cent versus the first quarter. The strong result partly reflects the normal spring seasonality, but more importantly, it is a testimony to the investments we have made over the past years in our franchise and broader customer base. Corporate customers in the Nordic countries and Germany are inclined to do more ancillary business with us and we continue to attract new customers; 52 large corporates in the first six months. The number of full service customers in the SME and private segment in our Swedish retail banking business has also grown; since year-end by 6,100 and close to 10,000 respectively. In Private Banking, we attracted SEK 16bn in net new money during the first half of this year.

Higher profitability

We continue to increase our operating leverage and thus SEB's return on equity increased to 12.5 percent for the first six months of 2013. Operating income grew by 4 per cent to SEK 20.2bn. Costs were down by 3 per cent to SEK 11.2bn and remained on target. Both asset quality and capital generation remained strong. The Common Equity Tier 1 ratio (Basel III) was 14.2 per cent.

Regulatory framework yet to be finalised

Around the end of the quarter a host of announcements on the new regulatory framework was made public including revised leverage levels from the Basel Committee as well as a report on regulatory consistency of risk-weighted assets and bail-in debt levels within the EU Bank Recovery and Resolution Directive. The EU also finally passed the new directive on capital. In Sweden, the FSA decided on 15 per cent risk-weights on mortgage lending.

While we embrace the joint efforts to create a resilient global financial sector, the regulatory framework has grown more and more complex with different adaptations at the international, regional and national levels. The risk for the cumulative regulatory effects hampering economic growth cannot be ruled out.

Long-term direction remains

SEB's long-term direction as the leading Nordic bank for large corporates and institutions and top universal bank in Sweden and the Baltic countries remains. We never compromise on our balance sheet strength to remain a credible long-term financial partner. We have dedicated people in our bank and the whole SEB team stays true to our strong belief that long-term customer relationships drive competitive and sustainable profitability.



#1 arranger corporate bonds in Sweden

Prospera 2013

SEK 16bn net inflow in Private Banking

H1 2013

14.2% Common Equity Tier 1 ratio

Basel III, June 2013

The Group

Second quarter isolated

Operating profit amounted to SEK 4,783m (3,889). *Net profit from continuing operations* was SEK 3,808m (3,056). *Net profit (after tax)*, including the net result from discontinued operations, amounted to SEK 3,791m (2,970).

Operating income

Total operating income amounted to SEK 10,648m (9,916).

Net interest income increased to SEK 4,677m (4,530).

	Q2	Q1	Q2
SEK m	2013	2013	2012
Customer-driven NII	4 127	4 067	3 959
NII from other activities	550	392	571
Total	4 677	4 459	4 530

The customer-driven net interest income increased by SEK 168m, or 4 per cent, compared to the second quarter in 2012. Higher volumes offset the negative effect from a full one per cent average lower short-term rates. Compared to the first quarter 2013, the customer-driven net interest income increased by SEK 60m, or 1 per cent, due to volume growth. Net margins were relatively stable reflecting stable short-term rates.

Net interest income from other activities decreased by SEK 21m compared with the corresponding quarter 2012 and was SEK 158m higher from the previous quarter. Funding costs decreased which reflected SEB's enhanced position as a strong issuer. In the previous quarter, the Bank pre-financed roll-overs in the second quarter which increased funding costs in the first quarter.

Net fee and commission income amounted to SEK 3,811m (3,449), an increase of 10 per cent year-on-year and 17 per cent during the quarter. The activity level overall was somewhat higher than a year ago. Combined with normal seasonality, e.g. in securities finance and the card business, income increased compared to the previous quarter.

Net financial income decreased by 4 per cent to SEK 1,087m (1,127). Compared to the first quarter, net financial income increased by 14 per cent. The contribution from the divisions increased to SEK 1.2bn, which is in line with the average level during the last years.

Net life insurance income decreased by 16 per cent compared to the second quarter 2012, to SEK 689m. Higher long-term interest rates and declining stock markets had a negative impact on the life portfolios during the quarter.

Net other income amounted to SEK 384m (-11). During the quarter, SEK 1bn of subordinated debt was repurchased which gave a net positive effect of SEK 201m. There were also gains from sales of securities and dividend income.

Operating expenses

Total operating expenses amounted to SEK 5,585m (5,754), a decrease of 3 per cent year-on-year.

Credit losses and provisions

Provisions for credit losses amounted to SEK 291m (269). The credit loss level for the total operations was 9 basis points. The provisions for credit losses for the Group, excluding the Baltic region, equalled a credit loss level of 7 basis points in the quarter. The provisions in the Baltic region increased and corresponded to a credit loss level of 31 basis points in the quarter.

Non-performing loans were unchanged from the first quarter and amounted to SEK 12.5bn, reflecting that asset quality continued to be strong. One year ago, the non-performing loans amounted to SEK 16.4bn. In the second quarter, the declining trend in non-performing loans continued, but was partly offset by the weakening Swedish krona.

Individually assessed impaired loans amounted to SEK 7.2bn and the *portfolio assessed loans past due >60 days* amounted to SEK 4.9bn.

Income tax expense

Total income tax expense was SEK 975m (833) which corresponded to an effective tax rate of 20 per cent, in line with the estimated effective tax rate for the full year 2013.

Discontinued operations

The net result from *discontinued operations* was SEK -17m (-86).

Comparative numbers - in parenthesis - for the income statement refer to the corresponding period 2012. Business volumes are compared to 30 June 2012 unless otherwise defined.

The first half year

Operating profit increased by 13 per cent to SEK 8,500m (7,539).

Net profit from continuing operations was SEK 6,820m (5,913). Net profit (after tax), including the net result from discontinued operations, amounted to SEK 6,803m (5,581).

Operating income

Total operating income amounted to SEK 20,199m (19,505).

Net interest income increased to SEK 9,136m (8,711).

SEK m	Jan - Jun		Change
	2013	2012	%
Customer-driven NII	8 194	7 860	4
NII from other activities	942	851	11
Total	9 136	8 711	5

The customer-driven net interest income increased by SEK 334m, or 4 per cent, compared to the first six months 2012. This was due to volume growth and stable net interest margins despite the lower short-term rates. Average volumes of loans to and deposits from the public grew by 6 and 3 per cent, respectively.

Net interest income from other activities increased by SEK 91m. Funding costs decreased. The yield in the liquidity portfolio decreased to a lesser degree.

Net fee and commission income was SEK 7,058m (6,713). Capital markets income and lending arrangement fees increased while advisory fees remained low.

Net financial income amounted to SEK 2,041m (2,506). The majority of the reduction is due to valuation gains on the liquidity portfolio in 2012. In addition, lower volatility resulted in lower income in 2013. Income in the trading operations, which is customer driven, continued to display a high level of stability with increased activity in the debt capital markets business.

Net life insurance income amounted to SEK 1,571m (1,736). Higher long-term interest rates and declining stock markets during the second quarter had a negative impact on traditional life portfolios. Income from unit-linked policies grew by 2 per cent.

Net other income increased to SEK 393m (-161) due to a net positive effect of SEK 201m from repurchased subordinated debt in 2013 and realised losses from the sale of securities classified as Available for sale in 2012.

Operating expenses

Total operating expenses decreased by 3 per cent compared to the first half year 2012, to SEK 11,173m. Staff costs were 2 per cent lower and the number of employees 5 per cent lower. Other expenses fell by 6 per cent.

Credit losses and provisions

Provisions for credit losses amounted to SEK 547m (475). The credit loss level amounted to 8 basis points for the first six months. The provisions for credit losses for the Group, excluding the Baltic region, equaled a credit loss level of 6 basis points for the first six months. The provisions in the

Baltic region increased compared with the same period 2012 and corresponded to a credit loss level of 35 basis points for the first six months.

Non-performing loans amounted to SEK 12.5bn, which was 24 per cent lower than one year ago.

Individually assessed impaired loans decreased by SEK 2.6bn compared to one year ago while the portfolio assessed loans past due >60 days decreased by SEK 1.2bn.

Income tax expense

Total income tax expense was SEK 1,680m (1,626) which corresponded to an effective tax rate of 20 per cent, in line with the estimated effective tax rate of 20 per cent for the full year 2013.

Discontinued operations

The net result from discontinued operations was SEK -17m (-332).

Business volumes

Total assets at 30 June 2013 amounted to SEK 2,596bn (2,370). Loans to the public increased to SEK 1,290bn, an increase of SEK 42bn during the last 12 months and of SEK 54bn since year-end.

SEK bn	Jun	Dec	Jun
	2013	2012	2012
Public	56	55	58
Private individuals	483	467	450
Corporate	645	613	606
Repos	83	76	105
Debt instruments	23	25	29
Loans to the public	1 290	1 236	1 248

Deposits from the public amounted to SEK 898bn, up by SEK 36bn and SEK 39bn, from year-end and one year ago respectively.

SEB's total credit portfolio increased to SEK 1,858bn (1,743). At year-end, the credit portfolio amounted to SEK 1,777bn. Household volumes increased by SEK 22bn during the first six months. The combined corporate and property management portfolios grew by SEK 66bn in the same period, of which the currency effect was SEK 10bn.

At 30 June 2013, assets under management amounted to SEK 1,387bn (1,261). This was an increase from the year-end level of SEK 1,328bn. The net inflow of assets for the first half of 2013 was SEK 18bn and the market value increased by SEK 41bn. Assets under custody amounted to SEK 5,411bn (4,989).

Market risk

The trading business is customer flow-driven. This is confirmed by the fact that there were only two loss-making days during the first six months. During the first half of 2013, Value-at-Risk in the trading operations averaged SEK 159m. On average, the Group is not expected to lose more than this

amount during a period of ten trading days, with 99 per cent probability.

Liquidity and long-term funding

SEB's loan-to-deposit ratio was 134 per cent (131), excluding repos and debt instruments. During the first half year, SEK 41bn of long-term funding matured and SEK 58bn were issued. 73 per cent of the new issuance was covered bonds.

The core liquidity reserve at the end of June 2013 amounted to SEK 411bn (339). The total liquid resources, including net trading assets and unutilised collateral in the cover pool, amounted to SEK 686bn (537). As of 1 January 2013, the Swedish Financial Supervisory Authority requires a Liquidity Coverage Ratio (LCR), according to rules adapted for Sweden, of 100 per cent in total and in EUR and USD, separately. At the end of the period, the LCR was 114 per cent (108). The USD and EUR LCRs were 184 and 159 per cent, respectively.

SEB's internal structural liquidity measure, the Core Gap which measures the proportion of stable funding in relation to illiquid assets, has been stable above 110 per cent in the last years reflecting the Bank's commitment to a stable funding base. SEB's structural liquidity measure according to the Swedish Central Bank in its Financial Stability Reports has been in the mid-eighties in the last years. The Basel Committee's Net Stable Funding Ratio (NSFR) is still a crude measure in its current form and it remains subject to review internationally.

Capital position

The core Tier 1 capital ratio improved while the Tier 1 capital ratio decreased in the first six months. This was mainly due to a regulatory change to deduct investments in insurance companies by half from Tier 1 and half from Tier 2 capital, rather than from the total capital base which was the rule applied until the end of 2012. SEB's reported capital ratios at year-end 2012 were negatively impacted by the transition effect from the implementation of the amendments to IAS 19 Employee benefits for defined benefit plans, an unrealised effect of SEK 7.9bn.

During 2013 SEB continued to align the framework for capital allocation to the Basel III regulation. As a consequence, SEB allocated more capital, in the amount of SEK 23bn, to the divisions from the central function in the first quarter 2013.

	Jun	Dec	Jun
	2013	2012	2012
Basel II			
Core Tier 1 capital ratio, %	16.1	15.1	15.3
Tier 1 capital ratio, %	17.4	17.5	17.5
RWA, SEK bn	593	586	632
<i>Including transitional floor:</i>			
Core Tier 1 capital ratio, %	10.3	10.1	11.1
Tier 1 capital ratio, %	11.1	11.6	12.8
RWA, SEK bn	929	879	867

Basel III

Common Equity Tier 1 capital ratio, %*	14.2	13.1
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*SEB's estimate based on current knowledge of future regulation.

In May 2013, the Swedish Financial Supervisory Authority decided to implement a 15 per cent floor on the Swedish mortgage portfolio risk-weights. The floor will be implemented as a so-called Pillar 2 charge and the capital ratios which are reported according to Pillar 1 (in the adjacent table), will not be affected. SEB has already allocated additional capital to the residential mortgage business in line with the stipulated floor risk-weight.

As of 30 June, based on an average risk-weight of approximately 8 per cent for the Swedish residential mortgage lending under Pillar 1 and the Swedish Common Equity Tier 1 requirement of 12 per cent (from 2015), SEB would be required to hold additional Common Equity Tier 1 capital in the amount of approximately SEK 3bn. This corresponds to approximately 50 basis points on the Common Equity Tier 1 capital ratio under Pillar 1.

Rating

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

Long-term financial targets

SEB's long-term financial targets are to:

- pay a yearly dividend that is 40 per cent or above of the earnings per share,
- target a Common Equity Tier 1 ratio (Basel III) of 13 per cent, and
- generate return on equity that is competitive with peers.

This means that the Bank in the long-term aspires to reach a return on equity of 15 per cent.

As of 30 June 2013, the Common Equity Tier 1 ratio (Basel III) was 14.2 per cent and the return on equity for the first six months 12.5 per cent.

Risks and uncertainties

The macroeconomic environment is the major driver of risk to the Group's earnings and financial stability. In particular, it affects the asset quality and thereby the credit risk of the Group. The medium-term outlook for the global economy is characterised by uncertainty. The global policy measures to limit the risk of severe shocks to the economy have created more stability to the financial system. However, a prolonged period of weak economic growth cannot be ruled out.

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

The international Basel III regulatory framework in relation to capital, liquidity and funding standards could have long-term effects on asset and liability management and profitability of the banking sector. These aspects remain to be decided and implemented in Sweden, while the EU has adopted the regulatory framework.

Stockholm, 15 July 2013

The Board of Directors and the President declare that the Interim Accounts for January-June 2013 provide a fair overview of the Parent Company's and the Group's operations, their financial position and results and describe material risks and uncertainties facing the Parent Company and the Group.

Marcus Wallenberg
Chairman

Urban Jansson
Deputy chairman

Jacob Wallenberg
Deputy chairman

Johan H. Andresen
Director

Signhild Arnegård Hansen
Director

Samir Brikho
Director

Winnie Fok
Director

Birgitta Kantola
Director

Tomas Nicolin
Director

Sven Nyman
Director

Magdalena Olofsson
Director*

Jesper Ovesen
Director

Pernilla Pählman
Director*

Annika Falkengren
President and Chief Executive Officer

* appointed by the employees

Press conference and webcasts

The press conference at 8.30 am (CEST) on 15 July 2013 at Kungsträdgårdsgatan 8 with President and CEO Annika Falkengren can be followed live in Swedish on www.sebgroup.com/sv/ir. A simultaneous translation into English will be available on www.sebgroup.com/ir. A replay will also be available afterwards.

Access to telephone conference

The telephone conference at 3 pm (CEST) on 15 July 2013 with the President and CEO Annika Falkengren, the CFO Jan Erik Back and the Head of Investor Relations Ulf Grunnesjö, can be accessed by telephone, +44(0)20 7131 2799. Please quote conference id: 933313, not later than 10 minutes in advance. A replay of the conference call will be available on www.sebgroup.com/ir.

Financial information calendar

24 October 2013 Interim report Jan-Sep 2013
5 February 2014 Annual accounts 2013

Further information is available from:

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www.sebgroup.com
Corporate organisation number: 502032-9081

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

Accounting policies

This Interim Report is presented in accordance with IAS 34 Interim Financial Reporting. The Group's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the European Commission. The accounting follows the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulation and general guidelines issued by the Swedish Financial Supervisory Authority: Annual reports in credit institutions and securities companies (FFFS 2008:25). In addition, the Supplementary accounting rules for groups (RFR 1) from the Swedish Financial Reporting Board have been applied. The Parent company has prepared its accounts in accordance with Swedish Annual Act for Credit Institutions and Securities Companies, the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) on annual reports in credit institutions and securities companies and the supplementary accounting rules for legal entities (RFR 2) issued by the Swedish Financial Reporting Board.

As of the 2013 financial year, IFRS 13 Fair Value Measurement comes into effect for application in the EU. The

standard contains joint principles for fair value measurement of most assets and liabilities at fair value, and for which information about fair value must be disclosed. The application of IFRS 13 does not affect the reported values for financial instruments to any significant degree. In accordance with IAS 1 Presentation of Financial Statements the presentation of Comprehensive Income has been amended so that items that can be reclassified to profit or loss later are separated from the items that cannot. In addition to this, amendments in IFRS 7 Financial Instruments: Disclosures and the introduction of IFRS 13 require further disclosures about off-setting of financial instruments and financial instruments at fair value. In all other material aspects, the Group's and the Parent company's accounting policies, basis for calculations and presentations are unchanged in comparison with the 2012 Annual Report.

In 2012, SEB opted for early adoption of the amendments in IAS 19 Employee Benefits for defined benefit plans. More information regarding the restatement of comparable figures can be found on page 33 in the Annual Accounts 2012 and in note 54 of the Annual Report 2012.

Review report

We have reviewed this report for the period 1 January 2013 to 30 June 2013 for Skandinaviska Enskilda Banken AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

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

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

Stockholm, 15 July 2013

PricewaterhouseCoopers AB

Peter Nyllinge
Authorised Public Accountant
Partner in charge

Magnus Svensson Henryson
Authorised Public Accountant

The SEB Group

Income statement – SEB Group

SEK m	Q2			Q1			Q2			Jan - Jun			Full year
	2013	2013	%	2012	%	2013	2012	%	2013	2012	%	2012	
Net interest income	4 677	4 459	5	4 530	3	9 136	8 711	5	17 635				
Net fee and commission income	3 811	3 247	17	3 449	10	7 058	6 713	5	13 620				
Net financial income	1 087	954	14	1 127	-4	2 041	2 506	-19	4 579				
Net life insurance income	689	882	-22	821	-16	1 571	1 736	-10	3 428				
Net other income	384	9		-11		393	-161		-439				
Total operating income	10 648	9 551	11	9 916	7	20 199	19 505	4	38 823				
Staff costs	-3 613	-3 556	2	-3 704	-2	-7 169	-7 322	-2	-14 596				
Other expenses	-1 481	-1 581	-6	-1 590	-7	-3 062	-3 243	-6	-6 444				
Depreciation, amortisation and impairment of tangible and intangible assets	-491	-451	9	-460	7	-942	-924	2	-2 612				
Total operating expenses	-5 585	-5 588	0	-5 754	-3	-11 173	-11 489	-3	-23 652				
Profit before credit losses	5 063	3 963	28	4 162	22	9 026	8 016	13	15 171				
Gains less losses from disposals of tangible and intangible assets	11	10	10	-4		21	-2		1				
Net credit losses	-291	-256	14	-269	8	-547	-475	15	-937				
Operating profit	4 783	3 717	29	3 889	23	8 500	7 539	13	14 235				
Income tax expense	-975	-705	38	-833	17	-1 680	-1 626	3	-2 093				
Net profit from continuing operations	3 808	3 012	26	3 056	25	6 820	5 913	15	12 142				
Discontinued operations	-17			-86	-80	-17	-332	-95	-488				
Net profit	3 791	3 012	26	2 970	28	6 803	5 581	22	11 654				
Attributable to minority interests	1	3	-67	6	-83	4	11	-64	22				
Attributable to shareholders	3 790	3 009	26	2 964	28	6 799	5 570	22	11 632				
Continuing operations													
Basic earnings per share, SEK	1.74	1.37		1.39		3.11	2.69		5.53				
Diluted earnings per share, SEK	1.72	1.36		1.39		3.09	2.69		5.51				
Total operations													
Basic earnings per share, SEK	1.73	1.37		1.35		3.10	2.54		5.31				
Diluted earnings per share, SEK	1.72	1.36		1.35		3.08	2.53		5.29				

Statement of comprehensive income – SEB Group

SEK m	Q2			Q1			Q2			Jan - Jun			Full year
	2013	2013	%	2012	%	2013	2012	%	2013	2012	%	2012	
Net profit	3 791	3 012	26	2 970	28	6 803	5 581	22	11 654				
<i>Items that may subsequently be reclassified to the income statement:</i>													
Available-for-sale financial assets	-65	477	-114	-66	-2	412	359	15	1 276				
Cash flow hedges	-650	-548	19	329		-1 198	-258		581				
Translation of foreign operations	972	-643		-85		329	-225		-670				
<i>Items that will not be reclassified to the income statement:</i>													
Defined benefit plans	-91	776	-112	-984	-91	685	-346		-2 003				
Other comprehensive income (net of tax)	166	62	168	- 806	-121	228	- 470	-149	- 816				
Total comprehensive income	3 957	3 074	29	2 164	83	7 031	5 111	38	10 838				
Attributable to minority interests	2	-1		5	-60	1	16	-94	22				
Attributable to shareholders	3 955	3 075	29	2 159	83	7 030	5 095	38	10 816				

Balance sheet – SEB Group

SEK m	30 Jun 2013	31 Dec 2012	30 Jun 2012
Cash and cash balances with central banks	238 469	191 445	81 307
Other lending to central banks	5 146	17 718	105 693
Loans to other credit institutions ¹⁾	136 914	126 023	117 796
Loans to the public	1 290 222	1 236 088	1 248 166
Financial assets at fair value *	790 280	725 938	679 379
Available-for-sale financial assets *	46 594	50 599	51 308
Held-to-maturity investments *	84	82	128
Investments in associates	1 237	1 252	1 387
Tangible and intangible assets	29 246	28 494	29 632
Other assets	57 445	75 817	55 451
Total assets	2 595 637	2 453 456	2 370 247
Deposits from central banks and credit institutions	228 544	170 656	211 505
Deposits and borrowing from the public	898 461	862 260	859 576
Liabilities to policyholders	296 125	285 973	276 597
Debt securities	701 784	661 851	589 690
Other financial liabilities at fair value	254 308	237 001	228 944
Other liabilities	81 043	96 349	69 822
Provisions	3 186	5 572	6 985
Subordinated liabilities	22 806	24 281	22 979
Total equity	109 380	109 513	104 149
Total liabilities and equity	2 595 637	2 453 456	2 370 247
* Of which bonds and other interest bearing securities including derivatives.	462 075	460 423	438 886

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

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

Pledged assets, contingent liabilities and commitments – SEB Group

SEK m	30 Jun 2013	31 Dec 2012	30 Jun 2012
Collateral pledged for own liabilities ¹⁾	382 967	352 459	350 937
Assets pledged for liabilities to insurance policyholders	296 125	288 721	276 597
Collateral and comparable security pledged for own liabilities	679 092	641 180	627 534
Other pledged assets and comparable collateral ²⁾	129 737	135 372	128 914
Contingent liabilities	97 038	94 175	95 190
Commitments	447 146	407 423	389 553

1) Of which collateralised for covered bonds SEK 321,404m (320,859 / 298,691).

2) Securities lending SEK 76,366m (66,675 / 41,108) and pledged but unencumbered bonds SEK 53,371m (68,697 / 87,806).

Key figures – SEB Group

	Q2	Q1	Q2	Jan - Jun		Full year
	2013	2013	2012	2013	2012	2012
Continuing operations						
Return on equity, continuing operations, %	14.08	11.03	11.83	12.50	11.42	11.52
Basic earnings per share, continuing operations, SEK	1.74	1.37	1.39	3.11	2.69	5.53
Diluted earnings per share, continuing operations, SEK	1.72	1.36	1.39	3.09	2.69	5.51
Cost/income ratio, continuing operations	0.52	0.59	0.58	0.55	0.59	0.61
Number of full time equivalents, continuing operations ¹⁾	16 004	15 946	16 747	15 966	16 734	16 578
Total operations						
Return on equity, %	14.02	11.03	11.50	12.47	10.78	11.06
Return on total assets, %	0.58	0.48	0.50	0.53	0.47	0.48
Return on risk-weighted assets, %	1.66	1.37	1.39	1.52	1.32	1.36
Basic earnings per share, SEK	1.73	1.37	1.35	3.10	2.54	5.31
Weighted average number of shares, millions ²⁾	2 189	2 192	2 192	2 190	2 191	2 191
Diluted earnings per share, SEK	1.72	1.36	1.35	3.08	2.53	5.29
Weighted average number of diluted shares, millions ³⁾	2 208	2 210	2 196	2 208	2 198	2 199
Net worth per share, SEK	55.93	54.94	53.38	55.93	53.38	56.33
Equity per share, SEK	49.93	48.53	47.38	49.93	47.38	49.92
Average shareholders' equity, SEK, billion	108.2	109.1	103.1	109.0	103.4	105.2
Credit loss level, %	0.09	0.07	0.08	0.08	0.07	0.08
Liquidity Coverage Ratio (LCR) ⁴⁾ , %	114	111	108	114	108	113
Capital adequacy including transitional floor ⁵⁾ :						
Risk-weighted assets, SEK billion	929	901	867	929	867	879
Core Tier 1 capital ratio, %	10.28	9.88	11.12	10.28	11.12	10.05
Tier 1 capital ratio, %	11.12	10.82	12.79	11.12	12.79	11.65
Total capital ratio, %	11.29	11.20	12.31	11.29	12.31	11.47
Capital adequacy without transitional floor (Basel II):						
Risk-weighted assets, SEK billion	593	583	632	593	632	586
Core Tier 1 capital ratio, %	16.10	15.26	15.25	16.10	15.25	15.09
Tier 1 capital ratio, %	17.43	16.71	17.54	17.43	17.54	17.48
Total capital ratio, %	17.70	17.30	16.88	17.70	16.88	17.22
Number of full time equivalents ¹⁾	16 023	15 966	16 813	15 985	17 364	16 925
Assets under custody, SEK billion	5 411	5 443	4 989	5 411	4 989	5 191
Assets under management, SEK billion	1 387	1 374	1 261	1 387	1 261	1 328
Discontinued operations						
Basic earnings per share, discontinued operations, SEK	-0.01	0.00	-0.04	-0.01	-0.15	-0.22
Diluted earnings per share, discontinued operations, SEK	-0.01	0.00	-0.04	-0.01	-0.15	-0.22

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

2) The number of issued shares was 2,194,171,802. SEB owned 2,188,734 Class A shares for the employee stock option programme at year end 2012. During 2013 SEB has repurchased 15,000,000 shares and 12,926,577 shares have been sold as employee stock options have been exercised. Thus, as at 30 June 2013 SEB owned 4,262,157 Class A-shares with a market value of SEK 273m.

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

4) According to Swedish FSA regulations for respective period.

5) 80 per cent of RWA in Basel I

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

Income statement on quarterly basis - SEB Group

SEK m	Q2	Q1	Q4	Q3	Q2
	2013	2013	2012	2012	2012
Net interest income	4 677	4 459	4 458	4 466	4 530
Net fee and commission income	3 811	3 247	3 715	3 192	3 449
Net financial income	1 087	954	982	1 091	1 127
Net life insurance income	689	882	831	861	821
Net other income*	384	9	- 349	71	- 11
Total operating income	10 648	9 551	9 637	9 681	9 916
Staff costs	-3 613	-3 556	-3 672	-3 602	-3 704
Other expenses	-1 481	-1 581	-1 628	-1 573	-1 590
Depreciation, amortisation and impairment of tangible and intangible assets**	- 491	- 451	-1 224	- 464	- 460
Total operating expenses	-5 585	-5 588	-6 524	-5 639	-5 754
Profit before credit losses	5 063	3 963	3 113	4 042	4 162
Gains less losses from disposals of tangible and intangible assets	11	10	2	1	- 4
Net credit losses	- 291	- 256	- 276	- 186	- 269
Operating profit	4 783	3 717	2 839	3 857	3 889
Income tax expense***	- 975	- 705	401	- 868	- 833
Net profit from continuing operations	3 808	3 012	3 240	2 989	3 056
Discontinued operations	- 17		- 1	- 155	- 86
Net profit	3 791	3 012	3 239	2 834	2 970
Attributable to minority interests	1	3	7	4	6
Attributable to shareholders	3 790	3 009	3 232	2 830	2 964
Continuing operations					
Basic earnings per share, SEK	1.74	1.37	1.47	1.36	1.39
Diluted earnings per share, SEK	1.72	1.36	1.47	1.36	1.39
Total operations					
Basic earnings per share, SEK	1.73	1.37	1.47	1.29	1.35
Diluted earnings per share, SEK	1.72	1.36	1.47	1.29	1.35

* Repurchase of covered bonds has had a negative effect on Net other income of SEK 402m in Q4 2012. Repurchase of subordinated debt gave a net positive effect of SEK 201m in Q2 2013.

** As a result of the strategic review of the IT development portfolio, non-used parts of the portfolio have been derecognised as intangible assets. The cost, SEK 753m, arising from this has been recognised in Q4 2012.

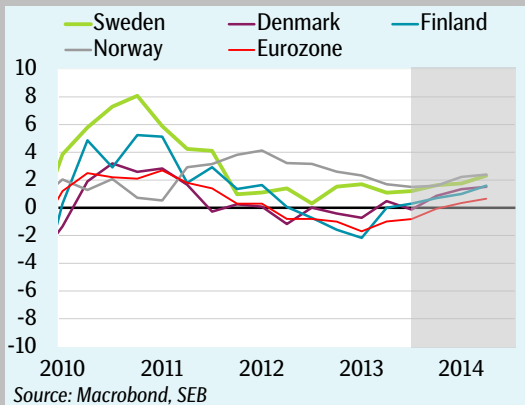
*** The positive income tax expense in Q4 2012 is a result of the reduction of the Swedish corporate tax rate, which has had a one-off effect of SEK 1.1bn from revaluation of deferred tax assets and liabilities.

Income statement by Division – SEB Group

Jan-Jun 2013, SEK m	Merchant Banking	Retail Banking	Wealth Management	Life	Baltic	Other incl eliminations	SEB Group
Net interest income	3 532	3 753	337	- 36	937	613	9 136
Net fee and commission income	2 594	1 976	1 653		474	361	7 058
Net financial income	1 855	194	90		190	- 288	2 041
Net life insurance income				2 242		- 671	1 571
Net other income	19	39	62		- 15	288	393
Total operating income	8 000	5 962	2 142	2 206	1 586	303	20 199
Staff costs	-1 850	-1 513	- 614	- 589	- 313	-2 290	-7 169
Other expenses	-2 217	-1 498	- 650	- 297	- 480	2 080	-3 062
Depreciation, amortisation and impairment of tangible and intangible assets	- 76	- 36	- 19	- 467	- 44	- 300	- 942
Total operating expenses	-4 143	-3 047	-1 283	-1 353	- 837	- 510	-11 173
Profit before credit losses	3 857	2 915	859	853	749	- 207	9 026
Gains less losses from disposals of tangible and intangible assets					21		21
Net credit losses	- 84	- 285			- 176	- 2	- 547
Operating profit	3 773	2 630	859	853	594	- 209	8 500

Wealth Management and Life are held in a new division: Life & Wealth Management, but are still presented separately.

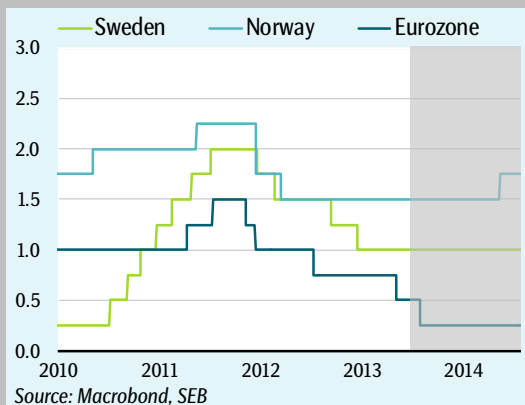
Macroeconomic development



Nordic and euro-zone GDP

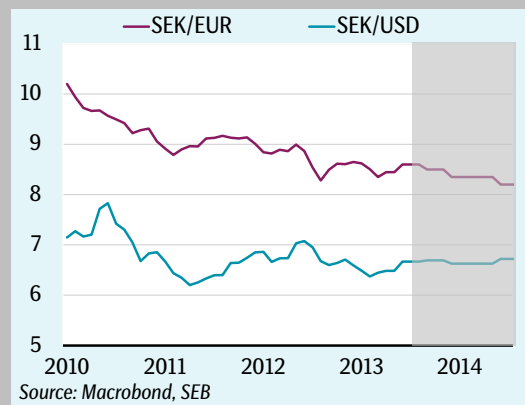
(year-on-year % change and SEB forecast)

- In Sweden, SEB's biggest market, SEB expects the recovery to be supported by fiscal policy growth initiatives.
- In Denmark growth remains weak, but SEB forecasts a gradual recovery.
- The underlying momentum in the Norwegian economy has improved after the 2012 deceleration.
- In Finland, SEB expects a mild recession in 2013.
- The euro-zone crisis is not over, but SEB expects GDP to stabilise towards the end of this year.



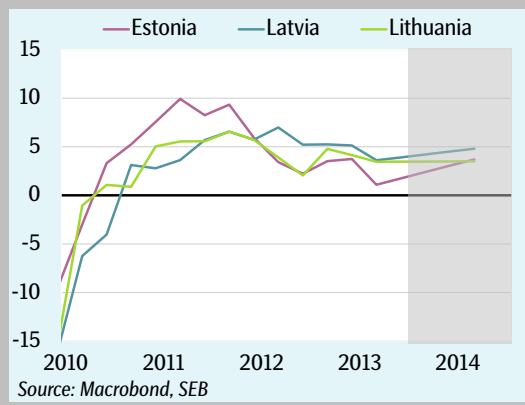
Key interest rate development and SEB forecast

- The accommodative and unconventional monetary policy in the euro-zone after the crises is continuing to create support for economic recovery.
- No interest rate hikes in the euro-zone in the near future are forecast by SEB. On the contrary, the interest rate is expected to be lowered.
- SEB expects the Swedish repo rate to remain at 1 per cent for an extended period.



Exchange rate development and SEB forecast

- During the second quarter 2013, the Swedish krona weakened against both the euro and the US dollar, by 5 and 4 per cent respectively.
- SEB expects a stronger Swedish krona, especially versus the euro, during 2013 and 2014.



Baltic GDP and SEB forecast

(year-on-year % change)

- For the third consecutive year, the Baltic countries are expected to be the fastest growing economies in the EU.
- Latvia is approved to join the euro-zone in 2014.

SEB's forecast reflects the view of the Bank's macroeconomists.

SEB's markets

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

Profit per country

Distribution by country Jan - Jun												
SEK m	Total operating income			Total operating expenses			Operating profit			Operating profit in local currency		
	2013	2012	%	2013	2012	%	2013	2012	%	2013	2012	%
Sweden	12 097	10 996	10	-7 311	-7 245	1	4 520	3 519	28	4 520	3 519	28
Norway	1 530	1 723	-11	-606	-699	-13	898	1 003	-10	792	855	-7
Denmark	1 447	1 558	-7	-656	-734	-11	759	793	-4	663	664	0
Finland	767	745	3	-308	-327	-6	454	416	9	53	47	13
Germany*	1 558	1 550	1	-836	-872	-4	725	646	12	85	72	18
Estonia**	548	612	-10	-255	-277	-8	330	369	-11	39	42	-7
Latvia**	472	508	-7	-244	-266	-8	87	115	-24	7	9	-22
Lithuania**	678	712	-5	-362	-433	-16	265	243	9	107	94	14
Other countries and eliminations	1 102	1 101	0	-595	-636	-6	462	435	6			
Total	20 199	19 505	4	-11 173	-11 489	-3	8 500	7 539	13			

*Excluding centralised Treasury operations

**Profit before credit losses increased in Latvia by 15 per cent and in Lithuania by 9 per cent, in Estonia there was a decrease with 7 per cent.

- Sweden increased to a 53 per cent share of Group operating profit due to higher customer activity
- Further strengthened corporate franchise in the Nordic countries and Germany

Comments on the first six months

Sweden's share of the Group's operating profit increased by 6 percentage points compared to the first six months 2012, to 53 per cent. Lending growth in both the private and corporate market drove the stronger net interest income. During spring the market activity was higher and a number of corporate transactions increased fee income. The cost base was stable with lower IT expense and lower staff costs as the number of staff decreased.

In Norway, the business with existing and new customers increased even at the lower level of economic activity. After a slow start of the year income increased, but did not reach the strong 2012 level. Markets and Investment Banking showed a strong development though. With focus on efficiency the costs were lower.

In Denmark, operating profit was flat compared to the same period last year. Adverse market development in the second quarter impacted Life negatively, whereas corporate banking activity and Wealth Management performed

positively. Total costs decreased by 7 per cent in local currency.

In Finland, operating profit increased by 13 per cent. Merchant Banking maintained a high client activity level. Wealth Management improved operating profit by 18 per cent.

In Germany, operating profit increased by 18 per cent. The main driver was Markets' result and there was continued strong progress in Investment Banking. The low interest rate environment hampered Transaction Banking. Customer activity was high and approximately 20 new clients were added. Overall, SEB's position in the German corporate banking market improved. Operating profit in Wealth Management increased.

In each of Estonia, Latvia and Lithuania both operating income and expenses were lower year-on-year. See also the information on the Baltic division.

Merchant Banking

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

Income statement

SEK m	Q2			Q1			Q2			Jan- Jun			Full year
	2013	2013	%	2012	%	2013	2012	%	2013	2012	%	2012	
Net interest income	1 801	1 731	4	1 788	1	3 532	3 593	-2	6 966			6 966	
Net fee and commission income	1 562	1 032	51	1 270	23	2 594	2 420	7	4 896			4 896	
Net financial income	961	894	7	1 073	-10	1 855	2 060	-10	3 683			3 683	
Net other income	18	1		71	-75	19	181	-90	292			292	
Total operating income	4 342	3 658	19	4 202	3	8 000	8 254	-3	15 837			15 837	
Staff costs	- 935	- 915	2	- 980	-5	-1 850	-1 998	-7	-3 945			-3 945	
Other expenses	-1 122	-1 095	2	-1 125	0	-2 217	-2 250	-1	-4 465			-4 465	
Depreciation, amortisation and impairment of tangible and intangible assets	- 42	- 34	24	- 41	2	- 76	- 82	-7	- 182			- 182	
Total operating expenses	-2 099	-2 044	3	-2 146	-2	-4 143	-4 330	-4	-8 592			-8 592	
Profit before credit losses	2 243	1 614	39	2 056	9	3 857	3 924	-2	7 245			7 245	
Gains less losses from disposals of tangible and intangible assets				- 6	-100		- 6	-100	- 6			- 6	
Net credit losses	- 59	- 25	136	- 30	97	- 84	- 111	-24	- 130			- 130	
Operating profit	2 184	1 589	37	2 020	8	3 773	3 807	-1	7 109			7 109	
Cost/Income ratio	0,48	0,56		0,51		0,52	0,52		0,54			0,54	
Business equity, SEK bn	49,3	48,5		36,6		49,0	36,8		36,7			36,7	
Return on business equity, %	13,7	10,1		16,3		11,9	15,3		14,3			14,3	
Number of full time equivalents	2 228	2 240		2 414		2 273	2 410		2 418			2 418	

Nota bene: The higher capital allocation in 2013 reflects the alignment to the future 12 per cent Common Equity Tier 1 requirement in the Basel III framework.

- Pick-up in customer activity and solid asset quality
- Disintermediation trend continued and SEB ranked #1 in Prospera's Debt Issuer survey in Sweden
- Higher operating income and operating profit in the second quarter

Comments on the first six months

The sovereign debt crisis is gradually fading away from the news tickers, which led to a more positive market sentiment throughout the first six months of 2013. Activity levels picked up, although from a low base, and spurred the customer franchise in the second quarter. SEB continued to strengthen its customer relationships across the Nordic region and in Germany. Customer surveys confirmed SEB's attractive offering. An example of this was a # 1 ranking in Prospera's annual debt capital markets issuers survey in Sweden.

The customer franchise continued to be characterised by corporate customers with solid balance sheets and low utilisation levels, and financial institutions with a continuous search for yield across all asset classes. Mergers, acquisitions and equity capital market activities picked up from thin volumes during the first quarter. Corporate lending volumes increased marginally at the same time as corporate customers continued to utilise SEB to tap the bond market.

Operating income for the first six months decreased by 3 per cent compared with the same period 2012. Net interest income was stable reflecting a stable credit exposure. Net fee

and commission income increased as a reflection of the pick-up in customer activity levels especially in the second quarter. Operating expenses decreased by 4 per cent compared with the first six months of 2012. Operating profit amounted to SEK 3,773m, representing a decrease of 1 per cent year-on-year, but an increase of 8 per cent quarter-on-quarter. Asset quality remained strong resulting in low net credit losses.

The second phase of growth in the Nordic and German markets continued according to plan. The work to enlarge the business with the new customers continued and there was a continued focus on acquisition of new clients. During the first six months of 2013, 52 new customers were added.

As some 50 per cent of corporate refinancing takes place in the corporate bond markets, SEB has invested in new professionals to ensure that SEB can bring a larger number of issuers to the market and attract more investors both in the primary as well as secondary market. These growth initiatives have given, and will result in, a stronger local franchise and more visibility in landmark transactions.

Retail Banking

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

Income statement

SEK m	Q2			Q1			Q2			Jan- Jun			Full year
	2013	2013	%	2012	%	2013	2012	%	2013	2012	%	2012	
Net interest income	1924	1829	5	1792	7	3753	3500	7	7117				
Net fee and commission income	1007	969	4	919	10	1976	1805	9	3648				
Net financial income	106	88	20	96	10	194	174	11	339				
Net other income	27	12	125	20	35	39	33	18	76				
Total operating income	3064	2898	6	2827	8	5962	5512	8	11180				
Staff costs	-752	-761	-1	-777	-3	-1513	-1538	-2	-3024				
Other expenses	-743	-755	-2	-822	-10	-1498	-1634	-8	-3266				
Depreciation, amortisation and impairment of tangible and intangible assets	-17	-19	-11	-21	-19	-36	-41	-12	-85				
Total operating expenses	-1512	-1535	-1	-1620	-7	-3047	-3213	-5	-6375				
Profit before credit losses	1552	1363	14	1207	29	2915	2299	27	4805				
Gains less losses from disposals of tangible and intangible assets													
Net credit losses	-154	-131	18	-132	17	-285	-234	22	-452				
Operating profit	1398	1232	13	1075	30	2630	2065	27	4353				
Cost/Income ratio	0,49	0,53		0,57		0,51	0,58		0,57				
Business equity, SEK bn	20,2	20,3		14,8		20,2	14,8		14,4				
Return on business equity, %	21,3	18,7		21,5		20,0	20,6		22,3				
Number of full time equivalents	3585	3533		3834		3513	3743		3708				

Nota bene: The higher capital allocation in 2013 reflects the alignment to the future 12 per cent Common Equity Tier 1 requirement in the Basel III framework.

- 9,700 new private customers and 6,100 new corporate customers
- Net growth in savings related products
- 27 per cent increase in operating profit

Comments on the first six months

Retail Banking continued the positive trend from the first quarter despite the somewhat subdued macro environment. A strong operating income of SEK 5,962m (5,512) and cost focus led to an operating profit of SEK 2,630m for the first six months (2,065). The cost/income ratio decreased to 0.51 for the period. The credit loss level for the first six months was 10 basis points.

Retail Banking's strong result was primarily driven by strong net interest income and the continuous endeavours to grow the business with the existing customer base. Mortgage lending increased by 4 per cent during the first six months and the portfolio reached SEK 365bn. Portfolio margins were slightly up. Household customer deposits increased by SEK 2.9bn during the first six months.

The activity in the digital channels remained high and the number of visits in the mobile banking applications for private

customers reached 4.4 million in June. For the first time the mobile banking applications outperformed the Internet bank in terms of number of customer interaction. In addition, mobile banking identification for the Internet bank was launched in June.

The strategic focus on the small and medium-sized corporate customers continued during the second quarter and intensified proactive work with customer relations resulted in 6,100 new full service customers for the first six months. Lending volumes increased by 6 per cent during the first six months and portfolio margins were up.

The Card business showed continued profit growth, primarily due to a stable funding situation and to efficiency initiatives. Turnover growth ensured stable income, even though margins were slightly lower. Credit losses declined.

Wealth Management

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

Income statement

SEK m	Q2		Q1		Q2		Jan- Jun			Full year
	2013	2013	%	2012	%	2013	2012	%	2012	
Net interest income	180	157	15	179	1	337	349	-3	667	
Net fee and commission income	832	821	1	820	1	1653	1585	4	3 244	
Net financial income	52	38	37	15		90	36	150	97	
Net other income	60	2		32	88	62	34	82	30	
Total operating income	1 124	1 018	10	1 046	7	2 142	2 004	7	4 038	
Staff costs	- 297	- 317	-6	- 337	-12	- 614	- 652	-6	-1322	
Other expenses	- 349	- 301	16	- 363	-4	- 650	- 718	-9	-1379	
Depreciation, amortisation and impairment of tangible and intangible assets	- 9	- 10	-10	- 11	-18	- 19	- 22	-14	- 43	
Total operating expenses	- 655	- 628	4	- 711	- 8	-1 283	-1 392	- 8	-2 744	
Profit before credit losses	469	390	20	335	40	859	612	40	1 294	
Gains less losses from disposals of tangible and intangible assets										
Net credit losses	- 1	1					1	-100	- 5	
Operating profit	468	391	20	335	40	859	613	40	1 289	
Cost/Income ratio	0,58	0,62		0,68		0,60	0,69		0,68	
Business equity, SEK bn	8,3	8,4		6,1		8,4	6,1		6,0	
Return on business equity, %	17,3	14,3		16,2		15,8	14,8		16,0	
Number of full time equivalents	890	896		948		907	961		940	

Nota bene: The higher capital allocation in 2013 reflects the alignment to the future 12 per cent Common Equity Tier 1 requirement in the Basel III framework.

- Higher average asset values and significant cost decrease
- Continued strength in Private Banking led to 545 new customers and SEK 16bn in new volumes
- Higher operating income and operating profit

Comments on the first six months

The operating profit of SEK 859m increased by 40 per cent compared with the same period last year. Income increased primarily from higher performance fees from discretionary mandates and amounted to SEK 120m (57). Base commissions were in line with last year, at a total of SEK 1,351m (1,353). Cost efficiency measures decreased operating expenses by 8 per cent to SEK 1,283m.

Customer interest in sustainability related products was high. During the second quarter a new product, the Microfinance fund, opened for institutional investors. It offers the clients a product with a social as well as a financial impact, that has a low correlation with other asset classes.

Both SEB and non-SEB managed funds contributed positively to an improved customer offer for SEB. Net inflows in externally managed funds increased to SEK 8bn.

Private Banking attracted 545 new clients as well as SEK 16bn in new volumes during the first six months of 2013. Both our new Family Office in Malmö, which provides services to high net worth families, and the newly opened London office were well received by customers.

The division's total assets under management amounted to SEK 1,302bn (1,173). This is an increase of 6 per cent from year-end.

Life

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

Income statement

SEK m	Q2		Q1		Q2		Jan- Jun	Jan-Jun	Full year
	2013	2013 %	2012	%	2013	2012	%	2012	
Net interest income	- 18	- 18	0	- 24	-25	- 36	- 48	-25	- 86
Net life insurance income	1 024	1 218	-16	1 140	-10	2 242	2 379	- 6	4 707
Total operating income	1 006	1 200	-16	1 116	-10	2 206	2 331	-5	4 621
Staff costs	- 289	- 300	-4	- 307	-6	- 589	- 615	-4	-1 214
Other expenses	- 151	- 146	3	- 136	11	- 297	- 272	9	- 537
Depreciation, amortisation and impairment of tangible and intangible assets	- 236	- 231	2	- 228	4	- 467	- 457	2	- 890
Total operating expenses	- 676	- 677	0	- 671	1	-1 353	-1 344	1	-2 641
Profit before credit losses	330	523	-37	445	-26	853	987	-14	1 980
Operating profit	330	523	-37	445	-26	853	987	-14	1 980
Cost/Income ratio	0,67	0,56		0,60		0,61	0,58		0,57
Business equity, SEK bn	8,2	8,2		6,5		8,2	6,5		6,5
Return on business equity, %	14,0	22,1		23,8		18,1	26,4		26,5
Number of full time equivalents	1 349	1 333		1 303		1 340	1 306		1 320

Nota bene: The higher capital allocation in 2013 reflects the alignment to the future 12 per cent Common Equity Tier 1 requirement in the Basel III framework.

- #1 ranking in Danish customer survey
- Premium income grew by 13 per cent
- Operating profit decreased, mainly due to lower income from the traditional life portfolios

Comments on the first six months

In Denmark, SEB Pension was again ranked first in the yearly customer survey conducted by Aalunds. The survey covers corporate clients with 10-499 employees. The online solutions in Denmark were developed further through the launch of a health portal for corporate clients. In Sweden, the importance of individual long-term savings is on the rise, which was underlined by several reports concerning the welfare sector.

After a solid first quarter, rising long-term interest rates and declining stock markets had a negative impact on traditional portfolios during the second quarter. The development of the unit-linked business remained stable. Operating profit for the first six months decreased by 14 per cent compared to last year. Unit-linked represents 63 per cent of total income and 88 per cent of sales. Income from unit-linked increased by 2 per cent whereas income from traditional and risk insurance decreased by 13 per cent. Expenses were virtually unchanged compared to last year.

In Sweden, Life continued to be one of the market leaders within the unit-linked segment. Recoveries of provisions in the traditional business were SEK 39m (26) and the entire provision is now recovered. Operating profit decreased due to lower income from traditional and risk insurance. The fund value related to the unit-linked segment amounted to SEK 144bn, which is 12bn higher than a year ago and up 6bn during the last six months.

Operating profit in *Denmark* decreased as a result of an unrealised value decline on investment assets in traditional insurance and own account investments. In traditional insurance, the impact from the decline was amplified because the market rates were not symmetrical to the discount rate used for insurance liabilities. Therefore, the rising rates have not had the same positive impact from the revaluation of the insurance liabilities as the negative impact from the revaluation of assets.

Operating profit for *International* decreased mainly due to lower contribution from the Baltic operations. The result in the Irish operation was stable.

Total premium income relating to new and existing policies amounted to SEK 15.5bn which was 13 per cent higher than last year. The improvement is primarily a result of a strong growth in the Irish operation. Weighted sales volume of new policies decreased with 3 per cent from last year and amounted to SEK 19.7bn. The share of corporate paid policies was 72 per cent (74).

Total fund value in unit-linked amounted to SEK 217bn which is 22bn higher than a year ago and up 13bn since year-end. In the first half, net inflow was SEK 4bn and the appreciation in value was SEK 9bn or 4 per cent. Total assets under management amounted to SEK 455bn.

Baltic

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

Income statement

SEK m	Q2		Q1		Q2		Jan-Jun		Jan-Jun		Full year
	2013	2013	%	2012	%	2013	2012	%	2012	2012	
Net interest income	487	450	8	508	-4	937	1027	-9	1970		1970
Net fee and commission income	243	231	5	230	6	474	440	8	919		919
Net financial income	110	80	38	109	1	190	221	-14	423		423
Net other income	-11	-4	175	3		-15	-4		-11		-11
Total operating income	829	757	10	850	-2	1 586	1 684	-6	3 301		3 301
Staff costs	-158	-155	2	-175	-10	-313	-347	-10	-681		-681
Other expenses	-240	-240	0	-259	-7	-480	-511	-6	-1080		-1080
Depreciation, amortisation and impairment of tangible and intangible assets	-22	-22	0	-32	-31	-44	-65	-32	-280		-280
Total operating expenses	-420	-417	1	-466	-10	-837	-923	-9	-2 041		-2 041
Profit before credit losses	409	340	20	384	7	749	761	-2	1 260		1 260
Gains less losses from disposals of tangible and intangible assets	11	10	10	2		21	3		9		9
Net credit losses	-78	-98	-20	-108	-28	-176	-132	33	-351		-351
Operating profit	342	252	36	278	23	594	632	-6	918		918
Cost/Income ratio	0,51	0,55		0,55		0,53	0,55		0,62		0,62
Business equity, SEK bn	9,1	9,5		8,7		9,2	8,9		8,8		8,8
Return on business equity, %	13,4	9,5		11,8		11,5	13,1		9,7		9,7
Number of full time equivalents	2 793	2 792		2 990		2 799	3 021		2 960		2 960

Baltic Banking (excl RHC)

Operating profit	356	267	33	301	18	623	678	-8	1 016
Cost/Income ratio	0,48	0,53		0,52		0,50	0,53		0,59
Business equity, SEK bn	8,7	9,2		8,6		8,9	8,8		8,7
Return on business equity, %	14,6	10,4		13,0		12,5	14,2		10,9

Nota bene: The higher capital allocation in 2013 reflects the alignment to the future 12 per cent Common Equity Tier 1 requirement in the Basel III framework.

- Growth in corporate loan volumes during the first six months
- Latvia approved to be the 18th member of the euro-zone from January 2014
- SEB recognised as Most Attractive Employer in Lithuania for the fifth year in a row

Comments on the first six months

The Baltic countries are expected to be the fastest-growing economies in the EU in 2013. Private consumption has gradually rebounded following the crisis of 2008-2010 with a steady rise seen in consumer sentiment.

Baltic loans to the public, of SEK 100bn, grew in local currency terms in the first six months. Corporate loans grew 5 per cent in Estonia, 5 per cent in Latvia and decreased by 1 per cent in Lithuania. Mortgage loans grew 1 per cent in Estonia and decreased by 1 per cent in Lithuania and by 5 per cent in Latvia. Lending margins were relatively stable across the portfolio with slightly higher margins on new loans.

Baltic home banking customers increased by 30,000 year-on-year and deposit volumes, of SEK 70bn, were 1 per cent higher in local currency terms during the first six months. Deposit margins remained low in each of the Baltic countries

and net interest income has declined by 5 per cent in local currencies compared to the corresponding period in 2012.

Total operating expenses were 6 per cent lower than the first six months of 2012, excluding the currency effect. The six month operating profit decreased but the second quarter improved significantly. Non-performing loans declined by 27 per cent, in Swedish krona, year-on-year. The non-performing loans coverage ratio was 63 per cent. The net credit loss level was 35 basis points for the first six months.

SEB was named Best Bank in Estonia by Euromoney and was recognised as the Most Attractive Employer in Lithuania, for the fifth straight year. SEB Latvia was named the Best Bank in Latvia by both Global Finance and EMEA Finance.

The real estate holding companies held assets at a total book value of SEK 2,632m (1,780).

The SEB Group

Net interest income – SEB Group

SEK m	Q2			Q1			Q2			Jan - Jun			Full year
	2013	2013	%	2012	%	2013	2012	%	2013	2012	%	2012	
Interest income	12 567	12 321	2	13 815	- 9	24 888	27 827	- 11	53 794				
Interest expense	-7 890	-7 862	0	-9 285	- 15	-15 752	-19 116	- 18	-36 159				
Net interest income	4 677	4 459	5	4 530	3	9 136	8 711	5	17 635				

Net fee and commission income – SEB Group

SEK m	Q2			Q1			Q2			Jan - Jun			Full year
	2013	2013	%	2012	%	2013	2012	%	2013	2012	%	2012	
Issue of securities and advisory	161	65	148	142	13	226	313	- 28	646				
Secondary market and derivatives	647	495	31	467	39	1 142	959	19	1 940				
Custody and mutual funds	1 702	1 657	3	1 664	2	3 359	3 289	2	6 691				
Payments, cards, lending, deposits, guarantees and other	2 515	2 174	16	2 359	7	4 689	4 525	4	9 059				
<i>Whereof payments and card fees</i>	1 516	1 421	7	1 545	- 2	2 937	2 981	- 1	5 952				
<i>Whereof lending</i>	675	454	49	521	30	1 129	997	13	2 047				
Fee and commission income	5 025	4 391	14	4 632	8	9 416	9 086	4	18 336				
Fee and commission expense	-1 214	-1 144	6	-1 183	3	-2 358	-2 373	-1	-4 716				
Net fee and commission income	3 811	3 247	17	3 449	10	7 058	6 713	5	13 620				

Net financial income – SEB Group

SEK m	Q2			Q1			Q2			Jan - Jun			Full year
	2013	2013	%	2012	%	2013	2012	%	2013	2012	%	2012	
Equity instruments and related derivatives	7	- 40	-118	- 175	- 104	- 33	241	-114	518				
Debt instruments and related derivatives	442	297	49	767	- 42	739	843	-12	972				
Currency and related derivatives	650	721	-10	588	11	1 371	1 469	-7	3 163				
Other	- 12	- 24	-50	- 53	- 77	- 36	- 47	-23	- 74				
Net financial income	1 087	954	14	1 127	- 4	2 041	2 506	-19	4 579				

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

Net credit losses – SEB Group

SEK m	Q2		Q1		Q2		Jan - Jun			Full year
	2013	2013	%	2012	%	2013	2012	%	2012	
<i>Provisions:</i>										
Net collective provisions for individually assessed loans	160	-31		3		129	42		104	
Net collective provisions for portfolio assessed loans	90	230	-61	-26		320	-27		-148	
Specific provisions	-380	-193	97	-194	96	-573	-444	29	-532	
Reversal of specific provisions no longer required	83	75	11	142	-42	158	286	-45	557	
Net provisions for off-balance sheet items	1	6	-83	4	-75	7	21	-67	23	
Net provisions	-46	87	-153	-71	-35	41	-122	-134	4	
<i>Write-offs:</i>										
Total write-offs	-651	-819	-21	-704	-8	-1 470	-1 144	28	-2 892	
Reversal of specific provisions utilized for write-offs	378	440	-14	474	-20	818	736	11	1 814	
Write-offs not previously provided for	-273	-379	-28	-230	19	-652	-408	60	-1 078	
Recovered from previous write-offs	28	36	-22	32	-13	64	55	16	137	
Net write-offs	-245	-343	-29	-198	24	-588	-353	67	-941	
Net credit losses	-291	-256	14	-269	8	-547	-475	15	-937	

Statement of changes in equity – SEB Group

SEK m	Share capital	Retained earnings	Other reserves				Total Shareholders' equity	Minority interests	Total Equity
			Available-for-sale financial assets	Cash flow hedges	Translation of foreign operations	Defined benefit plans			
Jan-Jun 2013									
Opening balance	21 942	90 033	273	1 688	-2 422	-2 091	109 423	90	109 513
Net profit		6 799					6 799	4	6 803
Other comprehensive income (net of tax)			412	-1 198	332	685	231	-3	228
Total comprehensive income		6 799	412	-1 198	332	685	7 030	1	7 031
Dividend to shareholders		-6 004					-6 004	-63	-6 067
Employee share programme ¹⁾		-1 137					-1 137		-1 137
Change in holdings of own shares		40					40		40
Closing balance	21 942	89 731	685	490	-2 090	-1 406	109 352	28	109 380
Jan-Dec 2012									
Opening balance	21 942	82 272	-1 003	1 107	-1 752	-88	102 478	261	102 739
Net profit		11 632					11 632	22	11 654
Other comprehensive income (net of tax)			1 276	581	-670	-2 003	-816		-816
Total comprehensive income		11 632	1 276	581	-670	-2 003	10 816	22	10 838
Dividend to shareholders		-3 795					-3 795		-3 795
Employee share programme ¹⁾		-113					-113		-113
Minority interests								-193	-193
Change in holdings of own shares		37					37		37
Closing balance	21 942	90 033	273	1 688	-2 422	-2 091	109 423	90	109 513
Jan-Jun 2012									
Opening balance	21 942	82 272	-1 003	1 107	-1 752	-88	102 478	261	102 739
Net profit		5 570					5 570	11	5 581
Other comprehensive income (net of tax)			359	-258	-230	-346	-475	5	-470
Total comprehensive income		5 570	359	-258	-230	-346	5 095	16	5 111
Dividend to shareholders		-3 795					-3 795		-3 795
Employee share programme ¹⁾		63					63		63
Change in holdings of own shares		31					31		31
Closing balance	21 942	84 141	-644	849	-1 982	-434	103 872	277	104 149

Amounts under Other reserves may be reclassified in the future to the income statement under certain circumstances, e.g. if they are related to the sale of Available for sale financial assets, dissolved Cash flow hedges or Translation of foreign operations when SEB ceases to consolidate a foreign operation. Amounts related to Defined benefit plans will not be reclassified to the income statement.

1) The acquisition cost for the purchase of own shares is deducted from shareholders' equity. The item includes changes in nominal amounts of equity swaps used for hedging of stock option programmes.

	Jan-Jun 2013	Jan-Dec 2012	Jan-Jun 2012
Number of shares owned by SEB, million			
Opening balance	2,2	2,3	2,3
Shares repurchased for the long-term equity-based programmes	15,0	12,0	10,2
Shares sold	-12,9	-12,1	-10,5
Closing balance	4,3	2,2	2,0

Market value of shares owned by SEB, SEK m

In accordance with the decision by the Annual General Meeting, SEB holds own shares of Class A for the long-term equity-based programmes. The transactions may take place at one or several occasions during the year.

Cash flow statement – SEB Group

SEK m	Jan - Jun			Full year
	2013	2012	%	2012
Cash flow from operating activities	24 047	- 67 409	- 136	- 6 653
Cash flow from investment activities	- 1 431	- 1 208	18	- 1 278
Cash flow from financing activities	- 7 609	- 5 904	29	- 4 682
Net increase in cash and cash equivalents	15 007	- 74 521	- 120	- 12 613
Cash and cash equivalents at the beginning of year	257 292	276 853	- 7	276 853
Exchange rate differences on cash and cash equivalents	6 379	224		- 6 948
Net increase in cash and cash equivalents	15 007	- 74 521	- 120	- 12 613
Cash and cash equivalents at the end of period¹⁾	278 678	202 556	38	257 292

1) Cash and cash equivalents at the end of period is defined as Cash and cash balances with central banks, Other lending to central banks and Loans to other credit institutions payable on demand.

Financial assets and liabilities – SEB Group

SEK m	30 Jun 2013		31 Dec 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans	1 625 766	1 630 341	1 519 759	1 539 032
Equity instruments	140 584	140 584	110 409	110 409
Debt instruments	338 563	338 105	340 894	340 326
Derivative instruments	184 613	184 613	169 679	169 679
Financial assets - policyholders bearing the risk	215 487	215 487	203 333	203 333
Other	28 514	28 514	58 712	58 712
Financial assets	2 533 527	2 537 644	2 402 786	2 421 491
Deposits	1 127 006	1 138 556	1 032 916	1 043 939
Equity instruments	37 563	37 563	34 161	34 161
Debt instruments	772 520	774 242	729 192	739 195
Derivative instruments	167 212	167 212	157 861	157 861
Liabilities to policyholders - investment contracts	206 641	206 641	195 620	195 620
Other	29 916	27 144	56 580	56 685
Financial liabilities	2 340 858	2 351 358	2 206 330	2 227 461

SEB has grouped its financial instruments by class taking into account the characteristics of the instruments. The fair value of each class of financial assets and liabilities are compared with its carrying amount. A description of the characteristics of the classes can be found in note 41 in the Annual Report 2012.

Assets and liabilities measured at fair value – SEB Group

SEK m	30 Jun 2013				31 Dec 2012			
	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non- observable inputs (Level 3)	Total	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non- observable inputs (Level 3)	Total
Assets								
Financial assets								
- policyholders bearing the risk	209 466	4 360	1 661	215 487	189 480	12 294	1 559	203 333
Equity instruments	100 338	28 084	11 585	140 007	79 970	21 563	8 667	110 200
Debt instruments	119 279	174 603	1 706	295 588	131 674	158 654	1 867	292 195
Derivative instruments	1 017	182 526	1 070	184 613	110	167 741	1 828	169 679
Investment in associates ¹⁾			1 047	1 047			1 073	1 073
Investment properties			7 692	7 692			7 488	7 488
Total	430 100	389 573	24 761	844 434	401 234	360 252	22 482	783 968
Liabilities								
Liabilities to policyholders								
- investment contracts	200 867	4 181	1 593	206 641	182 293	11 827	1 500	195 620
Equity instruments	35 312	1 989	262	37 563	32 532	1 629		34 161
Debt instruments	40 091	7 857		47 948	35 403	7 657		43 060
Derivative instruments	246	165 494	1 469	167 209	501	154 716	2 644	157 861
Other issued securities ²⁾		28 234		28 234		26 323		26 323
Total	276 516	207 755	3 324	487 595	250 729	202 152	4 144	457 025

1) Venture capital activities designated at fair value through profit and loss.

2) Equity index link bonds designated at fair value through profit and loss.

Financial assets and liabilities carried at fair value are classified in a fair value hierarchy according to the level of observability of prices or inputs used in a valuation technique. As part of the fair value measurement credit value adjustments (CVA) are incorporated into the derivative valuations for OTC-derivatives on a portfolio basis. The valuation techniques and inputs used for the fair value measurement are described in detail in the Annual Report 2012.

Financial assets - policyholders bearing the risk, Investment properties and Liabilities to policyholders - investment contracts are included in the table which is a change compared to the Annual Report 2012.

Risk control has the overall responsibility for classifying assets and liabilities as being in level 1, 2 or 3. The valuation process is the same for financial instruments in all levels. Market Risk Control is responsible for validating the prices used for valuation of financial instruments. In case of disagreement, there is an escalation process in place, whereby the product area head or equivalent can submit an escalation to the relevant pricing / valuation committee. The Valuation committee covers topics such as valuation of illiquid instruments, model validation findings, analysis of changes in fair value measurements and shocks on level 3 assets. The chairman of the Valuation Committee is appointed by the Head of Market Risk Control and the committee has permanent members from Divisional risk management, Group Finance and Market Risk Control.

Fair value gains and losses recognised in the income statement are included in the Net financial income, Net life insurance income and Net other income.

Transfers between levels may occur when there are indications that market conditions have changed, e.g. a change in liquidity. There have been no significant transfers between level 1 and level 2 during the period however there has been a reclassification of assets from level 2 to level 1 in the amount of SEK 10bn due to enhanced classification within the insurance business. There were changes in Level 3 financial instruments mainly due to valuation effects and from purchases and sales of Equity, Debt and Derivative instruments. In addition there has been a reclassification in the amount of SEK 2.2bn (11) of Equity instruments due to enhanced classification, from level 2 to level 3, within the insurance business.

Sensitivity of Level 3 assets and liabilities to unobservable inputs

The table below illustrates the potential Profit or Loss impact of the relative uncertainty in the fair value of assets and liabilities measured at fair value that for their valuation are dependent on unobservable inputs. The sensitivity to unobservable inputs is assessed by altering the assumptions to the valuation techniques, illustrated below by changes in index-linked swap spreads, implied volatilities, credit spreads or comparator multiples. It is unlikely that all unobservable inputs would be simultaneously at the extremes of their ranges of reasonably possible alternatives.

The largest open market risk within Level 3 assets and liabilities is found within the insurance business. There have been no significant changes of sensitivity during Q2 2013.

SEK m	30 Jun 2013				31 Dec 2012			
	Assets	Liabilities	Net	Sensitivity	Assets	Liabilities	Net	Sensitivity
Structured Derivatives - interest rate ¹⁾	454	-895	-441	62	951	-1 504	-553	58
Capital Markets ²⁾	375	-35	340	17	351	-52	299	20
CPM Portfolio ³⁾	70		70	12	139		139	15
Venture Capital holding and similar holdings ⁴⁾	1 467	-262	1 205	254	1 183		1 183	224
Insurance holdings - Financial instruments ⁵⁾	11 995	-536	11 459	1 753	9 867	-105	9 762	1 501
Insurance holdings - Investment properties ⁶⁾	7 692		7 692	769	7 488		7 488	749

1) Sensitivity from a shift of index-linked swap spreads by 5 basis points (5) and implied volatilities by 5 percentage points (5).

2) Sensitivity from a shift of swap spreads by 5 basis points (5).

3) Sensitivity from a shift of credit spreads by 100 basis points (100).

4) Valuation is estimated in a range of reasonable outcomes. Sensitivity analysis is based on a reasonable shift in valuation parameters.

5) Sensitivity analysis is based on a shift in private equity of 20 per cent (20), structured credits 10 per cent (10) and derivative market values of 10 per cent (10).

6) Sensitivity from a shift of investment properties fair values of 10 per cent (10).

Financial assets and liabilities subject to offsetting or netting arrangements – SEB Group

SEK m	Financial assets and liabilities subject to offsetting or netting arrangements						Other instruments in balance sheet not subject to netting arrangements	Total in balance sheet
	Gross amounts	Offset	Net amounts in balance sheet	Related arrangements		Net amounts		
				Master netting arrangements	Collaterals received/pledged			
30 Jun 2013								
Derivatives	163 304	-8 023	155 281	-113 678	-24 036	17 567	29 332	184 613
Reversed repo receivables	109 168	-6 073	103 095	-10 145	-92 713	237	24 003	127 098
Securities borrowing	41 172	-4 383	36 789	-2 081	-25 649	9 059	14 719	51 508
Client receivables	19 447	-19 447					9 656	9 656
Assets	333 091	-37 926	295 165	-125 904	-142 398	26 863	77 710	372 875
Derivatives	157 418	-8 023	149 395	-113 678	-13 467	22 250	17 817	167 212
Repo payables	28 363	-6 073	22 290	-10 145	-12 134	11	16 832	39 122
Securities lending	15 011	-4 383	10 628	-2 081	-7 382	1 165	30 142	40 770
Client payables	19 447	-19 447					9 293	9 293
Liabilities	220 239	-37 926	182 313	-125 904	-32 983	23 426	74 084	256 397
31 Dec 2012								
Derivatives	167 184	-12 459	154 725	-103 738	-43 882	7 105	14 954	169 679
Reversed repo receivables	91 422	-5 926	85 496	-9 370	-75 682	444	21 028	106 524
Securities borrowing	39 637	-3 905	35 732	-834	-32 018	2 880	9 426	45 158
Client receivables	7 576	-7 576					34 889	34 889
Assets	305 819	-29 866	275 953	-113 942	-151 582	10 429	80 297	356 250
Derivatives	159 697	-12 459	147 238	-103 738	-20 652	22 848	10 623	157 861
Repo payables	19 060	-5 926	13 134	-9 370	-3 764		15 701	28 835
Securities lending	28 362	-3 905	24 457	-834	-22 271	1 352	8 937	33 394
Client payables	7 576	-7 576					31 012	31 012
Liabilities	214 695	-29 866	184 829	-113 942	-46 687	24 200	66 273	251 102
30 Jun 2012								
Derivatives	158 159	-3 406	154 753	-116 167	-31 147	7 439	4 921	159 674
Reversed repo receivables	104 261	-9 271	94 990	-6 460	-88 500	30	33 064	128 054
Securities borrowing	59 423	-15 475	43 948	-5 463	-35 347	3 138		43 948
Client receivables	12 362	-12 362					11 542	11 542
Assets	334 205	-40 514	293 691	-128 090	-154 994	10 607	49 527	343 218
Derivatives	147 711	-3 406	144 305	-116 167	-22 841	5 297	1 672	145 977
Repo payables	24 388	-9 271	15 117	-6 460	-8 656	1	19 449	34 566
Securities lending	46 389	-15 475	30 914	-5 463	-23 835	1 616		30 914
Client payables	12 362	-12 362					12 130	12 130
Liabilities	230 850	-40 514	190 336	-128 090	-55 332	6 914	33 251	223 587

The table shows financial assets and liabilities that are presented net in the statement of financial position or with potential rights to off-set associated with enforceable master netting arrangements or similar arrangements, together with related collateral. The Net amounts show the exposure in the case of normal business as well as in the events of default or bankruptcy.

Financial assets and liabilities are presented net in the statement of financial position when SEB has legally enforceable rights to set-off, in the ordinary course of business and in the case of bankruptcy, and intends to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Repos with central counterparty clearing houses that SEB has agreements with and client receivables and client payables are examples of instruments that are presented net in the statement of financial position.

Financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements that are not presented net in the statement of financial position are arrangements that are usually enforceable in the case of bankruptcy or default but not in the ordinary course of business or arrangements where SEB does not have the intention to settle the instruments simultaneously.

Assets and liabilities that are not subject to offsetting or netting arrangements, i.e those that are only subject to collateral agreements, are presented as Other instruments in balance sheet.

Reclassified portfolios – SEB Group

SEK m	Q2			Q1			Q2			Jan - Jun			Full year 2012
	2013	2013	%	2012	%	2012	%	2013	2012	%			
Reclassified													
Opening balance	26 193	29 342	-11	35 333	-26	29 342	42 169	-30	42 169				
Amortisations	-2 248	- 645		- 576		-2 893	-1 297	123	-2 862				
Securities sold	-2 009	-1 806	11	-1 766	14	-3 815	-7 101	-46	-8 656				
Accrued coupon	- 14	37	-138	- 15	-7	23	16	44	9				
Exchange rate differences	1 226	- 735		231		491	- 580	-185	-1 318				
Closing balance*	23 148	26 193	-12	33 207	-30	23 148	33 207	-30	29 342				
* Market value	22 555	25 604	-12	31 824	-29	22 555	31 824	-29	28 423				
Fair value impact - if not reclassified													
In Equity (AFS origin)	119	177	-33	226	-47	157	565	-72	1 117				
In Income Statements (HFT origin)	- 6	4		- 11	-45	10	96	-90	217				
Total	113	181	-38	215	-47	167	661	-75	1 334				
Effect in Income Statements**													
Net interest income	75	88	-15	165	-55	163	374	-56	602				
Net financial income	635	- 311		367	73	324	- 295		- 639				
Other income		- 8	-100	- 111	-100	- 8	- 387	-98	- 391				
Total	710	- 231		421	69	479	- 308		- 428				

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

Non-performing loans – SEB Group

	30 Jun	31 Dec	30 Jun
SEK m	2013	2012	2012
Individually assessed impaired loans			
Impaired loans, past due > 60 days	6 631	7 234	8 809
Impaired loans, performing or past due < 60 days	584	767	988
Total individually assessed impaired loans	7 215	8 001	9 797
Specific reserves	- 3 881	- 4 165	- 5 135
<i>for impaired loans, past due > 60 days</i>	- 3 534	- 3 783	- 4 637
<i>for impaired loans, performing or past due < 60 days</i>	- 347	- 382	- 498
Collective reserves	- 1 684	- 1 790	- 1 855
Impaired loans net	1 650	2 046	2 807
Specific reserve ratio for individually assessed impaired loans	53.8%	52.1%	52.4%
Total reserve ratio for individually assessed impaired loans	77.1%	74.4%	71.3%
Net level of impaired loans	0.23%	0.28%	0.34%
Gross level of impaired loans	0.50%	0.58%	0.71%
Portfolio assessed loans			
Portfolio assessed loans past due > 60 days	4 890	5 389	6 064
Restructured loans	394	450	494
Collective reserves for portfolio assessed loans	- 2 553	- 2 914	- 3 051
Reserve ratio for portfolio assessed loans	48.3%	49.9%	46.5%
Reserves			
Specific reserves	- 3 881	- 4 165	- 5 135
Collective reserves	- 4 237	- 4 704	- 4 906
Reserves for off-balance sheet items	- 296	- 299	- 351
Total reserves	- 8 414	- 9 168	- 10 392
Non-performing loans			
Non-performing loans*	12 499	13 840	16 355
NPL coverage ratio	67.3%	66.2%	63.5%
NPL % of lending	0.87%	1.01%	1.19%

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

Seized assets – SEB Group

	30 Jun	31 Dec	30 Jun
SEK m	2013	2012	2012
Properties, vehicles and equipment	2 847	2 251	1 885
Shares	48	49	49
Total seized assets	2 895	2 300	1 934

Discontinued operations – SEB Group

Income statement

SEK m	Q2		Q1		Q2		Jan - Jun			Full year
	2013	2013	%	2012	%	2013	2012	%	2012	
Total operating income	3	34	-91	126	-98	37	123	-70	305	
Total operating expenses	-21	-42	-50	-208	-90	-63	-459	-86	-645	
Profit before credit losses	-18	-8	125	-82	-78	-26	-336	-92	-340	
Net credit losses	-20			-1		-20	-2		-181	
Operating profit	-38	-8		-83	-54	-46	-338	-86	-521	
Income tax expense	21	8	163	-3		29	6		33	
Net profit from discontinued operations	-17	0		-86	-80	-17	-332	-95	-488	

Assets and liabilities held for sale

SEK m	30 Jun 2013	31 Dec 2012	30 Jun 2012
Loans to the public			
Other assets			
Total assets held for sale	0	0	0
Deposits from credit institutions			
Deposits and borrowing from the public			
Other liabilities			
Total liabilities held for sale	0	0	0

Cash flow statement

SEK m	Q2		Q1		Q2		Jan - Jun			Full year
	2013	2013	%	2012	%	2013	2012	%	2012	
Cash flow from operating activities	-43	-25	72	-7		-68	-14		65	
Cash flow from investment activities				47			38	-100	38	
Cash flow from financing activities	43	25	72	72		68	169	-60	87	
Net increase in cash and cash equivalents from discontinued operations	0	0		112		0	193	-100	190	

Discontinued operations includes the work to finalise the operational separation of the divested retail operations in Germany and the divestment of the Ukrainian retail operations.

SEB financial group of undertakings

Capital base of the SEB financial group of undertakings

SEK m	30 Jun 2013	31 Dec 2012
Total equity according to balance sheet	109 380	109 513
Dividend (excl repurchased shares)	-3 011	-6 028
Investments outside the financial group of undertakings	-66	-64
Other deductions outside the financial group of undertakings	-1 758	-4 451
= Total equity in the capital adequacy	104 545	98 970
Adjustment for hedge contracts	1 325	-473
Net provisioning amount for IRB-reported credit exposures	0	0
Unrealised value changes on available-for-sale financial assets	-1 031	-597
Exposures where RWA is not calculated	-779	-802
Goodwill	-4 106	-4 147
Other intangible assets	-2 565	-2 559
Deferred tax assets	-1 887	-2 003
= Core Tier 1 capital	95 502	88 389
Tier 1 capital contribution (non-innovative)	4 391	4 300
Tier 1 capital contribution (innovative)	9 996	9 704
Investments in insurance companies	-6 538	
= Tier 1 capital	103 351	102 393
Dated subordinated debt	6 654	6 515
Deduction for remaining maturity	-53	-39
Perpetual subordinated debt	680	1 890
Net provisioning amount for IRB-reported credit exposures	537	485
Unrealised gains on available-for-sale financial assets	1 183	990
Exposures where RWA is not calculated	-779	-802
Investments outside the financial group of undertakings	-66	-64
Investments in insurance companies	-6 538	
= Tier 2 capital	1 618	8 975
Investments in insurance companies	0	-10 501
= Capital base	104 969	100 867

The deduction for investments in insurance companies, which was earlier made from the total capital base, has been changed from 2013 so that half is deducted from Tier 1 capital and the remaining half from Tier 2 capital.

On 30 June 2013 the parent company's core Tier 1 capital was SEK 87,449m (86,990 at June 2012) and the reported core Tier 1 capital ratio was 12.3 per cent (13.5 at June 2012).

Risk-weighted assets for the SEB financial group of undertakings

Risk-weighted assets	30 Jun	31 Dec
SEK m	2013	2012
Credit risk IRB approach		
Institutions	22 653	23 879
Corporates	340 056	326 666
Securitisation positions	5 068	5 177
Retail mortgages	42 204	42 896
Other retail exposures	10 187	9 365
Other exposure classes	1 440	1 461
Total credit risk IRB approach	421 608	409 444
Further risk-weighted assets		
Credit risk, Standardised approach	73 630	68 125
Operational risk, Advanced Measurement approach	40 103	40 219
Foreign exchange rate risk	4 963	14 042
Trading book risks	52 764	54 009
Total risk-weighted assets	593 068	585 839
Summary		
Credit risk	495 238	477 569
Operational risk	40 103	40 219
Market risk	57 727	68 051
Total	593 068	585 839
Adjustment for flooring rules		
Addition according to transitional flooring	336 354	293 398
Total reported	929 422	879 237

Capital adequacy analysis for the SEB financial group of undertakings

	30 Jun 2013	31 Dec 2012
Capital adequacy		
Capital resources		
Core Tier 1 capital	95 502	88 389
Tier 1 capital	103 351	102 393
Capital base	104 969	100 867
Capital adequacy without transitional floor (Basel II)		
Risk-weighted assets	593 068	585 839
Expressed as capital requirement	47 445	46 867
Core Tier 1 capital ratio	16.1%	15.1%
Tier 1 capital ratio	17.4%	17.5%
Total capital ratio	17.7%	17.2%
Capital base in relation to capital requirement	2.21	2.15
Capital adequacy including transitional floor		
Transitional floor applied	80%	80%
Risk-weighted assets	929 422	879 237
Expressed as capital requirement	74 354	70 339
Core Tier 1 capital ratio	10.3%	10.1%
Tier 1 capital ratio	11.1%	11.6%
Total capital ratio	11.3%	11.5%
Capital base in relation to capital requirement	1.41	1.43
Capital adequacy with risk-weighting according to Basel I		
Risk-weighted assets	1 153 390	1 091 468
Expressed as capital requirement	92 271	87 317
Core Tier 1 capital ratio	8.3%	8.1%
Tier 1 capital ratio	9.0%	9.4%
Total capital ratio	9.1%	9.2%
Capital base in relation to capital requirement	1.14	1.16

RWA development

Overall Basel II risk-weighted assets (RWA) before the effect of transitional flooring increased by 1.2 per cent, or SEK 7bn, since year-end.

Risk-weighted assets	SEK bn
Balance 31 December 2012	586
Volume changes	21
Currency effect	5
RWA processes / regulatory changes	1
Risk class migration	-3
Risk-weight changes	-6
Market risk changes	-10
Other	-1
Balance 30 June 2013	593

Un-floored Basel II RWA was 49 per cent lower than Basel I RWA. The ultimate target is to use IRB reporting for all credit exposures except those to central governments, central banks and local governments and authorities and a small number of insignificant portfolios.

The Basel III framework

The Basel III framework is in the process of being incorporated into EU legislation through the CRD IV package for implementation 1 January 2014. Due to delays in the EU process, the planned implementation date of 1 January 2013 was not met and as a consequence, the Swedish transition rules, which limit the effect on the RWA, were extended to include 2013.

The CRD IV package establishes explicit minimum levels for Common Equity Tier 1 and Tier 1 capital and requires banks to hold more and higher quality capital. RWA will mainly be affected by an additional so-called credit value adjustment requirement for OTC-derivatives, new requirements for exposures on central counterparties, and an increase in risk weights for exposures on financial institutions.

In 2011, the Swedish government proposed stricter Common Equity Tier 1 capital ratio requirements than under Basel III; 12 per cent from 2015 (with capital and RWA defined according to fully implemented CRD IV / Basel III framework). The new directive will need to be incorporated into Swedish law and the existing Swedish legislation has to be adapted to the EU regulation.

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

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

IRB reported credit exposures (less repos and securities lending)	30 Jun	31 Dec
Average risk-weight	2013	2012
Institutions	17.4%	15.9%
Corporates	40.1%	40.8%
Securitisation positions	36.0%	34.7%
Retail mortgages	9.8%	10.4%
Other retail exposures	38.4%	37.4%

On 21 May 2013 the Swedish Financial Supervisory Authority decided to implement a 15 per cent floor for Swedish mortgage risk weights on portfolio level. The risk weight floor will be handled under Pillar 2 and does not affect the risk weights under Pillar 1.

Skandinaviska Enskilda Banken AB (publ)

Income statement – Skandinaviska Enskilda Banken AB (publ)

In accordance with FSA regulations SEK m	Q2			Q1		Q2		Jan - Jun			Full year
	2013	2013	%	2012	%	2013	2012	%	2012		
Interest income	9 055	8 692	4	9 694	-7	17 747	19 412	-9	38 470		
Leasing income	1 407	1 399	1	1 460	-4	2 806	2 988	-6	5 817		
Interest expense	-5 778	-5 594	3	-6 779	-15	-11 372	-13 863	-18	-26 809		
Dividends	1 950			1 452	34	1 950	1 452	34	2 214		
Fee and commission income	2 548	2 175	17	2 302	11	4 723	4 416	7	8 963		
Fee and commission expense	- 434	- 339	28	- 402	8	- 773	- 747	3	-1 523		
Net financial income	988	824	20	977	1	1 812	2 146	-16	4 046		
Other income	380	165	130	187	103	545	199	174	159		
Total operating income	10 116	7 322	38	8 891	14	17 438	16 003	9	31 337		
Administrative expenses	-3 507	-3 418	3	-3 710	-5	-6 925	-7 130	-3	-15 077		
Depreciation, amortisation and impairment of tangible and intangible assets	-1 273	-1 252	2	-1 229	4	-2 525	-2 507	1	-5 446		
Total operating expenses	-4 780	-4 670	2	-4 939	-3	-9 450	-9 637	-2	-20 523		
Profit before credit losses	5 336	2 652	101	3 952	35	7 988	6 366	25	10 814		
Net credit losses	- 155	- 97	60	- 91	70	- 252	- 230	10	- 385		
Impairment of financial assets	- 1	- 1				- 2			-1 114		
Operating profit	5 180	2 554	103	3 861	34	7 734	6 136	26	9 315		
Appropriations	143	327	-56	400	-64	470	679	-31	-3 175		
Income tax expense	- 382	- 857	-55	- 722	-47	-1 239	-1 487	-17	-1 289		
Other taxes	2	- 15	-113	- 9	-122	- 13			- 86		
Net profit	4 943	2 009	146	3 530	40	6 952	5 328	30	4 765		

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

SEK m	Q2			Q1		Q2		Jan - Jun			Full year
	2013	2013	%	2012	%	2013	2012	%	2012		
Net profit	4 943	2 009	146	3 530	40	6 952	5 328	30	4 765		
<i>Items that may subsequently be reclassified to the income statement:</i>											
Available-for-sale financial assets	- 34	486		- 195	-83	452	31		693		
Cash flow hedges	- 651	- 547	19	329		-1 198	- 257		584		
Translation of foreign operations	12	- 12					- 15	-100	- 72		
Other comprehensive income (net of tax)	- 673	- 73		134		- 746	- 241		1 205		
Total comprehensive income	4 270	1 936	121	3 664	17	6 206	5 087	22	5 970		

Balance sheet - Skandinaviska Enskilda Banken AB (publ)

Condensed	30 Jun	31 Dec	30 Jun
SEK m	2013	2012	2012
Cash and cash balances with central banks	197 558	165 994	66 685
Loans to credit institutions	220 204	200 189	231 894
Loans to the public	991 852	937 734	936 776
Financial assets at fair value	469 789	426 326	397 821
Available-for-sale financial assets	17 439	17 610	16 844
Held-to-maturity investments	84	1 636	1 666
Investments in associates	1 015	1 044	1 179
Shares in subsidiaries	51 596	50 671	52 311
Tangible and intangible assets	41 964	43 026	43 103
Other assets	43 354	64 823	39 569
Total assets	2 034 855	1 909 053	1 787 848
Deposits from credit institutions	270 746	199 711	238 818
Deposits and borrowing from the public	653 735	637 721	590 982
Debt securities	691 174	641 413	566 021
Financial liabilities at fair value	240 133	232 062	222 358
Other liabilities	57 445	74 097	48 383
Provisions	132	160	54
Subordinated liabilities	22 738	24 213	22 912
Untaxed reserves	26 347	26 346	25 049
Total equity	72 405	73 330	73 271
Total liabilities, untaxed reserves and shareholders' equity	2 034 855	1 909 053	1 787 848

Pledged assets, contingent liabilities and commitments - Skandinaviska Enskilda Banken AB (publ)

SEK m	30 Jun	31 Dec	30 Jun
SEK m	2013	2012	2012
Collateral and comparable security pledged for own liabilities	310 628	294 990	370 100
Other pledged assets and comparable collateral	103 181	119 577	41 108
Contingent liabilities	81 331	78 565	80 055
Commitments	338 410	315 157	298 300

This is SEB

Mission	To help people and businesses thrive by providing quality advice and financial resources.
Vision	To be the trusted partner for customers with aspirations.
Customers and markets	2,800 large corporates and institutions, 400,000 SMEs and 4 million private customers bank with SEB. They are mainly located in eight markets around the Baltic Sea.
Brand promise	Rewarding relationships.
Corporate objectives	The leading Nordic bank for corporates and institutions. The top universal bank in Sweden and the Baltic countries.
Strategic value-driving priorities	Long-term customer relationships – build and develop relationships based on the customers' long-term needs with a holistic perspective. Growth in areas of strength – pursue growth in three selected core areas – large corporations and financial institutions in the Nordic countries and Germany, small and medium-sized companies in Sweden, and a holistic savings offering. Resilience and flexibility – ensure the financial strength needed to demonstrate stability and resilience as well as the flexibility to adapt operations in a cost-efficient manner to the prevailing market conditions.
People	16,000 highly skilled people serving customers from locations in some 20 countries; covering different time zones, securing reach and local market knowledge.
Values	Guided by our Code of Business Conduct and our core values: professionalism, commitment, mutual respect and continuity.
History	Over 150 years of business, building trust and sharing knowledge. The Bank has always acted responsibly in society promoting entrepreneurship, international outlook and long-term relationships.

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