

Annual Accounts 2012

STOCKHOLM 31 JANUARY 2013

2012 – operating profit SEK 14.2bn (15.0)

The full year result was affected by items of one-time character and changes in accounting policy during the fourth quarter (see page 2 for an overview). Excluding one-off effects operating profit increased by 3 per cent to SEK 15.4bn and profit before credit losses was up 15 per cent.

- Profit before credit losses up 7 per cent to SEK 15.2bn (14.2).
- Operating income SEK 38.8bn (37.7). Operating expenses SEK 23.7bn (23.5). Excluding the one-off effects, operating expenses amounted to SEK 22.9bn, which included higher pension costs (IAS 19) and redundancy costs.
- Net credit provisions, SEK 937m, corresponding to a credit loss level of 0.08 per cent.
- Net profit SEK 11.7bn (10.9).
- Return on equity in continuing operations 11.5 per cent (12.3) and earnings per share SEK 5.53 (5.46). Return on equity including discontinued operations 11.1 per cent (11.1) and earnings per share SEK 5.31 (4.93).
- Average lending and deposit volumes to and from the public grew by 7 and 10 per cent, respectively.
- Core Tier 1 capital ratio 15.1 per cent (13.7).
- Liquidity coverage ratio 113 per cent, core liquidity reserve SEK 373bn and total liquid resources SEK 632bn.
- The Board of Directors proposes a dividend to the shareholders of SEK 2.75 per share, which corresponds to a payout ratio of 52 per cent.

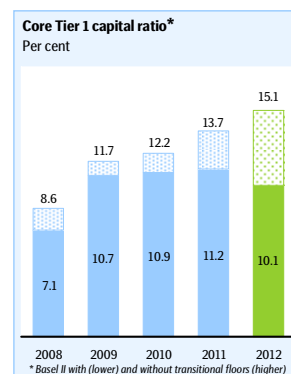
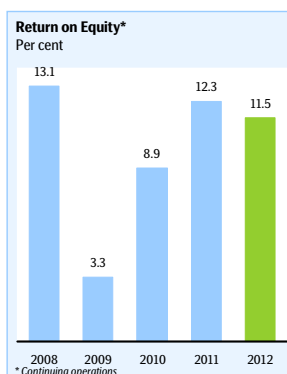
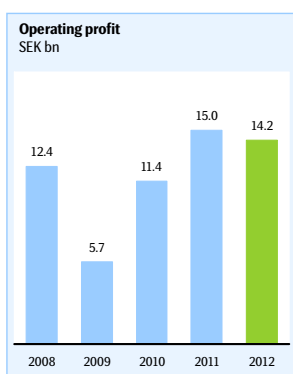
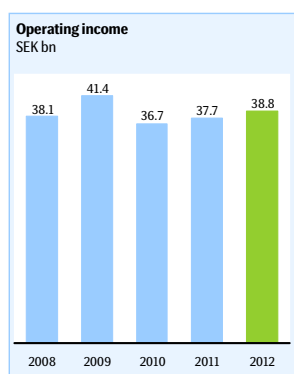
The fourth quarter 2012 – operating profit SEK 2.8bn (3.1)

The fourth quarter result was affected by items of one-time character (see page 2 for an overview). Excluding one-off effects operating profit increased by 30 per cent to SEK 4.0bn. Profit before credit losses was up 29 per cent.

- Profit before credit losses SEK 3.1bn (3.3), operating income up 3 per cent and expenses 8 per cent.
- Net profit SEK 3.2bn (2.3).

“The last three year plan has clearly showed the potential for SEB and our relationship banking model. The increased customer base provides a strong backbone for continuing the focused expansion in our region.”

Annika Falkengren



Change in accounting principles and one-time character items

Change in accounting principles

On 22 January 2013, SEB issued a press release regarding the early adoption of the amendments to IAS 19, Employee benefits, regarding the accounting of defined benefit plans. The press release also included the financial effects from adapting to the risk measurement of CVA (Credit Value Adjustment) in the Basel III proposed framework. These changes led to an adjustment of retained earnings. See page 33 and the Statement of changes in equity for a summary of the impact on previously reported financial statements.

One-time character items

At the same time, financial effects of a one-time character in the fourth quarter were published. They included one-off positive effects from the lowered Swedish corporate tax rate of SEK 1.1bn, a cost of SEK 753m from write-down of parts of development of new IT infrastructure that will not be used and a negative effect on income of SEK 402m from buy-backs of covered bonds.

Excluding the items of a one-time character, the official income statement on page 10 would have been the following on a pro forma basis.

PRO FORMA – Income statement excluding the items of a one-time character

SEK m	Q4			Q3			Q4			Jan - Dec		
	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	
Net interest income	4 458	4 466	0	4 318	3	17 635	16 901	4				
Net fee and commission income	3 715	3 192	16	3 637	2	13 620	14 175	-4				
Net financial income	982	1 091	-10	589	67	4 579	3 548	29				
Net life insurance income	831	861	-3	992	-16	3 428	3 197	7				
Net other income	53	71	-25	- 202	-126	- 37	- 135	-73				
Total operating income	10 039	9 681	4	9 334	8	39 225	37 686	4				
Staff costs	-3 672	-3 602	2	-3 527	4	-14 596	-14 325	2				
Other expenses	-1 628	-1 573	3	-2 030	-20	-6 444	-7 424	-13				
Depreciation, amortisation and impairment of tangible and intangible assets	- 471	- 464	2	- 475	-1	-1 859	-1 764	5				
Total operating expenses	-5 771	-5 639	2	-6 032	-4	-22 899	-23 513	-3				
Profit before credit losses	4 268	4 042	6	3 302	29	16 326	14 173	15				
Gains less losses from disposals of tangible and intangible assets	2	1	100	- 1	0	1	2	-50				
Net credit losses	- 276	- 186	48	- 240	15	- 937	778	0				
Operating profit	3 994	3 857	4	3 061	30	15 390	14 953	3				
Income tax expense	- 985	- 868	14	- 504	96	-3 480	-2 942	18				
Net profit from continuing operations	3 009	2 989	1	2 557	18	11 910	12 011	-1				
Discontinued operations	- 1	- 155	-100	- 300	-100	- 488	-1 155	-58				
Net profit	3 008	2 834	6	2 257	33	11 422	10 856	5				

President's comment

2012 marked the fifth consecutive year of high volatility in the financial markets as well as subdued global economic growth. Since the markets reacted to the first signs of the subprime crisis in the US, a global financial crisis has been followed by a sovereign debt crisis. Over these years, central bank balance sheets have increased fivefold, banks have deleveraged and interest rates have come down to historic low levels while corporate balance sheets have grown stronger. Even so, uncertainty continues to hold back real economic growth and this uncertainty is further exacerbated by delays to the new regulatory framework for banks both on an international and EU level.

The Nordic countries have shown remarkable resilience throughout the crisis, but as small open economies they were affected towards the end of the year. The world economic outlook continues to be characterized by a "muddling through" scenario although some glimmer of hope has now returned to the markets in some geographies.

Robust result

SEB's operating profit 2012 excluding the one-off effects in the fourth quarter, was SEK 15.4bn, up 3 per cent compared to 2011. While 2011 included reversals of Baltic credit provisions, profit before credit losses in the underlying business increased by 15 per cent. Average customer-related lending and deposit volumes increased by 7 and 10 per cent respectively. The lower corporate activity was reflected in fewer M&A transactions as well as in lower trading income. Underlying operating costs including higher pension costs (IAS 19) and redundancies, fell by 3 per cent and came in below our cost cap of SEK 23bn.

Strong franchise attracting more customers

The end of 2012 also marks the end of SEB's three year business plan. The plan has focused on strengthened long-term customer relations, disciplined growth in targeted markets while increasing resilience and flexibility through even stronger capital and liquidity buffers as well as increased cost efficiency.

Looking back at these three years, SEB has strengthened its position as the Nordic corporate bank with the investments in our Nordic and German corporate franchise as well as in the Swedish SME segment. As recent as this month Prospera named SEB *the No. 1 Nordic corporate bank*. Our more holistic customer offering in the savings area has attracted higher customer volumes within such areas as deposits, retirement related savings and private banking.

Earnings volatility has been reduced and we have divested non-core operations as the retail operations in Germany and Ukraine. We have increased cost efficiency. In addition, we have built a strong balance sheet in terms of capital, liquidity reserves, funding structure and asset quality and have adapted to the new regulatory framework. This has also been recognised by the rating agencies. Perhaps the achievement which makes the whole SEB team most proud is the evidence of deeper relationships with our existing customers at the



same time as we have gained 300 new large corporates, more than 30,000 new SMEs and 123,000 new private individuals as our customers.

The next three years

Going forward, the new three year plan aims to execute upon SEB's customer, employee, and profitability ambitions, and preserve the bank's unique corporate profile in the Nordic region.

On an operational level, SEB will use the corporate platform established in the Nordic countries and Germany to increase cross-selling with existing and new clients. In addition, the bank will further consolidate its presence with international and Nordic financial institutions, continue the growth in the Swedish SME segment, become a leader within savings in Sweden and leverage the strong SEB brand in the Baltic region. All of these activities will be accompanied by continued cost efficiency and regulatory compliance. The cost cap for 2013 and for 2014 is now SEK 22.5bn per year.

With this new business plan in place, the Board and management have reviewed SEB's financial targets. Going forward SEB will aim to:

- Pay a yearly dividend that is 40 per cent or above of the earnings per share
 - Target a common equity tier 1 ratio of 13 per cent (Basel III) and
 - Generate return on equity that is competitive with peers.
- This means that we in the long-term aspire to reach a return on equity of 15 per cent.

Long-term orientation remains key

The last three year plan clearly showed the potential for SEB and our relationship banking model. The increased customer base provides a strong backbone for continuing the focused expansion in our region. With the experience gained in operational and customer excellence during the past years, SEB focuses this business plan on the ambition to have the most satisfied customers and close the financial performance gap to peers. Our direction to be *the* relationship bank in our part of the world remains firm.

The Group

Fourth quarter isolated

Operating profit amounted to SEK 2,839m (3,061). Net profit from continuing operations was SEK 3,240m (2,557).

Net profit (after tax), including the net result from discontinued operations, amounted to SEK 3,239m (2,257).

Excluding one-off effects, operating profit was SEK 3,994m and net profit SEK 3,008m.

Operating income

Total operating income amounted to SEK 9,637m (9,334).

Net interest income increased to SEK 4,458m (4,318).

SEK m	Q4	Q3	Q4
	2012	2012	2011
Customer driven NII	4,060	4,006	4,117
NII from other activities	398	460	201
Total	4,458	4,466	4,318

The customer-driven net interest income increased by SEK 54m in the fourth quarter. This was primarily due to higher volumes. Compared to the fourth quarter 2011, the customer-driven net interest income decreased by SEK 57m due to lower deposit margins. Average volumes of loans to and deposit from the public grew by 5 and 6 per cent, respectively.

Net interest income from other activities was up SEK 197m compared with the corresponding quarter 2011 and down SEK 62m from the previous quarter. Funding costs decreased as well as the yield in the liquidity portfolio. The contribution from the trading operations was SEK 121m lower than the fourth quarter 2011 and SEK 13m higher than the previous quarter.

Net fee and commission income increased to SEK 3,715m (3,637). The market value of assets under management recovered during the quarter. There was a seasonal positive effect in performance fees. Customers were more active across various segments leading to improved lending and advisory fees.

Net financial income increased by 67 per cent to SEK 982m (589). Net financial income decreased compared to the third quarter mainly due to the increase in market values of fixed income securities in the liquidity portfolio in the third quarter. The increase compared to the fourth quarter 2011 is partially due to a SEK 214m loss on GIIPS securities which was accounted for in 2011.

Net life insurance income amounted to SEK 831m (992). The positive equity market development in the fourth quarter contributed to improved unit-linked income in Sweden, while traditional and risk insurance income was lower. The decrease from the corresponding period last year was mainly due to particular good performance in the traditional portfolios in that period.

Net other income at SEK -349m (-202). During the fourth quarter, measures were taken to extend the duration of the Bank's issued covered bonds by repurchases of bonds with short remaining maturity to an amount of SEK 12bn, and

subsequent issuance of bonds with longer duration. The repurchases had a negative effect on income in the amount of SEK 402m.

Operating expenses

Total operating expenses amounted to SEK 6,524m (6,032).

The fourth quarter included a cost of SEK 753m related to a write-down of parts of development of new IT infrastructure that will not be used. An antitrust penalty fee in the amount of SEK 63m, which SEB will appeal, was incurred in Lithuania.

Staff costs in general were down albeit redundancy costs increased. At the end of 2012, the number of employees was 16,295, which was 512 lower than the fourth quarter 2011, even though 1,100 new employees were hired.

Credit losses and provisions

Provisions for credit losses amounted to SEK 276m for the quarter (240) corresponding to a credit loss level of 8 basis points. The provisions for credit losses for the Group, excluding the Baltic region, decreased and equaled a credit loss level of 4 basis points in the quarter. The provisions in the Baltic region increased and corresponded to a credit loss level of 56 basis points in the quarter.

Non-performing loans, which amounted to SEK 13.8bn, fell by 5 per cent in the quarter reflecting continued strong asset quality. Compared to a year ago they were 23 per cent lower.

Individually assessed impaired loans decreased by SEK 462m to SEK 8,001m during the quarter.

The Group's portfolio assessed loans past due >60 days decreased by SEK 289m during the quarter to SEK 5,389m.

Income tax expense

Total income tax expense was positive at SEK 401m (-504).

The positive number is a result of the reduction of the Swedish corporate tax rate from 26.3 per cent to 22 per cent which is applicable from 1 January 2013. In 2012, the deferred tax assets and liabilities related to Swedish income tax were revalued at 22 per cent, resulting in a positive one-off effect of SEK 1.1bn.

Discontinued operations

The net result from discontinued operations was SEK -1m (-300).

Comparative numbers in parenthesis refer to the corresponding numbers in the fourth quarter of 2011.

The full year 2012

Operating profit for 2012 amounted to SEK 14,235m (14,953). Profit before credit losses increased by 7 per cent to SEK 15,171m (14,173). Net profit from continuing operations was SEK 12,142m (12,011).

Net profit (after tax), including the net result from discontinued operations, was SEK 11,654m (10,856).

Excluding one-off effects, operating profit was SEK 15,390m and net profit SEK 11,422m.

Operating income

Total operating income amounted to SEK 38,823m (37,686), an increase of 3 per cent compared to the full year 2011.

Net interest income amounted to SEK 17,635m (16,901).

SEK m	Jan-Dec	Jan-Dec	Change
	2012	2011	
Customer driven NII	15,927	15,223	5
NII from other activities	1,708	1,678	2
Total	17,635	16,901	4

Net interest income from customer loans and deposits combined increased by SEK 703m. Lending margins were up somewhat, but were offset by lower deposit margins following lower short-term interest rates. Average volumes of loans to and deposit from the public grew by 7 and 10 per cent, respectively.

Net interest income from other activities was SEK 31m higher compared with 2011. This related primarily to lower average cost of funding as SEB's credit spreads tightened during 2012. The lower funding costs were partly offset by increased volumes of long-term funding and decreasing short-term rates.

The fee to the Swedish stability fund amounted to SEK 602m (515). The contribution to the deposit guarantee scheme was SEK 440m (398). Both items reduced net interest income.

Net fee and commission income amounted to SEK 13,620m (14,175). Commissions and fees from mutual funds decreased primarily because the average volumes of assets under management were lower than 2011. Turnover on the Nordic stock exchanges was low which affected commission income. Lower customer activity in areas such as securities, derivatives and new issues reflected the subdued macroeconomic environment and lowered the fee and commission income compared to 2011. There was an offsetting effect from lending, advisory and guarantee fees.

Net financial income increased by 29 per cent to SEK 4,579m (3,548). There was a GIIPS portfolio market valuation loss of SEK 612m in 2011. The corresponding loss in 2012 was SEK 10m, and there were also positive valuations in the liquidity portfolio. Income in the other business areas, as well as in the trading operations, which is customer driven, was stable.

Net life insurance income increased to SEK 3,428m (3,197) partly due to higher income from unit-linked insurance which was mainly related to the acquisition of SEB Life International. The equity markets improved, but there was a

negative impact from lower long-term interest rates on insurance liabilities.

Net other income was negative at SEK -439m (-135m) including a cost of SEK 402m relating to the repurchases of SEB covered bonds with short remaining maturities. Net other income included a positive effect from hedge accounting.

Operating expenses

Total operating expenses amounted to SEK 23,652m (23,513).

SEK m	Jan-Dec	Jan-Dec	Change
	2012	2011	
Costs pre IAS 19	22,198	22,986	-3
Increased pension costs	225	392	-43
Underlying costs post IAS 19	22,423	23,378	-4
Redundancy costs	413	135	
Penalty fee Lithuania	63		
Outcome vs cost cap	22,899	23,513	-3
IT-infrastructure write-off	753		
Operating expenses	23,652	23,513	1

Underlying costs fell by 4 per cent. Excluding the IT write-off, total expenses amounted to SEK 22,899m.

Staff costs increased by 2 per cent due to higher redundancy costs. The average net number of employees in the continuing operations decreased by 126. Other expenses, such as marketing, IT, consultants, travel and premises costs, decreased.

Credit losses and provisions

Provisions for credit losses amounted to SEK 937m. In 2011 there was a reversal of SEK 778m following releases of provisions in the Baltic region. The provisions corresponded to a credit loss level of 8 basis points. The provisions for credit losses for the Group, excluding the Baltic region, equaled a credit loss level of 6 basis points. The provisions in the Baltic region equaled a credit loss level of 33 basis points.

Non-performing loans in the Group fell by 23 per cent in 2012 reflecting the continued strong asset quality as well as a small effect from the divestment of the Ukrainian retail operations. In the Baltic region non-performing loans fell by 22 per cent as loans continue to be written off against provisions.

Individually assessed impaired loans decreased by SEK 3,089m to SEK 8,001m since year-end 2011.

The Group's portfolio assessed loans past due >60 days decreased by SEK 1,094m since year-end 2011 to SEK 5,389m. The total reserve ratio for individually assessed impaired loans and the total non-performing loans coverage ratio at 74 and 66 per cent, respectively, increased somewhat from year-end 2011.

Income tax expense

Total income tax expense amounted to SEK 2,093m (2,942) corresponding to an effective tax rate of 15 per cent (20). The decrease is a result of the reduction of the Swedish corporate tax rate from 26.3 per cent to 22 per cent which is applicable

from 1 January 2013. In 2012, the deferred taxes related to Swedish income tax were revalued at 22 per cent, resulting in a positive one-off effect of SEK 1.1bn. The Group's effective tax rate next year will be approximately 20 per cent.

Discontinued operations

The net result from the *discontinued operations* improved to a loss of SEK 488m (1,155m). The divestment of both the German and Ukrainian retail operations were finalised during 2012. Certain closing work remained during the year and will also be performed through 2013. The result included a provision for credit losses in the amount of SEK 180m. It related to a syndicated loan to the Bell Group Ltd, now in liquidation, that dated back to 1986; before SEB's acquisition of BfG Bank in 1999.

Business volumes

Total assets as at year-end amounted to SEK 2,453bn (2,359bn). Loans to the public increased to SEK 1,236bn at year-end, an increase of SEK 50bn for the year. Deposits from the public amounted to SEK 862bn at year-end, unchanged from a year ago. In the Swedish Retail business, loans increased by 10 per cent to SEK 525bn and deposits by 8 per cent to SEK 216bn (excluding the Card business).

SEB's total credit portfolio increased to SEK 1,777bn (1,702). The household volumes increased by SEK 36bn. The combined corporate and property management portfolios grew by SEK 31bn.

At 31 December 2012, assets under management amounted to SEK 1,328bn (1,261). The net inflow of assets during the year was SEK 29bn and the market values increased by SEK 38bn. Assets under custody amounted to SEK 5,191bn (4,490).

Fixed-income securities

SEB's net position in fixed-income securities for investment, treasury and client facilitation purposes amounted to SEK 244bn (247). Five per cent of the total holdings, SEK 11.3bn, was GIIPS-related (14). GIIPS-related sovereign debt holdings amounted to SEK 0.3bn, all Italian. Spanish covered bonds amount to SEK 7.6bn, or 67 per cent of the GIIPS exposure.

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 year, at an average loss of SEK 4m. During 2012, Value-at-Risk in the trading operations averaged SEK 162m. On average, the Group should not expect to lose more than this amount during a ten-day period, with 99 per cent probability.

Liquidity and long-term funding

SEB's loan-to-deposit ratio was 134 per cent (129), excluding repos and debt instruments. During the year funding volumes, excluding subordinated debt, in the amount of SEK 70bn

matured and SEK 124bn was issued. 67 per cent of the new issuance was covered bonds.

The core liquidity reserve at year-end 2012 amounted to SEK 373bn (377). The total liquid resources, including net trading assets and unutilised collateral in the cover pool, amounted to SEK 632bn (556). At year-end the Liquidity Coverage Ratio (LCR) was 113 per cent. The USD and EUR LCR were both above 100 per cent. As of 1 January 2013, the Swedish Financial Supervisory Authority requires an LCR, according to a formula adapted for Sweden of 100 per cent in total and in EUR and USD, separately.

Capital position

SEB's reported capital ratios at year-end were negatively impacted by the cumulative effect from the implementation of the amendments to IAS 19 Employee benefits. The unrealised effect of SEK 7.9bn will be recovered in a higher rate environment as the major reason for the actuarial deficit stems from the sharp fall of the discount rate in the past several years. The capital ratios according to Basel III were unchanged from earlier estimates by the Bank as the IAS 19 effect had been included in estimates given.

The Basel II ratios were:

	Dec 2012	Dec 2011 Pro forma*	Dec 2011 Reported
Core tier 1 capital ratio, %	15.1	12.5	13.7
Tier 1 capital ratio, %	17.5	14.6	15.9
RWA, SEK bn	586	679	679
<i>Including supervisory transitional rules:</i>			
Core tier 1 capital ratio, %	10.1	10.2	11.2
Tier 1 capital ratio, %	11.6	12.0	13.0
RWA, SEK bn	879	828	828

* Pro forma – incl. the adjustment to equity from IAS 19 and CVA

In 2012, SEB's applications for using advanced internal ratings based (IRB) models to calculate non-retail real estate and shipping risk-weighted assets were approved by the Swedish Financial Supervisory Authority. This reduced RWA by SEK 42bn and 19bn, respectively. The increase in RWA from new business volumes of SEK 20bn was offset by the effects from process improvements in the amount of SEK 19bn. The stronger Swedish krona resulted in a decrease of RWA of SEK 10bn.

Dividend

The Board proposes to the AGM a dividend of SEK 2.75 per Class A and Class C share, which corresponds to a pay-out ratio of 52 per cent. The total dividend amounts to SEK 6,028m (3,836), calculated on the total number of issued shares as per 31 December 2012, including repurchased shares. The SEB share will be traded ex-dividend on 22 March 2013. The proposed record date for the dividend is 26 March 2013 and dividend payments will be disbursed on 2 April 2013. The proposal shall be seen with reference to the dividend policy, the outlook for the economic environment, the Group's earnings generation and capital situation.

Rating

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

In November 2012, Moody's revised its outlook for the Swedish banking system to stable. Moody's stated however that the outlook for the economy and Swedish corporate credit profile could be undermined by an economic downturn in Europe. S&P on the other hand put all major Swedish banks on negative outlook in November 2012 due the weakening economic outlook for Sweden which may lead to increasing economic risks for Swedish banks.

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 policy measures globally 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, is further described in SEB's Annual Report.

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

the banking sector. The final outcome of the Basel III framework and its implementation within the EU is not yet finalised.

Realignment of management accounting

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

Revised long-term financial targets

The Board of Directors and management have reviewed SEB's long-term financial targets in light of the business plan for 2013-2015. Going forward SEB will aim 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.

Stockholm, 31 January 2013

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

Annika Falkengren

President and Chief Executive Officer

Press conference and webcasts

The press conference at 9.00 (CET) on 31 January 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 be available afterwards.

Access to telephone conference

The telephone conference at 14.00 (CET) on 31 January 2013 with the President and CEO Annika Falkengren and the CFO Jan Erik Back can be accessed by telephone, +44(0)20 7131 2799. Please quote conference id: 927784, not later than 10 minutes in advance. A replay of the conference call will be available on www.sebgroup.com/ir.

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

Further information is available from

Jan Erik Back, Chief Financial Officer

Tel: +46 8 22 19 00

Ulf Grunnesjö, Head of Investor Relations

Tel: +46 8 763 85 01, +46 70 763 85 01

Viveka Hirdman-Ryrberg, Head of Corporate Communications

Tel: +46 8 763 85 77, +46 70 550 35 00

Skandinaviska Enskilda Banken AB (publ)

SE-106 40 Stockholm, Sweden

Telephone: +46 771 62 10 00

www.sebgroup.com

Corporate organisation number: 502032-9081

Financial information calendar

28 February 2013 Annual report on www.sebgroup.com

21 March 2013 Annual general meeting

23 April 2013 Interim report Jan-Mar 2013

15 July 2013 Interim report Jan-Jun 2013

24 October 2013 Interim report Jan-Sep 2013

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Accounting policies

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

In the fourth quarter, the financial reporting is affected by changes in the Group's accounting policies in comparison with the 2011 Annual Report and the previous interim reports for 2011 and 2012. The change is related to the accounting of defined benefit plans due to amendments in IAS 19 Employee benefits that SEB has decided to adopt early. There are also effects from changes in the measurement of fair value of financial assets. The Parent company's financial reporting is affected by changes in the measurement of fair value of financial assets and the accounting for group contributions. 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 2011 Annual Report.

Defined benefit plans

IAS 19 Employee Benefits - The amendment removes the possibility to use the corridor method and to amortise actuarial gains and losses on defined benefit plans. The standard also requires an entity to apply the discount rate on the net defined benefit liability (asset) in order to calculate the net interest expense (income). It thereby removes the use of an expected return on the plan assets. The deficit at transition is reported in Retained earnings (equity). Subsequent

remeasurements of obligations and assets are recognised in Other comprehensive income. All changes in the net defined benefit liability (asset) are recognized as they occur, as follows: (i) service cost and net interest in the Income statement; and (ii) remeasurement in Other comprehensive income. In connection with the change of IAS 19 the statement UFR 9, regarding accounting of tax on returns on pension funds, issued by the Swedish Financial Reporting Board should be applied. According to UFR 9 taxes related to provisions in the Statement of financial position should continuously be reported as cost in the period the tax is attributable to. For funded pension plans the tax affects Other comprehensive income in the period the tax is attributable. The new requirements are applicable from 1 January 2013 but can be applied earlier. The change has a material impact on the consolidated financial statements of the Group (for figures see the page 33 and the Statement of changes in equity). Since the amendment of IAS 19 affects the capital base it will also impact the capital adequacy.

Fair value measurement

In connection with enhanced capital requirements regarding counterparty credit risk on OTC-derivatives SEB has further developed both the valuation model and the risk measurement of this risk. The change implies a material adjustment for counterparty credit risk (Credit Value Adjustment, CVA) that reduces the asset value of OTC-derivatives. Almost the entire effect is attributable to 2011 and earlier periods. The adjustment is recognised as a change in retained earnings as of 31 December 2011 since SEB has concluded that period-specific effects for previous periods are impracticable to determine. The effect attributable to 2012 isolated is not material. Changes attributable to the CVA effect will be recognised as Net financial income in the income statement. See page 33 and Statement of changes in equity for more information.

Group contributions

Group contributions are recognised in the Parent company as appropriations. Contributions received for 2011 were recognised as dividends. The change does not have a material effect on the Parent company's financial statements.

The SEB Group

Due to the changes in the accounting policies which are explained on page 2, the profit for 2011 has been restated in all tables and other information in this report, with the exception of the capital adequacy information.

Income statement – SEB Group

See page 2 for an income statement excluding items of a one-time character.

SEK m	Q4			Q3		Q4		Jan - Dec		
	2012	2012	%	2011	%	2012	2011	%		
Net interest income	4 458	4 466	0	4 318	3	17 635	16 901	4		
Net fee and commission income	3 715	3 192	16	3 637	2	13 620	14 175	-4		
Net financial income	982	1 091	-10	589	67	4 579	3 548	29		
Net life insurance income	831	861	-3	992	-16	3 428	3 197	7		
Net other income	- 349	71		- 202	73	- 439	- 135			
Total operating income	9 637	9 681	0	9 334	3	38 823	37 686	3		
Staff costs	-3 672	-3 602	2	-3 527	4	-14 596	-14 325	2		
Other expenses	-1 628	-1 573	3	-2 030	-20	-6 444	-7 424	-13		
Depreciation, amortisation and impairment of tangible and intangible assets	-1 224	- 464	164	- 475	158	-2 612	-1 764	48		
Total operating expenses	-6 524	-5 639	16	-6 032	8	-23 652	-23 513	1		
Profit before credit losses	3 113	4 042	-23	3 302	-6	15 171	14 173	7		
Gains less losses from disposals of tangible and intangible assets	2	1	100	- 1		1	2	-50		
Net credit losses	- 276	- 186	48	- 240	15	- 937	778			
Operating profit	2 839	3 857	-26	3 061	-7	14 235	14 953	-5		
Income tax expense	401	- 868	-146	- 504		-2 093	-2 942	-29		
Net profit from continuing operations	3 240	2 989	8	2 557	27	12 142	12 011	1		
Discontinued operations	- 1	- 155	-99	- 300	-100	- 488	-1 155	-58		
Net profit	3 239	2 834	14	2 257	44	11 654	10 856	7		
Attributable to minority interests	7	4	75	10	-30	22	37	-41		
Attributable to shareholders	3 232	2 830	14	2 247	44	11 632	10 819	8		
Continuing operations										
Basic earnings per share, SEK	1.47	1.36		1.16		5.53	5.46			
Diluted earnings per share, SEK	1.47	1.36		1.16		5.51	5.43			
Total operations										
Basic earnings per share, SEK	1.47	1.29		1.02		5.31	4.93			
Diluted earnings per share, SEK	1.47	1.29		1.02		5.29	4.91			

Statement of comprehensive income

SEK m	Q4			Q3		Q4		Jan - Dec		
	2012	2012	%	2011	%	2012	2011	%		
Net profit	3 239	2 834	14	2 257	44	11 654	10 856	7		
Available-for-sale financial assets	541	376	44	203	167	1 276	722	77		
Cash flow hedges	152	687	-78	203	-25	581	1 529	-62		
Defined benefit plans	-1 558	- 99		814		-2 003	- 88			
Translation of foreign operations	245	- 494		- 431		- 386	- 134	188		
Taxes on translation effects	166	- 347		- 363		- 284	- 76			
Other				- 177	-100		- 454	-100		
Other comprehensive income (net of tax)	- 454	123		249		- 816	1 499	-154		
Total comprehensive income	2 785	2 957	- 6	2 506	11	10 838	12 355	-12		
Attributable to minority interests	7	- 3		8	-13	22	36	-39		
Attributable to shareholders	2 778	2 960	-6	2 498	11	10 816	12 319	-12		

Key figures – SEB Group

	Q4	Q3	Q4	Jan - Dec	
	2012	2012	2011	2012	2011
Continuing operations					
Return on equity, continuing operations, %	11.93	11.35	10.05	11.52	12.31
Basic earnings per share, continuing operations, SEK	1.47	1.36	1.16	5.53	5.46
Diluted earnings per share, continuing operations, SEK	1.47	1.36	1.16	5.51	5.43
Cost/income ratio, continuing operations	0.68	0.58	0.65	0.61	0.62
Number of full time equivalents, continuing operations*	16 295	16 415	16 807	16 578	16 704
Total operations					
Return on equity, %	11.93	10.76	8.87	11.06	11.12
Return on total assets, %	0.53	0.47	0.38	0.48	0.49
Return on risk-weighted assets, %	1.49	1.31	1.09	1.36	1.35
Basic earnings per share, SEK	1.47	1.29	1.02	5.31	4.93
Weighted average number of shares, millions**	2 192	2 192	2 193	2 191	2 194
Diluted earnings per share, SEK	1.47	1.29	1.02	5.29	4.91
Weighted average number of diluted shares, millions***	2 202	2 198	2 203	2 199	2 204
Net worth per share, SEK	56.33	55.30	51.99	56.33	51.99
Average shareholders' equity, SEK, billion	108.5	105.1	101.4	105.2	97.3
Credit loss level, %	0.08	0.11	0.08	0.08	-0.08
Total reserve ratio individually assessed impaired loans, %	74.4	74.2	71.1	74.4	71.1
Net level of impaired loans, %	0.28	0.30	0.39	0.28	0.39
Gross level of impaired loans, %	0.58	0.62	0.84	0.58	0.84
Capital adequacy including transitional floor :****					
Risk-weighted assets, SEK billion	879	860	828	879	828
Core Tier 1 capital ratio, %	10.05	11.33	11.25	10.05	11.25
Tier 1 capital ratio, %	11.65	12.94	13.01	11.65	13.01
Total capital ratio, %	11.47	12.74	12.50	11.47	12.50
Capital adequacy without transitional floor (Basel II):					
Risk-weighted assets, SEK billion	586	591	679	586	679
Core Tier 1 capital ratio, %	15.09	16.51	13.71	15.09	13.71
Tier 1 capital ratio, %	17.48	18.85	15.87	17.48	15.87
Total capital ratio, %	17.22	18.56	15.24	17.22	15.24
Number of full time equivalents*	16 357	16 480	17 571	16 925	17 633
Assets under custody, SEK billion	5 191	4 788	4 490	5 191	4 490
Assets under management, SEK billion	1 328	1 271	1 261	1 328	1 261
Discontinued operations					
Basic earnings per share, discontinued operations, SEK	0.00	-0.07	-0.14	-0.22	-0.53
Diluted earnings per share, discontinued operations, SEK	0.00	-0.07	-0.14	-0.22	-0.52

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

** The number of issued shares was 2,194,171,802. SEB owned 2,344,366 Class A shares for the employee stock option programme at year end 2011. During 2012 SEB has repurchased 11,987,956 shares and 12,143,588 shares have been sold as employee stock options have been exercised. Thus, as at 31 December 2012 SEB owned 2,188,734 Class A-shares with a market value of SEK 121m.

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

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

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

Income statement on quarterly basis - SEB Group

SEK m	Q4	Q3	Q2	Q1	Q4
	2012	2012	2012	2012	2011
Net interest income	4 458	4 466	4 530	4 181	4 318
Net fee and commission income	3 715	3 192	3 449	3 264	3 637
Net financial income	982	1 091	1 127	1 379	589
Net life insurance income	831	861	821	915	992
Net other income*	- 349	71	- 11	- 150	- 202
Total operating income	9 637	9 681	9 916	9 589	9 334
Staff costs	-3 672	-3 602	-3 704	-3 618	-3 527
Other expenses	-1 628	-1 573	-1 590	-1 653	-2 030
Depreciation, amortisation and impairment of tangible and intangible assets**	-1 224	- 464	- 460	- 464	- 475
Total operating expenses	-6 524	-5 639	-5 754	-5 735	-6 032
Profit before credit losses	3 113	4 042	4 162	3 854	3 302
Gains less losses from disposals of tangible and intangible assets	2	1	- 4	2	- 1
Net credit losses	- 276	- 186	- 269	- 206	- 240
Operating profit	2 839	3 857	3 889	3 650	3 061
Income tax expense***	401	- 868	- 833	- 793	- 504
Net profit from continuing operations	3 240	2 989	3 056	2 857	2 557
Discontinued operations	- 1	- 155	- 86	- 246	- 300
Net profit	3 239	2 834	2 970	2 611	2 257
Attributable to minority interests	7	4	6	5	10
Attributable to shareholders	3 232	2 830	2 964	2 606	2 247
Continuing operations					
Basic earnings per share, SEK	1.47	1.36	1.39	1.30	1.16
Diluted earnings per share, SEK	1.47	1.36	1.39	1.30	1.16
Total operations					
Basic earnings per share, SEK	1.47	1.29	1.35	1.19	1.02
Diluted earnings per share, SEK	1.47	1.29	1.35	1.19	1.02

* Repurchase of the Bank's covered bond portfolio has had a negative effect on Net other income of SEK 402m in Q4 2012. The negative amounts in Q4 2011 and Q1 2012 are mainly related to realised losses of securites classified as Available-for-Sale.

** 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 1,100m from revaluation of deferred tax assets and liabilities.

Income statement by Division – SEB Group

Jan-Dec 2012, SEK m	Merchant Banking	Retail Banking	Wealth Management	Life*	Baltic	Other incl eliminations	SEB Group
Net interest income	6 966	7 117	667	- 86	1 970	1 001	17 635
Net fee and commission income	4 896	3 648	3 244		919	913	13 620
Net financial income	3 683	339	97		423	37	4 579
Net life insurance income				4 707		-1 279	3 428
Net other income	292	76	30		- 11	- 826	- 439
Total operating income	15 837	11 180	4 038	4 621	3 301	- 154	38 823
Staff costs	-3 945	-3 024	-1 322	-1 214	- 681	-4 410	-14 596
Other expenses	-4 465	-3 266	-1 379	- 537	-1 080	4 283	-6 444
Depreciation, amortisation and impairment of tangible and intangible assets	- 182	- 85	- 43	- 890	- 280	-1 132	-2 612
Total operating expenses	-8 592	-6 375	-2 744	-2 641	-2 041	-1 259	-23 652
Profit before credit losses	7 245	4 805	1 294	1 980	1 260	-1 413	15 171
Gains less losses from disposals of tangible and intangible assets	- 6				9	- 2	1
Net credit losses	- 130	- 452	- 5		- 351	1	- 937
Operating profit	7 109	4 353	1 289	1 980	918	-1 414	14 235

* Business result in Life amounted to SEK 2,651 (3,145), of which change in surplus values was net SEK 671m (1,188).

The restated numbers published on 22 January 2013, included the financial effects on divisions from minor adjustments of the organisation during 2012. The mid-corporate customer

segment was moved from the Merchant Banking to the Retail Banking division and the savings organisation of the Wealth division was merged with that of Retail Banking.

SEB's markets

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

Profit per country

Distribution by country Jan - Dec											Operating profit in local currency		
SEK m	Total operating income			Total operating expenses			Operating profit			2012	2011	%	
	2012	2011	%	2012	2011	%	2012	2011	%				
Sweden	22 239	22 262	0	-15 052	-15 723	-4	6 777	6 102	11	6 777	6 102	11	
Norway	3 272	2 906	13	-1 339	-1 164	15	1 902	1 648	15	1 633	1 423	15	
Denmark	3 046	2 909	5	-1 387	-1 495	-7	1 599	1 349	19	1 366	1 113	23	
Finland	1 421	1 372	4	-625	-646	-3	789	724	9	91	80	14	
Germany*	2 875	3 262	-12	-1 752	-1 880	-7	1 074	1 334	-19	123	149	-17	
Estonia	1 163	1 214	-4	-546	-590	-7	636	852	-25	73	94	-22	
Latvia	1 028	1 006	2	-529	-535	-1	199	861	-77	16	67	-76	
Lithuania	1 410	1 442	-2	-1 081	-933	16	269	1 377	-80	107	527	-80	
Other countries and eliminations	2 369	1 313	80	-1 341	-547	145	990	706	40				
Total	38 823	37 686	3	-23 652	-23 513	1	14 235	14 953	-5				

*Excluding centralised treasury operations

- The growth plan resulted in higher operating income and operating profit in all Nordic countries
- SEB named Bank of the Year in all markets where it offers universal banking services

Comments on 2012

In Sweden, strengthening customer relationships continued to be top priority during the year and SEB was re-affirmed as the best client relationship bank in Sweden by Prospera and also named Bank of the Year by The Banker. Despite the lower interest rate environment in 2012, higher lending and deposit volumes contributed to a total net interest income level above the previous year. The Private Banking activity was high. For Sweden in total the operating profit increased by 11 per cent, mainly as a result of a lower cost base.

In Norway, operating profit increased by 15 per cent. Income from both Corporate Banking and Trading and Capital Markets increased and especially initiatives within Structured Finance, Shipping, Asset Financing and Loan Origination were successful. SEB was active in the corporate bond market which had a historical high number of issues.

In Denmark, operating profit increased by 23 per cent after a strong fourth quarter. In particular, trading and the growing corporate banking activities in Merchant Banking contributed to the all-time high result. Both Life and Wealth Management delivered results in line with the previous year. Operating expenses decreased by 4 per cent.

Finland reported a record result for 2012 and an increase in operating profit of 14 per cent. All business areas' performance improved and Trading and Capital Markets and Structured Finance did especially well. Wealth Management was ranked No.1 for the institutional client segment on quality.

In Germany operating profit decreased by 17 per cent. The Wealth Management result was negatively affected by the decision to liquidate the ImmoInvest fund. The Merchant Banking corporate business continued to grow and attracted 50 new customers. A strategic decision to focus the real estate business was taken.

In the Baltic region, 2011 included reversals of credit provisions which is the main reason for the negative changes of operating profit in the countries. Profit before credit losses decreased by 1 per cent in Estonia, by 35 per cent in Lithuania and increased by 6 per cent in Latvia. For the first time SEB was named Bank of the Year by The Banker in all three Baltic countries. (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	Q4			Q3			Q4			Jan- Dec		
	2012	2012	%	2011	2011	%	2012	2011	%	2012	2011	%
Net interest income	1 697	1 676	1	1 936	- 12		6 966	7 139	- 2			
Net fee and commission income	1 361	1 115	22	1 289	6		4 896	4 908	0			
Net financial income	837	786	6	900	- 7		3 683	4 002	- 8			
Net other income	- 16	127		237			292	617	- 53			
Total operating income	3 879	3 704	5	4 362	- 11		15 837	16 666	- 5			
Staff costs	- 997	- 950	5	- 876	14		- 3 945	- 3 926	0			
Other expenses	- 1 117	- 1 098	2	- 1 199	- 7		- 4 465	- 4 771	- 6			
Depreciation, amortisation and impairment of tangible and intangible assets	- 58	- 42	38	- 80	- 28		- 182	- 227	- 20			
Total operating expenses	- 2 172	- 2 090	4	- 2 155	1		- 8 592	- 8 924	- 4			
Profit before credit losses	1 707	1 614	6	2 207	- 23		7 245	7 742	- 6			
Gains less losses from disposals of tangible and intangible assets				- 2	- 100		- 6	- 1				
Net credit losses	- 1	- 18	- 94	- 92	- 99		- 130	- 260	- 50			
Operating profit	1 706	1 596	7	2 113	- 19		7 109	7 481	- 5			
Cost/Income ratio	0,56	0,56		0,49			0,54	0,54				
Business equity, SEK bn	36,3	36,3		26,8			36,7	26,1				
Return on business equity, %	13,9	13,0		22,7			14,3	20,6				
Number of full time equivalents	2 392	2 429		2 414			2 418	2 398				

- Customer franchise continued to strengthen in all markets
- Leading corporate bank in the Nordic region
- Solid profitability and further improved asset quality

Comments on 2012

2012 was characterised by a continued uncertainty and a number of measures were taken to calm the markets. The Nordic region continued to be seen as a safe haven, however, the overall slowdown towards the end of the year naturally affected the Nordic region as well. Many European stock exchanges closed the year with positive indices compared to double digit negative indices only one year ago.

Corporate investment levels including M&A activity remained subdued, which resulted in lower customer activity. SEB continued to focus on strengthening the customer franchise in spite of the rather turbulent market environment.

Operating income decreased by 5 per cent year-on-year and by 11 per cent compared with the last quarter of 2011, driven by lower customer activity in most business areas. Operating expenses for 2012 were down by 4 per cent compared with 2011. Asset quality remained strong and net credit losses consequently low. Operating profit amounted to SEK 7,109m, down 5 per cent year-on-year.

SEB's low trading risk profile, in combination with higher customer activity levels in capital markets as the disintermediation trend continued, generated stable operating profits for *Trading & Capital Markets*.

Global Transaction Services managed to broaden the customer base and could offset most of the effects from lower interest rates and lower export and import volumes. Assets under custody amounted to SEK 5,191bn (4,490).

Corporate Banking continued the healthy performance in 2012 and delivered a solid result across all areas.

The first phase of the growth initiatives, launched back in 2010, in the Nordic countries outside Sweden and in Germany was completed. During 2012, 94 new customers were added, bringing the total new clients to 296 since the start of 2010. The initiative also resulted 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	Q4			Q3			Q4			Jan- Dec		
	2012	2012	%	2011	2011	%	2012	2011	%	2012	2011	%
Net interest income	1 821	1 796	1	1 620	12	7 117	6 063	17				
Net fee and commission income	957	886	8	980	- 2	3 648	3 775	- 3				
Net financial income	86	79	9	81	6	339	302	12				
Net other income	24	19	26	20	20	76	97	- 22				
Total operating income	2 888	2 780	4	2 701	7	11 180	10 237	9				
Staff costs	- 731	- 755	- 3	- 741	- 1	- 3 024	- 2 951	2				
Other expenses	- 845	- 787	7	- 901	- 6	- 3 266	- 3 638	- 10				
Depreciation, amortisation and impairment of tangible and intangible assets	- 20	- 24	- 17	- 21	- 5	- 85	- 79	8				
Total operating expenses	- 1 596	- 1 566	2	- 1 663	- 4	- 6 375	- 6 668	- 4				
Profit before credit losses	1 292	1 214	6	1 038	24	4 805	3 569	35				
Gains less losses from disposals of tangible and intangible assets												
Net credit losses	- 119	- 99	20	- 180	- 34	- 452	- 441	2				
Operating profit	1 173	1 115	5	858	37	4 353	3 128	39				
Cost/Income ratio	0,55	0,56		0,62		0,57	0,65					
Business equity, SEK bn	14,2	14,8		11,0		14,4	10,8					
Return on business equity, %	24,5	22,2		23,1		22,3	21,4					
Number of full time equivalents	3 649	3 649		3 684		3 708	3 659					

- Higher lending and deposit volumes
- Awarded Bank of the Year and Best SME bank
- 39 per cent increase in operating profit

Comments on 2012

Retail Banking showed continued strength in 2012. Operating income increased by 9 per cent compared to 2011. The enhanced efficiency focus led to a decrease of operating expenses by 4 per cent, and the division's operating profit increased from SEK 3,128m to SEK 4,353m.

The mortgage portfolio grew by SEK 36bn to reach SEK 350bn, and margins increased somewhat. In order to protect the customers' financial position and SEB's balance sheet, SEB's amortisation requirements, starting in 2013, were communicated.

The strategic focus on long-term customer relationships led to improved offerings to retail customers, such as the launch of a new bank service to young adults as well as providing individual advice to 438,000 home bank customers. New features were launched to enhance remote support for customers, such as ATM mobile search functions and support for savings planning. The number of visits to SEB's mobile banking application increased markedly during the year and reached 31 million for the year.

The offering to small and medium-sized enterprises attracted 8,750 new active payment service customers to reach a total of 130,000. Corporate lending outperformed market growth and amounted to SEK 152bn at year-end.

Volatile stock markets led customers to lower their risk profiles by reallocating their savings towards deposits. This pressured commission income from life insurance and mutual funds. Deposits increased by SEK 16bn to SEK 216bn.

The operating profit in the card business in all Nordic markets reached SEK 1,123m (1,011m). The main reasons for the improvement were increased card turnover and lower funding costs. The underlying business was characterised by a high level of business activity. Costs are slightly up due to the implementation of a new co-brand agreement in Norway. The credit losses were stable at SEK 201m (220).

Card turnover increased by 11 per cent and the average transaction amount continued to fall reflecting that cards are increasingly used for sundry expenses. The number of cards increased by 8 per cent, to 3.5 million.

Wealth Management

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

Income statement

SEK m	Q4			Q3			Q4			Jan- Dec		
	2012	2012	%	2011	2011	%	2012	2011	%	2012	2011	%
Net interest income	158	160	- 1	167	- 5		667	635	5			
Net fee and commission income	926	733	26	972	- 5		3 244	3 589	- 10			
Net financial income	31	30	3	17	82		97	87	11			
Net other income	3	- 7					30	7				
Total operating income	1 118	916	22	1 156	- 3		4 038	4 318	- 6			
Staff costs	- 331	- 339	- 2	- 349	- 5		- 1 322	- 1 388	- 5			
Other expenses	- 328	- 333	- 2	- 383	- 14		- 1 379	- 1 501	- 8			
Depreciation, amortisation and impairment of tangible and intangible assets	- 11	- 10	10	- 18	- 39		- 43	- 49	- 12			
Total operating expenses	- 670	- 682	- 2	- 750	- 11		- 2 744	- 2 938	- 7			
Profit before credit losses	448	234	91	406	10		1 294	1 380	- 6			
Gains less losses from disposals of tangible and intangible assets												
Net credit losses	- 6			- 2			- 5	- 9	- 44			
Operating profit	442	234	89	404	9		1 289	1 371	- 6			
Cost/Income ratio	0,60	0,74		0,65			0,68	0,68				
Business equity, SEK bn	5,8	5,8		5,1			6,0	5,0				
Return on business equity, %	22,5	12,0		23,0			16,0	19,7				
Number of full time equivalents	919	913		957			940	973				

- Continued strong confidence from Private Banking customers: net sales AuM SEK 28bn and 1,214 new clients
- Awarded as Best Private Bank in the Nordic areas by the Financial Times Group
- Operating profit decreased

Comments on 2012

After the somewhat turbulent first six months in the equity market, the latter part of the year developed more positively and the stock markets recovered. However, risk appetite and customer activity in equity related products were low during the year due to the uncertainty in the equity stock markets.

During the year *Private Banking* maintained a high level of proactivity towards clients and attracted 1,214 new customers (1,335). New volumes of assets under management amounted to SEK 28bn (27). For the third consecutive year SEB was awarded the Global Private Banking Award as best private bank in the Nordic area by the magazines "The Banker" and "PWM" (Professional Wealth Management), both included in the Financial Times Group. To further improve customer service, a Private Banking office was opened in London.

Within *Institutional Clients*, there was focus on products that offer alternatives to the volatile stock markets. Customer interest in closed-end funds, such as Credit Opportunity III, as well as SEB's first institutional real estate fund in Sweden,

Domestica, was high. Within the fund offering, products such as corporate bonds, high yield funds, allocation and strategy funds have drawn customers' attention.

The operating profit of SEK 1,289m was down by 6 per cent compared with last year. Base commissions were down 6 per cent, partially because the average market values on assets under management were lower compared to 2011. There was an impact from the decision to liquidate the real estate fund ImmoInvest in Germany. However, the market values improved in the fourth quarter. Performance and transaction fees amounted to SEK 264m (399) mainly due to lower transaction fees from the real estate business in Germany and lower performance fees from mutual funds and mandates. Operating expenses, which amounted to SEK 2,744, decreased by 7 per cent compared to 2011 despite restructuring costs during the year.

Total assets under management amounted to SEK 1,228bn (1,175).

Life

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

Income statement

SEK m	Q4			Q3			Q4			Jan- Dec		
	2012	2012	%	2011	2011	%	2012	2011	%	2012	2011	%
Net interest income	- 18	- 20	- 10	- 7	157		- 86	- 33	161			
Net life insurance income	1 149	1 179	- 3	1 253	- 8		4 707	4 504	5			
Total operating income	1 131	1 159	- 2	1 246	- 9		4 621	4 471	3			
Staff costs	- 305	- 294	4	- 307	- 1		- 1 214	- 1 193	2			
Other expenses	- 128	- 137	- 7	- 153	- 16		- 537	- 536	0			
Depreciation, amortisation and impairment of tangible and intangible assets	- 209	- 224	- 7	- 203	3		- 890	- 785	13			
Total operating expenses	- 642	- 655	- 2	- 663	- 3		- 2 641	- 2 514	5			
Profit before credit losses	489	504	- 3	583	- 16		1 980	1 957	1			
Operating profit	489	504	- 3	583	- 16		1 980	1 957	1			
Change in surplus values, net	115	148	- 22	399	- 71		671	1 188	- 44			
Business result	604	652	- 7	982	- 38		2 651	3 145	- 16			
Cost/Income ratio	0,57	0,57		0,53			0,57	0,56				
Business equity, SEK bn	6,5	6,5		6,4			6,5	6,4				
Return on business equity, %												
based on operating profit	26,2	27,0		32,1			26,5	26,9				
based on business result	32,3	34,9		54,0			35,5	43,2				
Number of full time equivalents	1 338	1 323		1 323			1 320	1 270				

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

- Maintained leadership in the Swedish unit-linked market
- SEB Pension ranked as number one in the Danish pension market
- Operating profit increased 1 per cent in a subdued financial environment

Comments on 2012

In the Swedish market the focus on occupational pension and corporate clients continued. SEB's bankassurance concept was appreciated by clients.

A number of new products were launched in the Baltic area during the year, for example loan protection in Estonia, Latvia and Lithuania and family insurance in Latvia. Enhanced advisory service and on-line solutions were well received in the Danish market where SEB Pension ranked number one in the pension market in terms of customer satisfaction (according to the Aalund report).

Operating profit increased by 1 per cent compared to last year. Unit-linked income, which represents 59 per cent of total income and 83 per cent of sales, increased by 7 per cent, due to the acquisition of SEB Life International. Income from traditional and risk insurance increased by 3 per cent. Expenses decreased by 2 per cent adjusted for SEB Life International.

In Sweden, SEB Trygg Liv continued to be the market leader within unit-linked insurance. Recoveries of provisions in the traditional business were SEK 43m (-53). Operating profit amounted to SEK 1,307m which was virtually unchanged from last year. During the year the total fund value increased by SEK 11bn to SEK 138bn.

Operating profit in Denmark increased slightly and amounted to SEK 585m which was 2 per cent higher than last year. The improvement was due to a 10 per cent cost reduction. Income fell partly due to lower return from the own account investment portfolio.

Operating profit for International improved significantly from last year's SEK 91m to SEK 168m. The improvement was mainly due to higher investment returns from traditional portfolios in Estonia and Latvia. SEB Life International (formerly Irish Life) was fully integrated into SEB and supported income growth.

The premium income relating to new and existing policies amounted to SEK 27bn for the division which was 6 per cent lower than last year. The weighted sales volume of new policies decreased by 9 per cent to SEK 39bn and reflected lower volumes in the Swedish endowment market. The share of corporate paid policies increased to 76 per cent (68).

The total fund value in unit-linked insurance increased by SEK 17bn to 204bn. The net inflow was SEK 3bn and the appreciation in value was SEK 14bn or 7 per cent. Total net assets under management amounted to SEK 443bn.

Baltic

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

Income statement

SEK m	Q4			Q3			Q4			Jan- Dec		
	2012	2012	%	2011	2011	%	2012	2011	%	2012	2011	%
Net interest income	461	482	- 4	571	- 19		1 970	2 162	- 9			
Net fee and commission income	246	233	6	223	10		919	889	3			
Net financial income	99	103	- 4	105	- 6		423	365	16			
Net other income	- 3	- 4	- 25	- 11	- 73		- 11	- 33	- 67			
Total operating income	803	814	- 1	888	- 10		3 301	3 383	- 2			
Staff costs	- 172	- 162	6	- 191	- 10		- 681	- 701	- 3			
Other expenses	- 319	- 250	28	- 324	- 2		- 1 080	- 1 119	- 3			
Depreciation, amortisation and impairment of tangible and intangible assets	- 183	- 32		- 34			- 280	- 133	111			
Total operating expenses	- 674	- 444	52	- 549	23		- 2 041	- 1 953	5			
Profit before credit losses	129	370	- 65	339	- 62		1 260	1 430	- 12			
Gains less losses from disposals of tangible and intangible assets	1	5	- 80	1	0		9	2				
Net credit losses	- 149	- 70	113	32			- 351	1 485				
Operating profit	- 19	305	- 106	372			918	2 917	- 69			
Cost/Income ratio	0,84	0,55		0,62			0,62	0,58				
Business equity, SEK bn	8,9	8,5		8,8			8,8	8,8				
Return on business equity, %	negative	13,0		15,6			9,7	29,6				
Number of full time equivalents	2 857	2 907		3 065			2 960	3 148				

- Deposit volumes increased by 7 per cent in 2012 and loan volumes grew in local currency
- SEB named Bank of the Year in Estonia, Latvia and Lithuania by The Banker
- Lower operating profit due to one-off items and reversal of credit provisions in 2011

Comments on 2012

Following the severe economic downturn between 2008 and 2010, GDP growth in 2012 was above the Euro area average in each of the three Baltic economies. Consumer confidence also increased in the region as unemployment levels eased somewhat.

Operating income of SEK 3,301m was 1 per cent higher than in 2011 when adjusted for a strengthened Swedish krona. The operating profit of SEK 918m (2,917) included net credit losses of SEK 351m (net recovery of SEK 1,485m in 2011). There was an increase in credit losses in Latvia during the year due to legacy issues. Non-performing loans declined by 22 per cent in 2012 and the non-performing loans coverage ratio has increased slightly to 61 per cent.

Operating expenses increased by 5 per cent. In the fourth quarter two one-off operating expense items in Lithuania affected the result. SEK 148m was provided for a write-down

of a core banking system and SEK 63m was provided for an anti-trust penalty fee, which SEB will appeal. Excluding these two items, operating expenses decreased by 6 per cent.

The Baltic loan volumes of SEK 97bn grew in local currency terms during the year. The lending margins were relatively stable. Performing loan volumes grew by 1 per cent in local currency terms and corporate loans grew in all countries.

Total deposit volumes of SEK 68bn increased by 7 per cent in the year in local currency terms, with a 4 per cent growth during the fourth quarter. Overall deposit margins declined in each of the Baltic countries, reflecting the low prevailing interest rate environment throughout the year.

At year-end, SEB's Baltic real estate holding companies held assets with a total book value of SEK 2,162m (1,455). The operating loss for 2012 was SEK 98m (63).

The SEB Group

Net interest income – SEB Group

SEK m	Q4			Q3		Q4		Jan - Dec		
	2012	2012	%	2011	%	2012	2011			
Interest income	12 788	13 179	-3	14 866	-14	53 794	56 163	-4		
Interest expense	-8 330	-8 713	-4	-10 548	-21	-36 159	-39 262	-8		
Net interest income	4 458	4 466	0	4 318	3	17 635	16 901	4		

Net fee and commission income – SEB Group

SEK m	Q4			Q3		Q4		Jan - Dec		
	2012	2012	%	2011	%	2012	2011			
Issue of securities	45	11		92	-51	144	252	-43		
Secondary market	370	398	-7	525	-30	1 487	1 821	-18		
Custody and mutual funds	1 838	1 564	18	1 795	2	6 691	7 218	-7		
Securities commissions	2 253	1 973	14	2 412	-7	8 322	9 291	-10		
Payments	396	376	5	399	-1	1 580	1 575	0		
Card fees	1 096	1 103	-1	1 060	3	4 372	4 034	8		
Payment commissions	1 492	1 479	1	1 459	2	5 952	5 609	6		
Advisory	196	81	142	97	102	502	432	16		
Lending	608	442	38	461	32	2 047	1 963	4		
Deposits	36	33	9	27	33	128	106	21		
Guarantees	113	114	-1	106	7	451	398	13		
Derivatives	110	103	7	208	-47	453	715	-37		
Other	152	65	134	128	19	481	509	-6		
Other commissions	1 215	838	45	1 027	18	4 062	4 123	-1		
Fee and commission income	4 960	4 290	16	4 898	1	18 336	19 023	-4		
Securities commissions	-371	-281	32	-348	7	-1 286	-1 385	-7		
Payment commissions	-626	-641	-2	-592	6	-2 572	-2 301	12		
Other commissions	-248	-176	41	-321	-23	-858	-1 162	-26		
Fee and commission expense	-1 245	-1 098	13	-1 261	-1	-4 716	-4 848	-3		
Securities commissions, net	1 882	1 692	11	2 064	-9	7 036	7 906	-11		
Payment commissions, net	866	838	3	867	0	3 380	3 308	2		
Other commissions, net	967	662	46	706	37	3 204	2 961	8		
Net fee and commission income	3 715	3 192	16	3 637	2	13 620	14 175	-4		

Net financial income – SEB Group

SEK m	Q4			Q3		Q4		Jan - Dec		
	2012	2012	%	2011	%	2012	2011			
Equity instruments and related derivatives	-12	289		-17	-29	518	-21			
Debt instruments and related derivatives	137	-8		-64		972	1 057	-8		
Currency related	885	809	9	848	4	3 163	2 981	6		
Other	-28	1		-178	-84	-74	-469	-84		
Net financial income	982	1 091	-10	589	67	4 579	3 548	29		

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

Net credit losses – SEB Group

SEK m	Q4		Q3		Q4		Jan - Dec		
	2012	2012	%	2011	%	2012	2011	%	
<i>Provisions:</i>									
Net collective provisions for individually assessed loans	124	- 62		- 7		104	707	-85	
Net collective provisions for portfolio assessed loans	- 37	- 84	-56	- 11		- 148	68		
Specific provisions	- 90	2		- 195	-54	- 532	- 800	-34	
Reversal of specific provisions no longer required	85	186	-54	173	-51	557	1 421	-61	
Net provisions for off-balance sheet items		2	-100	19	-100	23	68	-66	
Net provisions	82	44	86	- 21		4	1 464	-100	
<i>Write-offs:</i>									
Total write-offs	-1 007	- 741	36	- 749	34	-2 892	-2 705	7	
Reversal of specific provisions utilized for write-offs	594	484	23	487	22	1 814	1 909	-5	
Write-offs not previously provided for	- 413	- 257	61	- 262	58	-1 078	- 796	35	
Recovered from previous write-offs	55	27	104	43	28	137	110	25	
Net write-offs	- 358	- 230	56	- 219	63	- 941	- 686	37	
Net credit losses	- 276	- 186	48	- 240	15	- 937	778		

Staff costs – SEB Group

SEK m	Jan - Dec		
	2012	2011	%
Salaries*	-10 531	-10 480	0
Short-term incentive*	-1 072	-1 382	-22
Long-term incentive*	- 580	- 282	106
Pension costs	-1 421	-1 411	1
Redundancy costs*	- 413	- 135	0
Other staff costs	- 579	- 635	-9
Staff costs	-14 596	-14 325	2

* including social charges

SEK m	Jan - Dec		
	2012	2011	%
Short-term incentive (STI) to staff	- 884	-1 124	-21
Social benefit charges on STI	- 188	- 258	-27
Short-term incentive remuneration	-1 072	-1 382	-22

SEK m	Jan - Dec		
	2012	2011	%
Long-term incentive (LTI) to staff	- 317	- 287	10
Social benefit charges on LTI	- 263	5	0
Long-term incentive remuneration	- 580	- 282	106

Balance sheet – SEB Group

SEK m	31 Dec 2012	31 Dec 2011
Cash and cash balances with central banks	191 445	148 042
Other loans to central banks	17 718	80 548
Loans to other credit institutions ¹⁾	126 023	128 763
Loans to the public	1 236 088	1 186 223
Financial assets at fair value *	725 938	669 678
Available-for-sale financial assets *	50 599	57 377
Held-to-maturity investments *	82	282
Assets held for sale		2 005
Investments in associates	1 252	1 289
Tangible and intangible assets	28 494	29 016
Other assets	75 817	56 158
Total assets	2 453 456	2 359 381
Deposits from credit institutions	170 656	201 274
Deposits and borrowing from the public	862 260	861 682
Liabilities to policyholders	285 973	269 683
Debt securities	661 851	589 873
Financial liabilities at fair value	237 001	232 247
Liabilities held for sale		1 962
Other liabilities	96 349	68 967
Provisions	5 572	5 845
Subordinated liabilities	24 281	25 109
Total equity	109 513	102 739
Total liabilities and equity	2 453 456	2 359 381
* Of which bonds and other interest bearing securities including derivatives.	460 423	456 915

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

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

Off-balance sheet items – SEB Group

SEK m	31 Dec 2012	31 Dec 2011
Collateral pledged for own liabilities ¹⁾	352 459	365 784
Assets pledged for liabilities to insurance policyholders ²⁾	288 721	255 312
Other pledged collateral ³⁾	135 372	130 156
Contingent liabilities	94 175	94 004
Commitments	407 423	390 352

1) Of which collateralised for covered bonds SEK 320,859m (308,391), repos SEK 28,392m (51,612) and pledged and encumbered bonds SEK 3,208m (5,781).

2) Of which assets pledged for insurance contracts SEK 84,879m (84,764) and for investment contracts (shares in premium funds "unit-linked") SEK 203,843m (170,549).

3) Securities' lending SEK 66,675m (68,048) and pledged but unencumbered bonds SEK 68,697m (62,108).

Statement of changes in equity – SEB Group

SEK m	Share capital	Retained earnings	Available-for-sale financial assets	Cash flow hedges	Defined benefit plans	Translation of foreign operations	Other	Total Shareholders' equity		Minority interests	Total Equity
Jan-Dec 2012											
Opening balance	21 942	82 272	-1 003	1 107	- 88	-1 279	- 473	102 478	261		102 739
Net profit		11 632						11 632	22		11 654
Other comprehensive income (net of tax)			1 276	581	-2 003	- 386	- 284	- 816			- 816
Total comprehensive income		11 632	1 276	581	-2 003	- 386	- 284	10 816	22		10 838
Dividend to shareholders		-3 795						-3 795	-193		-3 988
Employee share programme*		- 113						- 113			- 113
Change in holdings of own shares		37						37			37
Closing balance	21 942	90 033	273	1 688	-2 091	-1 665	- 757	109 423	90		109 513
Jan-Dec 2011											
Opening balance	21 942	80 571	-1 725	- 422		-1 145	56	99 277	266		99 543
Change in accounting policy for defined benefit plans		-5 340						-5 340			-5 340
Adjusted opening balance	21 942	75 231	-1 725	- 422		-1 145	56	93 937	266		94 203
Net profit		10 819						10 819	37		10 856
Other comprehensive income (net of tax)			722	1 529	- 88	- 134	- 529	1 500	-1		1 499
Total comprehensive income		10 819	722	1 529	- 88	- 134	- 529	12 319	36		12 355
Dividend to shareholders		-3 242						-3 242			-3 242
Employee share programme*		189						189			189
Minority interests		15						15	-41		- 26
Change in holdings of own shares		- 28						- 28			- 28
Closing balance	21 942	82 984	-1 003	1 107	- 88	-1 279	- 473	103 190	261		103 451
Change in fair value measurement of financial assets		- 712						- 712			- 712
Adjusted closing balance	21 942	82 272	-1 003	1 107	- 88	-1 279	- 473	102 478	261		102 739

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

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

During 2011, SEB repurchased 3.0 million Series A shares for the long-term incentive programmes as decided at the Annual General Meeting. As stock options were exercised, 1.0 million shares were sold in 2011. As of 31 December 2011 SEB owned 2.3 million Class A shares with a market value of SEK 94m. Another 12.1 million shares have been sold as stock options were exercised in 2012. During 2012, SEB also repurchased 12.0 million Series A shares for the long-term incentive programmes as decided at the Annual General Meeting. As of 31 December 2012 SEB owned 2.2 million Class A-shares with a market value of SEK 121m.

Cash flow statement – SEB Group

SEK m	Jan - Dec		
	2012	2011	%
Cash flow from operating activities	- 6 653	219 062	- 103
Cash flow from investment activities	- 1 278	- 1 952	- 35
Cash flow from financing activities	- 4 682	- 3 671	28
Net increase in cash and cash equivalents	- 12 613	213 439	- 106
Cash and cash equivalents at the beginning of year	276 853	63 646	
Exchange rate differences on cash and cash equivalents	- 6 948	- 232	
Net increase in cash and cash equivalents	- 12 613	213 439	- 106
Cash and cash equivalents at the end of period¹⁾	257 292	276 853	- 7

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

Reclassified portfolios – SEB Group

SEK m	Q4			Q3			Q4			Jan - Dec		
	2012	2012	%	2011	%	2011	%	2012	2011	%		
Reclassified												
Opening balance	30 813	33 207	-7	49 190	-37	42 169	78 681	-46				
Amortisations	- 828	- 737	12	- 475	74	-2 862	-6 360	-55				
Securities sold	-1 611	56		-4 778	-66	-8 656	-29 058	-70				
Accrued coupon	- 32	25		- 51	-37	9	- 4					
Exchange rate differences	1 000	-1 738	-158	-1 717	-158	-1 318	-1 090	21				
Closing balance*	29 342	30 813	- 5	42 169	- 30	29 342	42 169	-30				
* Market value	28 423	29 597	-4	39 284	-28	28 423	39 284	-28				
Fair value impact - if not reclassified												
In Equity (AFS origin)	242	310	-22	- 279	-187	1 117	21					
In Income Statements (HFT origin)	98	23		24		217	127	71				
Total	340	333	2	- 255		1 334	148					
Effect in Income Statements*												
Net interest income	103	125	-18	267	-61	602	1 214	-50				
Net financial income	697	-1 041	-167	- 901	-177	- 639	-1 147	-44				
Other income	- 1	- 3	-67	- 128	-99	- 391	- 473	-17				
Total	799	- 919	-187	- 762		- 428	- 406	5				

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

Non-performing loans – SEB Group

SEK m	31 Dec 2012	31 Dec 2011
Individually assessed impaired loans		
Impaired loans, past due > 60 days	7 234	9 831
Impaired loans, performing or past due < 60 days	767	1 259
Total individually assessed impaired loans	8 001	11 090
Specific reserves	- 4 165	- 5 938
<i>for impaired loans, past due > 60 days</i>	- 3 783	- 5 311
<i>for impaired loans, performing or past due < 60 days</i>	- 382	- 627
Collective reserves	- 1 790	- 1 948
Impaired loans net	2 046	3 204
Specific reserve ratio for individually assessed impaired loans	52.1%	53.5%
Total reserve ratio for individually assessed impaired loans	74.4%	71.1%
Net level of impaired loans	0.28%	0.39%
Gross level of impaired loans	0.58%	0.84%
Portfolio assessed loans		
Portfolio assessed loans past due > 60 days	5 389	6 483
Restructured loans	450	501
Collective reserves for portfolio assessed loans	- 2 914	- 3 351
Reserve ratio for portfolio assessed loans	49.9%	48.0%
Reserves		
Specific reserves	- 4 165	- 5 938
Collective reserves	- 4 704	- 5 299
Reserves for off-balance sheet items	- 300	- 369
Total reserves	- 9 169	- 11 606
Non-performing loans		
Non-performing loans*	13 840	18 074
NPL coverage ratio	66.2%	64.2%
NPL % of lending	1.01%	1.36%

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

Seized assets – SEB Group

SEK m	31 Dec 2012	31 Dec 2011
Properties, vehicles and equipment	2 251	1 603
Shares	49	53
Total seized assets	2 300	1 656

Discontinued operations – SEB Group

Income statement

SEK m	Q4			Q3			Q4			Jan - Dec		
	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	
Total operating income	78	104	-25	84	-7	305	-535	-157				
Total operating expenses	-89	-97	-8	-532	-83	-645	-1 093	-41				
Profit before credit losses	-11	7		-448	-98	-340	-1 628	-79				
Net credit losses		-179	-100	-3	-100	-181	180					
Operating profit	-11	-172	-94	-451	-98	-521	-1 448	-64				
Income tax expense	10	17	-41	151	-93	33	293	-89				
Net profit from discontinued operations	-1	-155	-99	-300	-100	-488	-1 155	-58				

Assets and liabilities held for sale

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

Cash flow statement

SEK m	Q4			Q3			Q4			Jan - Dec		
	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	
Cash flow from operating activities	52	27	93	-727	-107	65	27 387	-100				
Cash flow from investment activities				50	-100	38	423	-91				
Cash flow from financing activities	-53	-29		895	-106	87	-27 800	-100				
Net increase in cash and cash equivalents from discontinued operations	-1	-2	-50	218		190	10					

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

SEB financial group of undertakings

The capital base as per 31 December 2011 has not been restated for the changes in IAS 19 - Employee Benefits, nor the financial effects from adapting to the risk measurement of CVA (Credit Value Adjustment) in the Basel III proposed framework.

Capital base of the SEB financial group of undertakings

SEK m	31 Dec 2012	31 Dec 2011
Total equity according to balance sheet	109 513	109 161
Dividend (excl repurchased shares)	-6 028	-3 836
Investments outside the financial group of undertakings	-64	-41
Other deductions outside the financial group of undertakings	-4 451	-3 728
= Total equity in the capital adequacy	98 970	101 556
Adjustment for hedge contracts	-473	229
Net provisioning amount for IRB-reported credit exposures	0	-108
Unrealised value changes on available-for-sale financial assets	-597	717
Exposures where RWA is not calculated	-802	-914
Goodwill	-4 147	-4 147
Other intangible assets	-2 559	-2 943
Deferred tax assets	-2 003	-1 293
= Core Tier 1 capital	88 389	93 097
Tier 1 capital contribution (non-innovative)	4 300	4 455
Tier 1 capital contribution (innovative)	9 704	10 159
= Tier 1 capital	102 393	107 711
Dated subordinated debt	6 515	4 815
Deduction for remaining maturity	-39	-320
Perpetual subordinated debt	1 890	2 225
Net provisioning amount for IRB-reported credit exposures	485	-108
Unrealised gains on available-for-sale financial assets	990	799
Exposures where RWA is not calculated	-802	-914
Investments outside the financial group of undertakings	-64	-41
= Tier 2 capital	8 975	6 456
Investments in insurance companies	-10 501	-10 500
Pension assets in excess of related liabilities	0	-222
= Capital base	100 867	103 445

On 31 December 2012 the parent company's core tier 1 capital was SEK 83,574m (83,483) and the reported core Tier 1 capital ratio was 12.5 per cent (13.6).

Risk-weighted assets for the SEB financial group of undertakings

Risk-weighted assets	31 Dec	31 Dec
SEK m	2012	2011
Credit risk IRB approach		
Institutions	23 879	29 552
Corporates	326 666	394 094
Securitisation positions	5 177	6 515
Retail mortgages	42 896	45 241
Other retail exposures	9 365	9 460
Other exposure classes	1 461	1 651
Total credit risk IRB approach	409 444	486 513
Further risk-weighted assets		
Credit risk, Standardised approach	68 125	77 485
Operational risk, Advanced Measurement approach	40 219	42 267
Foreign exchange rate risk	14 042	13 173
Trading book risks	54 009	59 403
Total risk-weighted assets	585 839	678 841
Summary		
Credit risk	477 569	563 998
Operational risk	40 219	42 267
Market risk	68 051	72 576
Total	585 839	678 841
Adjustment for flooring rules		
Addition according to transitional flooring	293 398	148 774
Total reported	879 237	827 615

Capital adequacy analysis for the SEB financial group of undertakings

Capital adequacy	31 Dec 2012	31 Dec 2011
Capital resources		
Core Tier 1 capital	88 389	93 097
Tier 1 capital	102 393	107 711
Capital base	100 867	103 445
Capital adequacy without transitional floor (Basel II)		
Risk-weighted assets	585 839	678 841
Expressed as capital requirement	46 867	54 307
Core Tier 1 capital ratio	15,1%	13,7%
Tier 1 capital ratio	17,5%	15,9%
Total capital ratio	17,2%	15,2%
Capital base in relation to capital requirement	2,15	1,90
Capital adequacy including transitional floor		
Transitional floor applied	80%	80%
Risk-weighted assets	879 237	827 615
Expressed as capital requirement	70 339	66 209
Core Tier 1 capital ratio	10,1%	11,2%
Tier 1 capital ratio	11,6%	13,0%
Total capital ratio	11,5%	12,5%
Capital base in relation to capital requirement	1,43	1,56
Capital adequacy with risk-weighting according to Basel I		
Risk-weighted assets	1 091 468	1 037 898
Expressed as capital requirement	87 317	83 032
Core Tier 1 capital ratio	8,1%	9,0%
Tier 1 capital ratio	9,4%	10,4%
Total capital ratio	9,2%	10,0%
Capital base in relation to capital requirement	1,16	1,25

RWA development

Overall Basel II risk-weighted assets ('RWA'), before the effect of transitional flooring, decreased by 14 per cent, or SEK 93bn, since year-end.

RWA 31 December 2011, SEK bn	679
Implementation of a non-retail real estate LGD model	-42
Implementation of a shipping LGD model	-19
Transition to IRB foundation for a minor retail mortgage portfolio	-2
Process changes	-19
Currency effect, i.e. a stronger Swedish krona;	-10
Volume changes;	20
Risk class migration	1
Risk-weight changes	-11
Market and operational risk change	-7
Other	-4
RWA 31 December 2012	586

Un-floored Basel II RWA was 46 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 regulatory directive, CRD IV. 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 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 towards central counterparties, and an increase in risk weights for exposures towards financial institutions.

The Swedish government proposed stricter common equity tier 1 capital ratio requirements than under Basel III; 10 per cent from 2013 and 12 per cent from 2015 (with capital and RWA defined according to fully implemented CRD IV / Basel III framework). Because of the delays in the legislative process at the EU level, Swedish authorities were not able to implement the stricter capital requirements as planned and are not expected to do so before the end of 2013.

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)	31 Dec	31 Dec
Average risk-weight	2012	2011
Institutions	15,9%	19,2%
Corporates	40,8%	51,6%
Securitisation positions	34,7%	34,9%
Retail mortgages*	10,4%	12,1%
Other retail exposures	37,4%	37,5%

* On 26 November 2012 the Swedish Financial Supervisory Authority announced a planned increase of capital requirements for Swedish retail mortgages. This will be achieved by a 15 per cent minimum level of mortgage risk weights and an additional capital requirement under Pillar 2. The suggested minimum level was expected and favors SEB on a relative basis, but the Pillar 2 implementation raises questions about the practical implication.

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

Skandinaviska Enskilda Banken AB (publ)

Income statement – Skandinaviska Enskilda Banken AB (publ)

In accordance with FSA regulations SEK m	Q4			Q3			Q4			Jan - Dec		
	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	
Interest income	9 889	9 169	8	10 201	-3	38 470	36 819	4				
Leasing income	1 424	1 405	1	1 470	-3	5 817	5 756	1				
Interest expense	-6 729	-6 217	8	-7 590	-11	-26 809	-27 034	-1				
Dividends	25	737	-97	29	-14	2 214	3 438	-36				
Fee and commission income	2 616	1 931	35	2 451	7	8 963	9 030	-1				
Fee and commission expense	- 456	- 320	43	- 463	-2	-1 523	-1 634	-7				
Net financial income	949	951	0	708	34	4 046	3 133	29				
Other income	- 288	248		279		159	1 183	-87				
Total operating income	7 430	7 904	-6	7 085	5	31 337	30 691	2				
Administrative expenses	-4 568	-3 379	35	-3 776	21	-15 077	-14 479	4				
Depreciation, amortisation and impairment of tangible and intangible assets	-1 734	-1 205	44	-1 317	32	-5 446	-4 884	12				
Total operating expenses	-6 302	-4 584	37	-5 093	24	-20 523	-19 363	6				
Profit before credit losses	1 128	3 320	-66	1 992	-43	10 814	11 328	-5				
Net credit losses	- 87	- 68	28	- 190	-54	- 385	- 458	-16				
Impairment of financial assets	- 20	-1 094	-98	- 27	-26	-1 114	- 759	47				
Operating profit	1 021	2 158	-53	1 775	-42	9 315	10 111	-8				
Appropriations	-4 401	547		- 952		-3 175	- 148					
Income tax expense	1 037	- 839		- 606		-1 289	-2 122	-39				
Other taxes	- 86			36		- 86	10					
Net profit	-2 429	1 866		253		4 765	7 851	-39				

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

SEK m	Q4			Q3			Q4			Jan - Dec		
	2012	2012	%	2011	%	2012	2011	%	2012	2011	%	
Net profit	-2 429	1 866		253		4 765	7 851	-39				
Available-for-sale financial assets	554	108		- 88		693	36					
Cash flow hedges	152	689	-78	204	-25	584	1 536	-62				
Translation of foreign operations	- 31	- 26	19	- 11	182	- 72	44					
Other				-158	-100		-452	-100				
Other comprehensive income (net of tax)	675	771	-12	- 53		1 205	1 164	4				
Total comprehensive income	-1 754	2 637	-167	200		5 970	9 015	-34				

Balance sheet - Skandinaviska Enskilda Banken AB (publ)

Condensed	31 Dec	31 Dec
SEK m	2012	2011
Cash and cash balances with central banks	165 994	121 948
Loans to credit institutions	200 189	245 796
Loans to the public	937 734	873 335
Financial assets at fair value	426 326	386 067
Available-for-sale financial assets	17 610	16 739
Held-to-maturity investments	1 636	2 771
Investments in associates	1 044	1 092
Shares in subsidiaries	50 671	53 686
Tangible and intangible assets	43 026	43 363
Other assets	64 823	43 491
Total assets	1 909 053	1 788 288
Deposits from credit institutions	199 711	229 428
Deposits and borrowing from the public	637 721	608 645
Debt securities	641 413	558 747
Financial liabilities at fair value	232 062	226 717
Other liabilities	74 097	44 157
Provisions	160	76
Subordinated liabilities	24 213	24 727
Untaxed reserves	26 346	25 049
Total equity	73 330	70 742
Total liabilities, untaxed reserves and shareholders' equity	1 909 053	1 788 288

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

SEK m	31 Dec	31 Dec
SEK m	2012	2011
Collateral pledged for own liabilities	294 990	281 967
Other pledged collateral	119 577	113 185
Contingent liabilities	78 565	74 435
Commitments	315 157	303 315

Restatement of Financial Statements – SEB Group

The restatement is related to the accounting of defined benefit plans due to amendments in IAS 19 Employee benefits. The amendment removes the possibility to use the corridor method. The standard also requires an entity to apply the discount rate on the net defined benefit liability in order to calculate the net interest expense. The initial effect is reported against retained earnings as of 1 January 2011 and subsequent changes are reported in Staff costs and OCI.

The restatement also reflects changes in the measurement of fair value of financial assets from development of the valuation model and risk measurement of Credit Value Adjustment (CVA). The adjustment is recognised as a change in retained earnings as of 31 December 2011. The effect attributable to 2012 isolated is not material.

Income statement - SEB Group (condensed version)

SEK m	Changes				Jan - Dec 2011			Jan - Sep 2012		
	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Previously reported	Changes	Restated	Previously reported	Changes	Restated
Total operating income					37 686		37 686	29 186		29 186
Staff costs	- 104	- 59	- 62	- 59	-13 933	- 392	-14 325	-10 744	- 180	-10 924
Total operating expenses	- 104	- 59	- 62	- 59	-23 121	- 392	-23 513	-16 948	- 180	-17 128
Operating profit	- 104	- 59	- 62	- 59	15 345	- 392	14 953	11 576	- 180	11 396
Income tax expense	27	15	16	16	-3 046	104	-2 942	-2 541	47	-2 494
Net profit from continuing operations	- 77	- 44	- 46	- 43	12 299	- 288	12 011	9 035	- 133	8 902
Net profit	- 77	- 44	- 46	- 43	11 144	- 288	10 856	8 548	- 133	8 415
Continuing operations										
Basic earnings per share, SEK	-0.04	-0.02	-0.02	-0.02	5.59	-0.13	5.46	4.11	-0.06	4.05
Diluted earnings per share, SEK	-0.04	-0.02	-0.02	-0.02	5.56	-0.13	5.43	4.10	-0.06	4.04
Total operations										
Basic earnings per share, SEK	-0.04	-0.02	-0.02	-0.02	5.06	-0.13	4.93	3.89	-0.06	3.83
Diluted earnings per share, SEK	-0.04	-0.02	-0.02	-0.02	5.04	-0.13	4.91	3.88	-0.06	3.82

Statement of comprehensive income - SEB Group (condensed version)

SEK m	Changes				Jan - Dec 2011			Jan - Sep 2012		
	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Previously reported	Changes	Restated	Previously reported	Changes	Restated
Net profit	- 77	- 44	1	- 43	11 144	- 288	10 856	8 548	- 133	8 415
Defined benefit plans	814	637	- 983	- 99		- 88	- 88		- 445	- 99
Translation of foreign operations	6				- 140	6	- 134	- 631		- 631
Other comprehensive income (net of tax)	820	637	- 983	- 99	1 581	- 82	1 499	83	- 445	- 362
Total comprehensive income	743	593	- 982	- 142	12 725	- 370	12 355	8 631	- 578	8 053

Balance sheets - SEB Group (condensed version)

SEK m	1 Jan 2011			31 Dec 2011			30 Sep 2012		
	Previously reported	Changes	Restated	Previously reported	Changes	Restated	Previously reported	Changes	Restated
Financial assets at fair value	617 746		617 746	670 633	- 955	669 678	718 133	- 955	717 178
Other assets	65 091	-3 042	62 049	58 475	-2 317	56 158	56 059	-1 778	54 281
Total assets	2 179 821	-3 042	2 176 779	2 362 653	-3 272	2 359 381	2 401 630	-2 733	2 398 897
Other liabilities	85 331	- 974	84 357	69 883	- 916	68 967	68 912	- 882	68 030
Provisions	1 748	3 272	5 020	1 779	4 066	5 845	2 431	5 105	7 536
Total equity	99 543	-5 340	94 203	109 161	-6 422	102 739	113 618	-6 956	106 662
Total liabilities and equity	2 179 821	-3 042	2 176 779	2 362 653	-3 272	2 359 381	2 401 630	-2 733	2 398 897

Equity - SEB Group (condensed version)

SEK m	1 Jan 2011			31 Dec 2011			30 Sep 2012		
	Previously reported	Changes	Restated	Previously reported	Changes	Restated	Previously reported	Changes	Restated
Change in accounting policy for defined benefit plans		-5 340	-5 340		-5 710	-5 710		-6 244	-6 244
Change in fair value measurement of financial assets					- 712	- 712		- 712	- 712
Total equity	99 543	-5 340	94 203	109 161	-6 422	102 739	113 618	-6 956	106 662

This is SEB

SEB is a leading Nordic financial services group. As a relationship bank strongly committed to deliver customer value, SEB in Sweden and the Baltic countries offers financial advice and a wide range of financial services. In Denmark, Finland, Norway and Germany the Bank's operations have a strong focus on a full-service offering to corporate and institutional clients. SEB's activities are carried out with a long-term perspective to fulfil the bank's role to assist businesses and markets to thrive. The international nature of SEB's business is reflected in its presence in some 20 countries worldwide. SEB serves more than 4 million customers and has around 16,500 employees.

Mission:	We help people and businesses thrive by providing quality advice and financial resources
Vision:	To be the trusted partner for customers with aspirations
Brand promise:	Rewarding relationships
Corporate objectives:	The leading Nordic bank for corporates and institutions Top universal bank in Sweden and the Baltic countries
Strategic priorities:	Long-term customer relationships – SEB provides advice with a long-term perspective based on the customer's overall financial situation. Growth in areas of strength – large corporates and institutions in the Nordic region and Germany, small and medium-sized corporates in Sweden, and savings Resilience and flexibility – SEB prioritises to maintain a strong capital and liquidity position in order to ensure the long term capacity to support our customers in all circumstances.