

Interim Report January – March 2013

STOCKHOLM 23 APRIL 2013

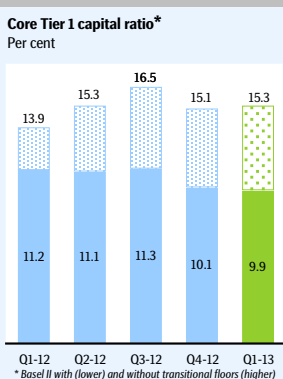
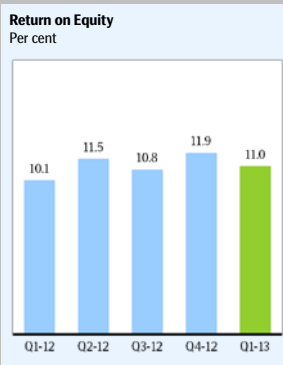
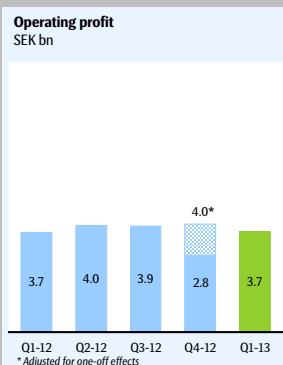
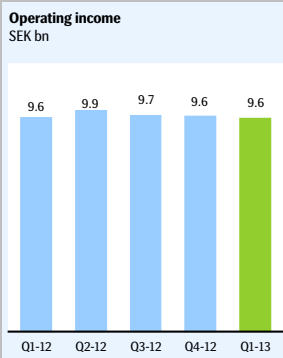
” In the restrained business sentiment, we have continued to strengthen our market franchise in all of our core markets and attracted new customers.”

Annika Falkengren



S|E|B

Overview - the first quarter 2013



Result

(compared to the first quarter 2012)

- Operating profit SEK 3.7bn (3.7)
- Operating income SEK 9.6bn (9.6). Operating expenses SEK 5.6bn (5.7).
- Net interest income SEK 4.5bn (4.2), net fee and commission income SEK 3.2bn (3.3) and net financial income SEK 1.0bn (1.4).
- Net credit provisions SEK 256m (206) corresponding to a credit loss level of 0.07 per cent.
- Net profit SEK 3.0bn (2.6).
- Return on equity 11.0 per cent (10.1) and earnings per share SEK 1.37 (1.19).

Volumes

- Lending to the public amounted to SEK 1,240bn, an increase of SEK 4bn and 39bn from year-end and one year ago, respectively.
- Deposits from the public amounted to SEK 921bn, up by SEK 59bn and SEK 138bn, from year-end and one year ago respectively.

Capital and funding

- The core Tier 1 capital ratio was 15.3 per cent and the Tier 1 capital ratio was 16.7 per cent. The Common Equity Tier 1 ratio (Basel III) according to best estimate was 13.4 per cent.
- The liquidity coverage ratio was 111 per cent.
- The core liquidity reserve amounted to SEK 410bn and the total liquid resources amounted to SEK 685bn.

President's comment

The first quarter was marked by renewed uncertainty in the financial markets following the handling of the Cyprus bail-out, continued deleveraging, weak economic data from a large part of Europe, and increasing tension in Asia. This has impacted also the Nordic region. We still anticipate a long and bumpy road ahead before the world economy will return to a more normal growth trend.

A stable first quarter

SEB reported an operating profit of SEK 3.7bn in the first quarter, up 2 per cent compared to a year ago. In the restrained business sentiment, we have continued to attract new customers and strengthen our market franchise in all of our core markets.

Large corporates have been affected by the subdued economic climate. They have strong balance sheets, but operate in a restrained investment mode. This was reflected in Merchant Banking's result. Large corporate customers continue to tap the bond market and in the prevailing low interest environment financial institutions search yield across all asset classes. Equity capital markets activity was low.

The small and medium-sized corporates that are more directed towards the domestic Swedish economy have been more active. Lending to SMEs increased by 9 per cent compared to a year ago and we have attracted 3 400 new SME customers since year-end.

Among private individuals we have seen an increased demand for advisory services, not the least in the savings area. The reallocation towards more equity-based savings continued also this quarter. Within private banking, we attracted SEK 9bn in new net inflows. SEB's inclusion as a provider of occupational pension services (ITP) is an important step in the long-term savings markets. Our mortgage offering continues to be a means for attracting home banking customers in Sweden.

In our Baltic business we see slightly higher loan volumes in local currencies and household confidence being strengthened.

Compared to a year ago, SEB's overall lending increased by SEK 39bn and deposits by SEK 138bn.

High asset quality

SEB's asset quality remained strong. Non-performing loans fell to below one per cent of total lending, reflecting 13 quarters in a row with declining Baltic non-performing loans. The credit loss level outside the Baltic countries was 5 basis points.

Further balance sheet strength

The regulatory landscape is yet to be finalised on the international and EU level. The decision by the European Parliament on CRR/CRD IV forms an important step in this process that will affect the final implementation of the Swedish regulations on capital and liquidity. SEB's balance sheet is already compliant and continues to strengthen. The Basel III estimate of our Common Equity Tier 1 capital ratio amounted to 13.4 per cent, i.e. above the Swedish regulatory requirement of 12 per cent as of 2015 and above our capital target of 13 per cent. SEB's market access remained attractive and our funding spreads have tightened further.

Clear long-term direction of new business plan

Over the past years, SEB has invested in a platform for growth and built balance sheet resilience. As we communicated at the start of the year, the new plan focuses on broadening the business with new customers from the established platforms in the Nordic countries and Germany as well as continuing the expansion in the Swedish SME segment. Together with the higher customer satisfaction that we have recorded in all targeted segments this builds income growth also in the present business climate.

Our direction to be *the* relationship bank in our part of the world remains firm.



3 400 new SME customers

Q1 2013

Corporate lending grew by SEK 29bn

Year-on year

Credit loss level at 7 basis points

Q1 2013

The Group

Operating profit amounted to SEK 3,717m (3,650). The fourth quarter operating profit of SEK 2,839m included a one-time IT-related charge and a negative effect from a bond buy-back. Excluding these one-off effects operating profit in the previous quarter was SEK 3,994m.

Net profit from continuing operations was SEK 3,012m (2,857). Net profit (after tax), including the net result from discontinued operations, amounted to SEK 3,012m (2,611).

Operating income

Total operating income amounted to SEK 9,551m (9,589).

Net interest income increased to SEK 4,459m (4,181) and was unchanged from year-end.

SEK m	Q1	Q4	Q1
	2013	2012	2012
Customer driven NII	4,067	4,060	3,902
NII from other activities	392	399	279
Total	4,459	4,459	4,181

The customer-driven net interest income was stable. Higher volumes offset the negative effect of lower short-term rates. Compared to the first quarter 2012, the customer-driven net interest income increased by SEK 165m. This was due to volume growth and stable net interest margins. Average volumes of loans to and deposits from the public grew by 4 and 8 per cent, respectively.

Net interest income from other activities increased by SEK 113m compared with the corresponding quarter 2012 and was stable from the previous quarter. Funding costs decreased as well as the yield in the liquidity portfolio. The contribution from the trading operations was SEK 89m lower than the first quarter 2012 and SEK 26m lower than the previous quarter.

Net fee and commission income was SEK 3,247m (3,264). Compared to the previous quarter the net fee and commission income decreased by 13 per cent. Activity levels among corporates were generally subdued and fees from both new lending arrangements and corporate finance activities fell. The market value of assets under management increased during the quarter which increased fee income, but performance fees were down from a normal seasonally high level in the fourth quarter of 2012.

Net financial income decreased by 31 per cent to SEK 954m (1,379) and was in line with the year-end level of SEK 982m. The contribution from the divisions remained stable at the SEK 1bn level, which has been the average level during the last number of years, while valuations of Treasury portfolios decreased. Positive mark-to-market valuations of the liquidity portfolio in the first quarter 2012 were instead negative in the first quarter 2013.

Net life insurance income amounted to SEK 882m (915). Compared to year-end, life insurance income improved by 6 per cent. Unit-linked income, which represents 57 per cent of total life insurance income and 87 per cent of sales,

decreased by 1 per cent. Income from traditional and risk insurance increased by 2 per cent.

Net other income amounted to SEK 9m (-150). There were realised losses on securities in the first quarter of 2012. In the previous quarter, the reported net other income amounted to a loss of SEK 349m, due to a one-time negative effect from a buy-back of covered bonds in the amount of SEK 402m.

Operating expenses

Total operating expenses amounted to SEK 5,588m (5,735).

The reported fourth quarter operating expenses, at SEK 6,524m, included a one-time IT-related charge of SEK 753m. Excluding this item, the expenses were 3 per cent lower than the fourth quarter 2012.

Credit losses and provisions

Provisions for credit losses amounted to SEK 256m (206) corresponding to a credit loss level of 7 basis points. The provisions for credit losses for the Group, excluding the Baltic region, equaled a credit loss level of 5 basis points in the quarter. The provisions in the Baltic region increased and corresponded to a credit loss level of 39 basis points in the quarter.

Non-performing loans, which amounted to SEK 12.5bn, fell by 10 per cent in the quarter reflecting continued strong asset quality. Compared to one year ago they were 29 per cent lower. The decline in non-performing loans was driven by write-offs and the stronger Swedish krona.

Individually assessed impaired loans decreased by SEK 693m to SEK 7,308m during the quarter.

The Group's portfolio assessed loans past due >60 days decreased by SEK 587m during the quarter to SEK 4,802m.

Income tax expense

Total income tax expense was SEK 705m (793) which corresponded to an effective tax rate of 19 per cent, in line with the estimated effective tax rate of 20 per cent for the full year 2013.

Discontinued operations

The net result from discontinued operations was 0 (-246). A limited amount of closing work remains to finalise the separation of the divested German retail operations.

Pro forma income statement

(Excluding fourth quarter 2012 one-time character items)

SEK m	Q1	Q4	Full year
	2013	2012	2012
Total operating income	9,551	10,039	39,225
Total operating expenses	-5,588	-5,771	-22,899
Operating profit	3,717	3,994	15,930
Income tax expense	-705	-985	-3,480
Net profit from continuing operations	3,012	3,009	11,190

In the fourth quarter, financial effects of a one-time character affecting the reported result were published. They were a one-off positive effect of SEK 1.1bn from the lowered Swedish corporate tax rate, a write-down of SEK 753m on 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.

Business volumes

Total assets at the end of the quarter amounted to SEK 2,580bn (2,328bn). Loans to the public increased to SEK 1,240bn, an increase of SEK 39bn during the last 12 months and of SEK 4bn since year-end. Mortgage loans increased by SEK 34bn and corporate lending by SEK 29bn over the past 12 months. Other lending, such as repos and public administration decreased. Deposits from the public amounted to SEK 921bn, up by SEK 58bn and SEK 138bn, from year-end and one year ago respectively.

SEB's total credit portfolio increased to SEK 1,811bn (1,730). At year-end the credit portfolio amounted to SEK 1,777bn. Swedish household volumes increased by SEK 8bn during the first quarter. The combined corporate and property management portfolios grew by SEK 24bn in the same period.

At 31 March 2013, assets under management amounted to SEK 1,374bn (1,317). This was an increase from the year-end level of SEK 1,328bn. The net inflow of assets for the quarter was SEK 12bn and the market value increased by SEK 34bn. Assets under custody amounted to SEK 5,443bn (4,982).

Fixed-income securities

SEB's net position in fixed-income securities for investment, treasury and client facilitation purposes amounted to SEK 247bn (258). Four per cent of the total holdings, SEK 10.6bn, was GIIPS-related (12.6). GIIPS-related sovereign debt holdings amounted to SEK 0.3bn; these were all Italian. Spanish covered bonds amount to SEK 7.1bn, 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 no loss-making days during the quarter. During the quarter, Value-at-Risk in the trading operations averaged SEK 155m. On average, the Group is not expected to lose more than this amount during a period of ten trading days, with 99 per cent probability.

Liquidity and long-term funding

SEB's loan-to-deposit ratio was 126 per cent (144), excluding repos and debt instruments. During the quarter, SEK 3bn of long-term funding matured and SEK 30bn was issued. 61 per cent of the new issuance was covered bonds.

The core liquidity reserve at the end of March 2013 amounted to SEK 410bn (321). The total liquid resources, including net trading assets and unutilised collateral in the cover pool, amounted to SEK 685bn (499). As of 1 January

2013, the Swedish Financial Supervisory Authority requires a Liquidity Coverage Ratio (LCR), according to rules adapted for Sweden, of 100 per cent in total and in EUR and USD, separately. At quarter-end, the LCR was 111 per cent and the USD and EUR LCRs were 166 and 103 per cent. Last year's information is not fully comparable due to the application of the adapted local rules.

Capital position

The core Tier 1 capital ratio increased to 15.3 per cent. The decrease in the Tier 1 capital ratios in 2013 is mainly a result from a change in the regulatory requirement to deduct the investments in insurance companies so that half is deducted from Tier 1 and half from Tier 2 capital rather than from the total capital base. SEB's reported capital ratios at year-end 2012 were negatively impacted by the transition effect from the implementation of the amendments to IAS 19 Employee benefits, an unrealised effect of SEK 7.9bn.

	Q1	Q4	Q1
	2013	2012	2012
Basel II			
Core tier 1 capital ratio, %	15.3	15.1	13.9
Tier 1 capital ratio, %	16.7	17.5	16.0
RWA, SEK bn	583	586	675
<i>Including supervisory transitional rules:</i>			
Core tier 1 capital ratio, %	9.9	10.1	11.2
Tier 1 capital ratio, %	10.8	11.6	13.0
RWA, SEK bn	901	879	835

Basel III

Common Equity Tier 1 capital ratio, %*	13.4	13.1
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* SEB's estimate based on current knowledge of future regulation

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

Rating

SEB's long-term senior unsecured ratings are 'A1' (stable outlook) 'A+' (negative outlook) and 'A+' (stable outlook) by Moody's, Standard & Poor's and Fitch, respectively. Fitch reaffirmed its ratings of SEB on 4 April 2013.

Risks and uncertainties

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

SEB assumes credit, market, liquidity, operational and life insurance risks. The risk composition of the Group, as well as

the related risk management, are further described in SEB's Annual Report.

The 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.

Acquisition and sale of own shares

In accordance with the decision by the Annual General Meeting on 21 March 2013 to authorise the Board to decide on the acquisition and sale of own shares for SEB's long-term equity-based programmes, the Board decided that a maximum of 63.5 million shares of Class A may be acquired and sold. The transactions may take place at one or several occasions during the period until the Annual General Meeting in 2014.

For further information refer to www.sebgroup.com/ir.

Stockholm, 23 April 2013

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

Annika Falkengren

President and Chief Executive Officer

Press conference and webcasts

The press conference at 9.30 (CEST) on 23 April 2013 at Kungsträdgårdsgatan 8 with President and CEO Annika Falkengren can be followed live in Swedish on www.sebgroup.com/sv/ir. A simultaneous translation into English will be available on www.sebgroup.com/ir. A replay will also be available afterwards.

Access to telephone conference

The telephone conference at 13.00 (CEST) on 23 April 2013 with the President and CEO Annika Falkengren, the CFO Jan Erik Back and the Head of Investor Relations Ulf Grunnesjö, can be accessed by telephone, +44(0)20 7131 2799. Please quote conference id: 931046, not later than 10 minutes in advance. A replay of the conference call will be available on www.sebgroup.com/ir.

Subsequent events

The Savings area is a key growth area for SEB. In order to further strengthen cooperation between the distribution and production of SEB's offering in the savings area, the divisions Life and Wealth Management will be held together in a new division, Life & Wealth Management, headed by Anders Johnsson, who will also continue in his capacity as head of Wealth Management. Peter Dahlgren, who is currently head of Savings in Retail Banking, has been appointed the new head of Life. Life and Wealth Management will continue to be reported separately. Jan Stjernström, current head of Life, will assume the position as SEB's head of country in Singapore during the fall.

Further information is available from

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Financial information calendar

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

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

Accounting policies

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

As of the 2013 financial year, IFRS 13 Fair Value Measurement comes into effect for application in the EU. The standard contains joint principles for fair value measurement of most assets and liabilities at fair value, or for which information about fair value must be disclosed. The application of IFRS 13 does not affect the reported values for financial instruments to any significant degree.

In accordance with IAS 1 Presentation of Financial Statements the presentation of Comprehensive Income has been amended so that items that can be reclassified to profit or loss later are separated from the items that cannot. In addition to this, amendments in IFRS 7 Financial Instruments: Disclosures and the introduction of IFRS 13 require further disclosures about off-setting of financial instruments and financial instruments at fair value. In all other material aspects, the Group's and the Parent company's accounting policies, basis for calculations and presentations are unchanged in comparison with the 2012 Annual Report.

Review report

We have reviewed this report for the period 1 January 2013 to 31 March 2013 for Skandinaviska Enskilda Banken AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

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

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

Stockholm, 23 April 2013

PricewaterhouseCoopers AB

Peter Nyllinge

Authorised Public Accountant
Partner in charge

Magnus Svensson Henryson

Authorised Public Accountant

The SEB Group

Income statement – SEB Group

SEK m	Q1			Q4			Jan - Mar			Full year
	2013	2012	%	2013	2012	%	2013	2012	%	2012
Net interest income	4 459	4 458	0	4 459	4 181	7	4 459	4 181	7	17 635
Net fee and commission income	3 247	3 715	-13	3 247	3 264	-1	3 247	3 264	-1	13 620
Net financial income	954	982	-3	954	1 379	-31	954	1 379	-31	4 579
Net life insurance income	882	831	6	882	915	-4	882	915	-4	3 428
Net other income	9	- 349		9	- 150		9	- 150		- 439
Total operating income	9 551	9 637	-1	9 551	9 589	0	9 551	9 589	0	38 823
Staff costs	-3 556	-3 672	-3	-3 556	-3 618	-2	-3 556	-3 618	-2	-14 596
Other expenses	-1 581	-1 628	-3	-1 581	-1 653	-4	-1 581	-1 653	-4	-6 444
Depreciation, amortisation and impairment of tangible and intangible assets	- 451	-1 224	-63	- 451	- 464	-3	- 451	- 464	-3	-2 612
Total operating expenses	-5 588	-6 524	-14	-5 588	-5 735	-3	-5 588	-5 735	-3	-23 652
Profit before credit losses	3 963	3 113	27	3 963	3 854	3	3 963	3 854	3	15 171
Gains less losses from disposals of tangible and intangible assets	10	2		10	2		10	2		1
Net credit losses	- 256	- 276	-7	- 256	- 206	24	- 256	- 206	24	- 937
Operating profit	3 717	2 839	31	3 717	3 650	2	3 717	3 650	2	14 235
Income tax expense	- 705	401		- 705	- 793	-11	- 705	- 793	-11	-2 093
Net profit from continuing operations	3 012	3 240	-7	3 012	2 857	5	3 012	2 857	5	12 142
Discontinued operations		- 1	-100		- 246	-100		- 246	-100	- 488
Net profit	3 012	3 239	-7	3 012	2 611	15	3 012	2 611	15	11 654
Attributable to minority interests	3	7	-57	3	5	-40	3	5	-40	22
Attributable to shareholders	3 009	3 232	-7	3 009	2 606	15	3 009	2 606	15	11 632
Continuing operations										
Basic earnings per share, SEK	1.37	1.47		1.37	1.30		1.37	1.30		5.53
Diluted earnings per share, SEK	1.36	1.47		1.36	1.30		1.36	1.30		5.51
Total operations										
Basic earnings per share, SEK	1.37	1.47		1.37	1.19		1.37	1.19		5.31
Diluted earnings per share, SEK	1.36	1.47		1.36	1.19		1.36	1.19		5.29

Statement of comprehensive income – SEB Group

SEK m	Q1			Q4			Jan - Mar			Full year
	2013	2012	%	2013	2012	%	2013	2012	%	2012
Net profit	3 012	3 239	-7	3 012	2 611	15	3 012	2 611	15	11 654
<i>Items that may subsequently be reclassified to the income statement:</i>										
Available-for-sale financial assets	477	541	-12	477	425	12	477	425	12	1 276
Cash flow hedges	- 548	152		- 548	- 587	-7	- 548	- 587	-7	581
Translation of foreign operations	- 643	411		- 643	- 140		- 643	- 140		- 670
<i>Items that will not be reclassified to the income statement:</i>										
Defined benefit plans	776	-1 558	-150	776	638	22	776	638	22	-2 003
Other comprehensive income (net of tax)	62	- 454	-114	62	336	-82	62	336	-82	- 816
Total comprehensive income	3 074	2 785	10	3 074	2 947	4	3 074	2 947	4	10 838
Attributable to minority interests	- 1	7	-114	- 1	11	-109	- 1	11	-109	22
Attributable to shareholders	3 075	2 778	11	3 075	2 936	5	3 075	2 936	5	10 816

Key figures – SEB Group

	Q1	Q4	Jan - Mar		Full year
	2013	2012	2013	2012	2012
Continuing operations					
Return on equity, continuing operations, %	11.03	11.93	11.03	11.06	11.52
Basic earnings per share, continuing operations, SEK	1.37	1.47	1.37	1.30	5.53
Diluted earnings per share, continuing operations, SEK	1.36	1.47	1.36	1.30	5.51
Cost/income ratio, continuing operations	0.59	0.68	0.59	0.60	0.61
Number of full time equivalents, continuing operations ¹⁾	15 946	16 295	16 000	16 759	16 578
Total operations					
Return on equity, %	11.03	11.93	11.03	10.10	11.06
Return on total assets, %	0.48	0.53	0.48	0.44	0.48
Return on risk-weighted assets, %	1.37	1.49	1.37	1.25	1.36
Basic earnings per share, SEK	1.37	1.47	1.37	1.19	5.31
Weighted average number of shares, millions ²⁾	2 192	2 192	2 192	2 189	2 191
Diluted earnings per share, SEK	1.36	1.47	1.36	1.19	5.29
Weighted average number of diluted shares, millions ³⁾	2 210	2 202	2 210	2 196	2 199
Net worth per share, SEK	54.94	56.33	54.94	51.85	56.33
Average shareholders' equity, SEK, billion	109.1	108.5	109.1	103.1	105.2
Credit loss level, %	0.07	0.08	0.07	0.06	0.08
Liquidity Coverage Ratio (LCR) ⁴⁾ , %	111	113	111	109	113
Capital adequacy including transitional floor ⁵⁾ :					
Risk-weighted assets, SEK billion	901	879	901	835	879
Core Tier 1 capital ratio, %	9.88	10.05	9.88	11.24	10.05
Tier 1 capital ratio, %	10.82	11.65	10.82	12.96	11.65
Total capital ratio, %	11.20	11.47	11.20	12.35	11.47
Capital adequacy without transitional floor (Basel II):					
Risk-weighted assets, SEK billion	583	586	583	675	586
Core Tier 1 capital ratio, %	15.26	15.09	15.26	13.91	15.09
Tier 1 capital ratio, %	16.71	17.48	16.71	16.03	17.48
Total capital ratio, %	17.30	17.22	17.30	15.29	17.22
Number of full time equivalents ¹⁾	15 966	16 357	16 019	17 503	16 925
Assets under custody, SEK billion	5 443	5 191	5 443	4 982	5 191
Assets under management, SEK billion	1 374	1 328	1 374	1 317	1 328
Discontinued operations					
Basic earnings per share, discontinued operations, SEK	0.00	0.00	0.00	-0.11	-0.22
Diluted earnings per share, discontinued operations, SEK	0.00	0.00	0.00	-0.11	-0.22

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

2) The number of issued shares was 2,194,171,802. SEB owned 2,188,734 Class A shares for the employee stock option programme at year end 2012. During 2013 SEB has repurchased 9,800,000 shares and 1,225,832 shares have been sold as employee stock options have been exercised. Thus, as at 31 March 2013 SEB owned 10,762,902 Class A-shares with a market value of SEK 704m.

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

4) According to Swedish FSA regulations for respective period.

5) 80 per cent of RWA in Basel I

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

Income statement on quarterly basis - SEB Group

SEK m	Q1	Q4	Q3	Q2	Q1
	2013	2012	2012	2012	2012
Net interest income	4 459	4 458	4 466	4 530	4 181
Net fee and commission income	3 247	3 715	3 192	3 449	3 264
Net financial income	954	982	1 091	1 127	1 379
Net life insurance income	882	831	861	821	915
Net other income*	9	- 349	71	- 11	- 150
Total operating income	9 551	9 637	9 681	9 916	9 589
Staff costs	-3 556	-3 672	-3 602	-3 704	-3 618
Other expenses	-1 581	-1 628	-1 573	-1 590	-1 653
Depreciation, amortisation and impairment of tangible and intangible assets**	- 451	-1 224	- 464	- 460	- 464
Total operating expenses	-5 588	-6 524	-5 639	-5 754	-5 735
Profit before credit losses	3 963	3 113	4 042	4 162	3 854
Gains less losses from disposals of tangible and intangible assets	10	2	1	- 4	2
Net credit losses	- 256	- 276	- 186	- 269	- 206
Operating profit	3 717	2 839	3 857	3 889	3 650
Income tax expense***	- 705	401	- 868	- 833	- 793
Net profit from continuing operations	3 012	3 240	2 989	3 056	2 857
Discontinued operations		- 1	- 155	- 86	- 246
Net profit	3 012	3 239	2 834	2 970	2 611
Attributable to minority interests	3	7	4	6	5
Attributable to shareholders	3 009	3 232	2 830	2 964	2 606
Continuing operations					
Basic earnings per share, SEK	1.37	1.47	1.36	1.39	1.30
Diluted earnings per share, SEK	1.36	1.47	1.36	1.39	1.30
Total operations					
Basic earnings per share, SEK	1.37	1.47	1.29	1.35	1.19
Diluted earnings per share, SEK	1.36	1.47	1.29	1.35	1.19

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

Income statement by Division – SEB Group

Jan-Mar 2013, SEK m	Merchant Banking	Retail Banking	Wealth Management	Life*	Baltic	Other incl eliminations	SEB Group
Net interest income	1 731	1 829	157	- 18	450	310	4 459
Net fee and commission income	1 032	969	821		231	194	3 247
Net financial income	894	88	38		80	- 146	954
Net life insurance income				1 218		- 336	882
Net other income	1	12	2		- 4	- 2	9
Total operating income	3 658	2 898	1 018	1 200	757	20	9 551
Staff costs	- 915	- 761	- 317	- 300	- 155	- 1 108	- 3 556
Other expenses	- 1 095	- 755	- 301	- 146	- 240	956	- 1 581
Depreciation, amortisation and impairment of tangible and intangible assets	- 34	- 19	- 10	- 231	- 22	- 135	- 451
Total operating expenses	- 2 044	- 1 535	- 628	- 677	- 417	- 287	- 5 588
Profit before credit losses	1 614	1 363	390	523	340	- 267	3 963
Gains less losses from disposals of tangible and intangible assets					10		10
Net credit losses	- 25	- 131	1		- 98	- 3	- 256
Operating profit	1 589	1 232	391	523	252	- 270	3 717

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 - Mar												
SEK m	Total operating income			Total operating expenses			Operating profit			Operating profit in local currency		
	2013	2012	%	2013	2012	%	2013	2012	%	2013	2012	%
Sweden	5 592	5 415	3	-3 687	-3 616	2	1 784	1 691	5	1 784	1 691	5
Norway	749	861	-13	- 251	- 351	-28	494	463	7	432	397	9
Denmark	789	749	5	- 328	- 360	-9	442	370	19	388	311	25
Finland	371	347	7	- 147	- 145	1	222	201	10	26	23	13
Germany*	653	751	-13	- 425	- 465	-9	222	287	-23	26	32	-19
Estonia**	271	310	-13	- 129	- 138	-7	170	204	-17	20	23	-13
Latvia**	232	272	-15	- 121	- 132	-8	29	84	-65	2	7	-71
Lithuania**	326	340	-4	- 179	- 216	-17	114	125	-9	46	49	-6
Other countries and eliminations	568	544	4	- 321	- 312	3	240	225	7			
Total	9 551	9 589	0	-5 588	-5 735	-3	3 717	3 650	2			

*Excluding centralised Treasury operations

**Profit before credit losses increased in Lithuania by 19 per cent and decreased in Estonia by 17 per cent and in Latvia by 21 per cent.

- Improved operating profit in all Nordic countries even in the slower economic environment
- Further strengthened corporate franchise in the Nordic countries and Germany

Comments on the first quarter

The operating profit in *Sweden* represented 48 per cent of the Group and increased by 5 per cent. Operating income increased by 3 per cent as the net interest income level was supported by strong corporate lending and deposit volume growth. The trading income was negatively affected by lower activity and volatility in the market. There was a continued focus on efficiency measures and the number of employees was reduced.

In *Norway*, operating profit increased by 9 per cent. After a relatively slow start of the year, a sustainable net interest and a strong March performance within Markets in Merchant Banking, increased income. Expenses decreased due to one-off effects.

In *Denmark*, operating profit increased by 25 per cent. All business areas contributed to the strong development, in particular the Pension business as well as Markets and corporate banking activities in Merchant Banking. Total expenses decreased by 6 per cent in local currency.

In *Finland*, operating profit increased by 13 per cent. Client activity in Merchant Banking increased despite the slow macroeconomic environment. Wealth Management benefited from sales of structured products and operating profit improved significantly.

In *Germany*, operating profit decreased by 19 per cent year-on-year. In the year-on-year comparison Wealth Management was negatively affected by the decision to liquidate the ImmoInvest fund. The Merchant Banking result was slightly lower than the first quarter 2012 and considerably higher than the prior quarter driven by the strong Structured Finance performance. The corporate business continued to grow and attracted 13 new corporate customers.

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

Merchant Banking

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

Income statement

SEK m	Q1			Q4			Jan- Mar			Full year
	2013	2012	%	2013	2012	%	2013	2012	%	2012
Net interest income	1 731	1 697	2	1 731	1 805	-4	1 731	1 805	-4	6 966
Net fee and commission income	1 032	1 361	-24	1 032	1 150	-10	1 032	1 150	-10	4 896
Net financial income	894	837	7	894	987	-9	894	987	-9	3 683
Net other income	1	-16		1	110	-99	1	110	-99	292
Total operating income	3 658	3 879	-6	3 658	4 052	-10	3 658	4 052	-10	15 837
Staff costs	-915	-997	-8	-915	-1 018	-10	-915	-1 018	-10	-3 945
Other expenses	-1 095	-1 117	-2	-1 095	-1 125	-3	-1 095	-1 125	-3	-4 465
Depreciation, amortisation and impairment of tangible and intangible assets	-34	-58	-41	-34	-41	-17	-34	-41	-17	-182
Total operating expenses	-2 044	-2 172	-6	-2 044	-2 184	-6	-2 044	-2 184	-6	-8 592
Profit before credit losses	1 614	1 707	-5	1 614	1 868	-14	1 614	1 868	-14	7 245
Gains less losses from disposals of tangible and intangible assets										-6
Net credit losses	-25	-1		-25	-81	-69	-25	-81	-69	-130
Operating profit	1 589	1 706	-7	1 589	1 787	-11	1 589	1 787	-11	7 109
Cost/Income ratio	0,56	0,56		0,56	0,54		0,56	0,54		0,54
Business equity, SEK bn	48,5	36,3		48,5	36,6		48,5	36,6		36,7
Return on business equity, %	10,1	13,9		10,1	14,4		10,1	14,4		14,3
Number of full time equivalents	2 240	2 392		2 318	2 407		2 318	2 407		2 418

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

- Ranked #1 in Prospera's annual Nordic Corporate Banking survey
- Further improved asset quality
- Seasonally lower customer activity and operating profit decreased by 11 per cent year-on-year

Comments on the first quarter

Deleveraging and political uncertainty continued to characterise the economies in Europe during the quarter, and recovery is slow and sluggish. SEB continued to focus on strengthening the customer franchise. SEB attracted new clients in all targeted markets and was ranked #1 in Prospera's annual Nordic Corporate Banking survey.

The customer franchise is characterised by corporate customers with solid balance sheets and low utilisation of credit facilities and financial institutions with a continuous search for yield across all asset classes. Mergers and acquisitions and equity capital market activities were low mainly due to seasonal fluctuations. Corporate lending volumes moved sideways while corporate customers continued to utilise SEB to tap the bond market to a higher degree.

Operating income for the first quarter decreased by 10 per cent compared with the same period 2012. Net fee and commission income decreased as a reflection of the lower customer activity levels. Compared to year-end net interest

income remained stable reflecting the stable credit exposure. Operating expenses decreased by 6 per cent compared with the first quarter 2012 as an effect of improved cost efficiency. Operating profit amounted to SEK 1,589m, representing a decrease of 11 per cent year-on-year. Asset quality remained strong and net credit losses consequently low.

The investments in the Nordic and German markets continued to enlarge the business with new customers but equally to continue to attract new clients. During the first quarter of 2013, 30 new customers were added.

An additional focus for the coming three years will be to capture the opportunities on the back of the disintermediation trend. Investments in new professionals will be made to build an even stronger local and regional bond market both in the primary as well as secondary market.

These growth initiatives have given, and will result in, a stronger local franchise and more visibility in landmark transactions.

Retail Banking

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

Income statement

SEK m	Q1		Q4		Jan- Mar			Full year
	2013	2012		%	2013	2012	%	2012
Net interest income	1 829	1 821	0		1 829	1 708	7	7 117
Net fee and commission income	969	957	1		969	886	9	3 648
Net financial income	88	86	2		88	78	13	339
Net other income	12	24	-50		12	13	-8	76
Total operating income	2 898	2 888	0		2 898	2 685	8	11 180
Staff costs	- 761	- 731	4		- 761	- 761	0	-3 024
Other expenses	- 755	- 845	-11		- 755	- 812	-7	-3 266
Depreciation, amortisation and impairment of tangible and intangible assets	- 19	- 20	-5		- 19	- 20	-5	- 85
Total operating expenses	-1 535	-1 596	-4		-1 535	-1 593	-4	-6 375
Profit before credit losses	1 363	1 292	5		1 363	1 092	25	4 805
Gains less losses from disposals of tangible and intangible assets								
Net credit losses	- 131	- 119	10		- 131	- 102	28	- 452
Operating profit	1 232	1 173	5		1 232	990	24	4 353
Cost/Income ratio	0,53	0,55			0,53	0,59		0,57
Business equity, SEK bn	20,3	14,2			20,3	14,9		14,4
Return on business equity, %	18,7	24,5			18,7	19,7		22,3
Number of full time equivalents	3 533	3 649			3 505	3 712		3 708

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

- Strengthened offering towards SME customers and corporate lending grew by SEK 13bn
- 4,100 new private home banking customers and 3,400 new corporate customers in the first quarter
- 24 per cent increase in operating profit

Comments on the first quarter

The result of Retail Banking for the first quarter was solid. A solid operating income of SEK 2,898m (2,685) and operating expenses of SEK 1,535m (1,593) led to an operating profit of SEK 1,232m, an increase of 24 per cent compared to the same period last year. Cost-efficiency measures intensified and the cost/income ratio for the quarter decreased to 0.53.

Mortgage volumes continued to increase as part of the strategy to attract home bank customers, reaching SEK 358bn (350). Margins were slightly up. An agreement was reached to offer mortgage loans to the members of the unions TCO and SACO. Customers generally sought more advisory services and private customers increased the use of smart phone applications.

Lending to SMEs increased by 9 per cent compared to the same period last year while deposit volumes decreased slightly. The offering towards small and medium-sized enterprises was strengthened with the launch of a smart phone application for smaller corporate customers. Improved customer relations resulted in 3 400 new active payment service customers.

The Card business continued to grow. Turnover increased by 4 per cent to SEK 74bn. Turnover growth and lower funding levels had a positive impact on total income. Net credit losses were reduced.

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	Q1			Q4			Jan- Mar			Full year
	2013	2012	%	2013	2012	%	2013	2012	%	2012
Net interest income	157	158	-1	157	170	-8	157	170	-8	667
Net fee and commission income	821	926	-11	821	765	7	821	765	7	3 244
Net financial income	38	31	23	38	21	81	38	21	81	97
Net other income	2	3	-33	2	2	0	2	2	0	30
Total operating income	1 018	1 118	-9	1 018	958	6	1 018	958	6	4 038
Staff costs	- 317	- 331	-4	- 317	- 315	1	- 317	- 315	1	-1322
Other expenses	- 301	- 328	-8	- 301	- 355	-15	- 301	- 355	-15	-1379
Depreciation, amortisation and impairment of tangible and intangible assets	- 10	- 11	-9	- 10	- 11	-9	- 10	- 11	-9	- 43
Total operating expenses	- 628	- 670	-6	- 628	- 681	-8	- 628	- 681	-8	-2 744
Profit before credit losses	390	448	-13	390	277	41	390	277	41	1 294
Gains less losses from disposals of tangible and intangible assets										
Net credit losses	1	- 6		1	1	0	1	1	0	- 5
Operating profit	391	442	-12	391	278	41	391	278	41	1 289
Cost/Income ratio	0,62	0,60		0,62	0,71		0,62	0,71		0,68
Business equity, SEK bn	8,4	5,8		8,4	6,2		8,4	6,2		6,0
Return on business equity, %	14,3	22,5		14,3	13,4		14,3	13,4		16,0
Number of full time equivalents	896	919		920	972		920	972		940

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

- Higher income as an effect of higher average asset values
- 250 new customers and SEK 9bn in net new inflows in Private Banking
- The Family Office concept now represented in Stockholm, Gothenburg and Malmö

Comments on the first quarter

Operating profit increased by 41 per cent compared with the same period last year because of higher performance fees and lower operating expenses. Performance fees increased by SEK 62m year-on-year to SEK 72m which was lower than the seasonally high fourth quarter level of SEK 177bn. Base commissions totaled SEK 654m (662). Cost efficiency measures reduced costs within the division.

Several new innovative products, developed in collaboration with institutional clients, are in the pipeline for

launch during the year. The initial interest in these products has been very high among customers.

Customers confidence in Private Banking led to 251 new clients (290) as well as SEK 9bn (9) in new volumes during the quarter. To further strengthen the growing Private Banking business a new Family Office unit was established in Malmö. The Family Office concept, which provides services to high net-worth families, is now available in the three major cities in Sweden. Total assets under management amounted to SEK 1,290bn (1,226).

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	Q1			Q4			Jan- Mar			Full year
	2013	2012	%	2013	2012	%	2013	2012	%	2012
Net interest income	- 18	- 18	0	- 18	- 24	-25	- 18	- 24	-25	- 86
Net life insurance income	1 218	1 149	6	1 218	1 239	-2	1 218	1 239	-2	4 707
Total operating income	1 200	1 131	6	1 200	1 215	-1	1 200	1 215	-1	4 621
Staff costs	- 300	- 305	-2	- 300	- 308	-3	- 300	- 308	-3	-1 214
Other expenses	- 146	- 128	14	- 146	- 136	7	- 146	- 136	7	- 537
Depreciation, amortisation and impairment of tangible and intangible assets	- 231	- 209	11	- 231	- 229	1	- 231	- 229	1	- 890
Total operating expenses	- 677	- 642	5	- 677	- 673	1	- 677	- 673	1	-2 641
Profit before credit losses	523	489	7	523	542	-4	523	542	-4	1 980
Operating profit	523	489	7	523	542	-4	523	542	-4	1 980
Cost/Income ratio	0,56	0,57		0,56	0,55		0,56	0,55		0,57
Business equity, SEK bn	8,2	6,5		8,2	6,5		8,2	6,5		6,5
Return on business equity, %	22,1	26,2		22,1	29,0		22,1	29,0		26,5
Number of full time equivalents	1 333	1 338		1 333	1 309		1 333	1 309		1 320

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

- SEB renewed as supplier in the Swedish ITP occupational pension scheme
- Premium income grew by 14 per cent
- Solid result in line with last year

Comments on the first quarter

The development in SEB's main markets was stable during the first quarter. In Sweden SEB was chosen as a supplier in one of the largest collective occupational pension procurements, ITP, which is a sign of a strong product offering for the occupational pension market.

The integration of SEB Life International has been successful, sales improved significantly and new distribution agreements were reached.

Operating profit decreased by 4 per cent compared to last year. Unit-linked income, which represents 57 per cent of total income and 87 per cent of sales, decreased by 1 per cent. Income from traditional and risk insurance increased by 2 per cent. Expenses were virtually unchanged compared to last year.

In Sweden, SEB Trygg Liv continued to be one of the market leaders within unit-linked insurance. Recoveries of provisions in the traditional business were SEK 19m (24). Operating profit decreased primarily due to lower income in other traditional and risk insurance and also because of a decrease in other income. The total fund value increased by SEK 6bn to 144bn.

Operating profit in *Denmark* increased significantly. The improvement was due to an 8 per cent cost reduction as well as higher income. Income improved mainly from a strong risk result.

Operating profit for *International* decreased compared to last year which included a positive investment result in the Latvian traditional portfolios. The operating profit in the Irish companies was unchanged.

The premium income relating to new and existing policies amounted to SEK 8.1bn for the division which was 14 per cent higher than last year. The improvement is related to the strong development in the Danish and SEB Life International business. The weighted sales volume of new policies decreased by 4 per cent to SEK 10bn and reflected lower volumes in the Swedish market. The share of corporate paid policies decreased to 69 per cent (71).

The total fund value in unit-linked insurance increased by SEK 8bn to 212bn. The net inflow was SEK 1.5bn and the appreciation in value was SEK 6.5bn or 3 per cent. Total assets under management amounted to SEK 451bn.

Baltic

The Baltic division provides banking and advisory services to private individuals and small and medium-sized corporate customers in Estonia, Latvia and Lithuania. The Baltic real estate holding companies (RHC) are 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	Q1			Q4			Jan- Mar			Full year
	2013	2012	%	2013	2012	%	2013	2012	%	2012
Net interest income	450	461	-2	450	519	-13	450	519	-13	1970
Net fee and commission income	231	246	-6	231	210	10	231	210	10	919
Net financial income	80	99	-19	80	112	-29	80	112	-29	423
Net other income	-4	-3	33	-4	-7	-43	-4	-7	-43	-11
Total operating income	757	803	-6	757	834	-9	757	834	-9	3301
Staff costs	-155	-172	-10	-155	-172	-10	-155	-172	-10	-681
Other expenses	-240	-319	-25	-240	-252	-5	-240	-252	-5	-1080
Depreciation, amortisation and impairment of tangible and intangible assets	-22	-183	-88	-22	-33	-33	-22	-33	-33	-280
Total operating expenses	-417	-674	-38	-417	-457	-9	-417	-457	-9	-2041
Profit before credit losses	340	129	164	340	377	-10	340	377	-10	1260
Gains less losses from disposals of tangible and intangible assets	10	1		10	1		10	1		9
Net credit losses	-98	-149	-34	-98	-24		-98	-24		-351
Operating profit	252	-19		252	354	-29	252	354	-29	918
Cost/Income ratio	0,55	0,84		0,55	0,55		0,55	0,55		0,62
Business equity, SEK bn	9,5	8,9		9,5	9,1		9,5	9,1		8,8
Return on business equity, %	9,5	negative		9,5	14,4		9,5	14,4		9,7
Number of full time equivalents	2792	2857		2805	3042		2805	3042		2960

Baltic Banking (excl RHC)

Operating profit	267	12		267	377	-29	267	377	-29	1016
Cost/Income ratio	0,53	0,80		0,53	0,53		0,53	0,53		0,59
Business equity, SEK bn	9,2	8,7		9,2	8,9		9,2	8,9		8,7
Return on business equity, %	10,4	0,5		10,4	15,7		10,4	15,7		10,9

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

- Loan volumes in local currencies grew slightly in the first quarter
- SEB was named Best Foreign Exchange Provider in Lithuania and Latvia
- Profit before credit losses decreased by 10 per cent year-on-year

Comments on the first quarter

The slow recovery in the Baltic countries continued. Weak external demand and a low capital spending appetite somewhat hampered growth, although exports were robust and household confidence strengthened.

The Baltic loan volumes which amounted to SEK 94bn grew slightly in the quarter when adjusted for a stronger Swedish krona. Corporate loans grew 4 per cent in Estonia, and 2 per cent in Latvia. Mortgage loans were flat in Estonia and decreased by 3 per cent in Latvia and by 1 per cent in Lithuania. Lending margins have remained relatively stable across the portfolio with slightly higher margins on new loans.

The total deposit volume, in the amount of SEK 66bn, was flat in local currency terms. Deposit margins continued to decline in each of the Baltic countries due to the low interest rate environment, which negatively impacted net interest

income. Net interest income declined by 10 per cent in local currencies compared to the corresponding period 2012.

Total operating expenses of SEK 417m (457) were 5 per cent lower than in the first quarter of 2012, when adjusted for currency effects. The operating profit of SEK 252m (354) included net credit losses of SEK 98m (24). Non-performing loans declined by 28 per cent, in SEK, year-on-year. The non-performing loans coverage ratio was 61 per cent.

SEB continued to win awards for customer excellence. Global Finance magazine named SEB as the Best Foreign Exchange Provider in Lithuania and Latvia. In Estonia, a new paperless branch concept was piloted.

The real estate holding companies held assets at a total book value of SEK 2,246m (1,663). The operating loss was SEK 15m, SEK 8m lower than a year ago.

The SEB Group

Net interest income – SEB Group

SEK m	Q1		Q4		Jan - Mar			Full year
	2013	2012	%		2013	2012	%	2012
Interest income	12 321	12 788	- 4		12 321	14 012	- 12	53 794
Interest expense	-7 862	-8 330	- 6		-7 862	-9 831	- 20	-36 159
Net interest income	4 459	4 458	0		4 459	4 181	7	17 635

Net fee and commission income – SEB Group

SEK m	Q1		Q4		Jan - Mar			Full year
	2013	2012	%		2013	2012	%	2012
Issue of securities and advisory	65	241	- 73		65	171	- 62	646
Secondary market and derivatives	495	480	3		495	492	1	1 940
Custody and mutual funds	1 657	1 838	- 10		1 657	1 625	2	6 691
Payments, cards, lending, deposits, guarantees and other	2 174	2 401	- 9		2 174	2 166	0	9 059
<i>Whereof payments and card fees</i>	1 421	1 492	- 5		1 421	1 436	- 1	5 952
<i>Whereof lending</i>	454	608	- 25		454	476	- 5	2 047
Fee and commission income	4 391	4 960	- 11		4 391	4 454	- 1	18 336
Fee and commission expense	-1 144	-1 245	- 8		-1 144	-1 190	- 4	-4 716
Net fee and commission income	3 247	3 715	- 13		3 247	3 264	- 1	13 620

Net financial income – SEB Group

SEK m	Q1		Q4		Jan - Mar			Full year
	2013	2012	%		2013	2012	%	2012
Equity instruments and related derivatives	- 40	- 12			- 40	416	- 110	518
Debt instruments and related derivatives	297	137	117		297	76		972
Currency related	721	885	- 19		721	881	- 18	3 163
Other	- 24	- 28	- 14		- 24	6		- 74
Net financial income	954	982	- 3		954	1 379	- 31	4 579

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	Q1		Q4		Jan - Mar			Full year
	2013	2012		%	2013	2012	%	2012
<i>Provisions:</i>								
Net collective provisions for individually assessed loans	- 31	124			- 31	39		104
Net collective provisions for portfolio assessed loans	230	- 37			230	- 1		- 148
Specific provisions	- 193	- 90	114		- 193	- 250	- 23	- 532
Reversal of specific provisions no longer required	75	85	- 12		75	144	- 48	557
Net provisions for off-balance sheet items	6				6	17	- 65	23
Net provisions	87	82	6		87	- 51		4
<i>Write-offs:</i>								
Total write-offs	- 819	- 1 007	- 19		- 819	- 440	86	- 2 892
Reversal of specific provisions utilized for write-offs	440	594	- 26		440	262	68	1 814
Write-offs not previously provided for	- 379	- 413	- 8		- 379	- 178	113	- 1 078
Recovered from previous write-offs	36	55	- 35		36	23	57	137
Net write-offs	- 343	- 358	- 4		- 343	- 155	121	- 941
Net credit losses	- 256	- 276	- 7		- 256	- 206	24	- 937

Balance sheet – SEB Group

SEK m	31 March 2013	31 Dec 2012	31 March 2012
Cash and cash balances with central banks	246 198	191 445	39 064
Other lending to central banks	7 956	17 718	126 816
Loans to other credit institutions ¹⁾	149 738	126 023	142 483
Loans to the public	1 240 488	1 236 088	1 201 106
Financial assets at fair value *	802 078	725 938	678 195
Available-for-sale financial assets *	49 054	50 599	59 345
Held-to-maturity investments *	81	82	281
Assets held for sale			1 826
Investments in associates	1 259	1 252	1 309
Tangible and intangible assets	28 186	28 494	29 536
Other assets	55 148	75 817	47 980
Total assets	2 580 186	2 453 456	2 327 941
Deposits from central banks and credit institutions	205 027	170 656	227 665
Deposits and borrowing from the public	920 603	862 260	782 861
Liabilities to policyholders	291 863	285 973	279 874
Debt securities	683 353	661 851	625 598
Other financial liabilities at fair value	264 741	237 001	207 139
Liabilities held for sale			1 803
Other liabilities	81 865	96 349	70 957
Provisions	3 212	5 572	5 603
Subordinated liabilities	23 478	24 281	24 669
Total equity	106 044	109 513	101 772
Total liabilities and equity	2 580 186	2 453 456	2 327 941
* Of which bonds and other interest bearing securities including derivatives.	486 402	460 423	438 695

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

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

Pledged assets, contingent liabilities and commitments – SEB Group

SEK m	31 March 2013	31 Dec 2012	31 March 2012
Collateral pledged for own liabilities ¹⁾	387 829	352 459	371 041
Assets pledged for liabilities to insurance policyholders	291 863	288 721	279 874
Collateral and comparable security pledged for own liabilities	679 692	641 180	650 915
Other pledged assets and comparable collateral ²⁾	161 389	135 372	104 608
Contingent liabilities	94 983	94 175	99 395
Commitments	435 780	407 423	401 079

1) Of which collateralised for covered bonds SEK 335,316m (320,859 / 316,710).

2) Securities' lending SEK 90,001m (66,674 / 50,060) and pledged but unencumbered bonds SEK 71,388m (68,698 / 54,548).

Statement of changes in equity – SEB Group

SEK m	Share capital	Retained earnings	Other reserves				Total Shareholders' equity	Minority interests	Total Equity
			Available-for-sale financial assets	Cash flow hedges	Translation of foreign operations	Defined benefit plans			
Jan-Mar 2013									
Opening balance	21 942	90 033	273	1 688	-2 422	-2 091	109 423	90	109 513
Net profit		3 009					3 009	3	3 012
Other comprehensive income (net of tax)			477	-548	-639	776	66	-4	62
Total comprehensive income		3 009	477	-548	-639	776	3 075	-1	3 074
Dividend to shareholders		-6 004					-6 004		-6 004
Employee share programme ¹⁾		-112					-112		-112
Minority interests									
Change in holdings of own shares		-427					-427		-427
Closing balance	21 942	86 499	750	1 140	-3 061	-1 315	105 955	89	106 044

Jan-Dec 2012									
Opening balance	21 942	82 272	-1 003	1 107	-1 752	-88	102 478	261	102 739
Net profit		11 632					11 632	22	11 654
Other comprehensive income (net of tax)			1 276	581	-670	-2 003	-816		-816
Total comprehensive income		11 632	1 276	581	-670	-2 003	10 816	22	10 838
Dividend to shareholders		-3 795					-3 795		-3 795
Employee share programme ¹⁾		-113					-113		-113
Minority interests								-193	-193
Change in holdings of own shares		37					37		37
Closing balance	21 942	90 033	273	1 688	-2 422	-2 091	109 423	90	109 513

Jan-Mar 2012									
Opening balance	21 942	82 272	-1 003	1 107	-1 752	-88	102 478	261	102 739
Net profit		2 606					2 606	5	2 611
Other comprehensive income (net of tax)			425	-587	-146	638	330	6	336
Total comprehensive income		2 606	425	-587	-146	638	2 936	11	2 947
Dividend to shareholders		-3 795					-3 795		-3 795
Employee share programme ¹⁾		15					15		15
Minority interests									
Change in holdings of own shares		-134					-134		-134
Closing balance	21 942	80 964	-578	520	-1 898	550	101 500	272	101 772

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

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

	Jan-Mar 2013	Jan-Dec 2012	Jan-Mar 2012
Number of shares owned by SEB, million	2013	2012	2012
Opening balance	2.2	2.3	2.3
Shares repurchased for the long-term equity-based programmes	9.8	12.0	9.7
Shares sold	-1.2	-12.1	-9.3
Closing balance	10.8	2.2	2.7

Market value of shares owned by SEB, SEKm	704	121	126
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In accordance with the decision by the Annual General Meeting, SEB holds own shares of Class A for the long-term equity-based programmes. The transactions may take place at one or several occasions during the year.

Cash flow statement – SEB Group

SEK m	Jan - Mar			Full year
	2013	2012	%	2012
Cash flow from operating activities	43 761	- 63 966	- 168	- 6 653
Cash flow from investment activities	- 83	- 809	- 90	- 1 278
Cash flow from financing activities	- 6 871	- 4 241	62	- 4 682
Net increase in cash and cash equivalents	36 807	- 69 016	- 153	- 12 613
Cash and cash equivalents at the beginning of year	257 292	276 853	- 7	276 853
Exchange rate differences on cash and cash equivalents	- 2 113	- 4 109	- 49	- 6 948
Net increase in cash and cash equivalents	36 807	- 69 016	- 153	- 12 613
Cash and cash equivalents at the end of period¹⁾	291 986	203 728	43	257 292

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

Financial assets and liabilities – SEB Group

SEK m	31 Mar 2013		31 Dec 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans	1 597 737	1 607 042	1 519 759	1 539 032
Equity instruments	146 798	146 798	110 409	110 409
Debt instruments	340 968	340 942	340 894	340 326
Derivative instruments	195 769	195 769	169 679	169 679
Financial assets - policyholders bearing the risk	211 433	211 433	203 333	203 333
Other	36 805	36 805	58 712	58 712
Financial assets	2 529 510	2 538 789	2 402 786	2 421 491
Deposits	1 125 630	1 135 419	1 032 916	1 043 939
Equity instruments	41 008	41 008	34 161	34 161
Debt instruments	746 011	747 494	729 192	739 195
Derivative instruments	182 815	182 812	157 861	157 861
Liabilities to policyholders - investment contracts	204 002	204 002	195 620	195 620
Other	39 398	36 639	56 580	56 685
Financial liabilities	2 338 864	2 347 374	2 206 330	2 227 461

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

Assets and liabilities measured at fair value – SEB Group

SEK m	31 Mar 2013				31 Dec 2012			
	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non- observable inputs (Level 3)	Total	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non- observable inputs (Level 3)	Total
Assets								
Financial assets								
- policyholders bearing the risk	197 028	12 784	1 621	211 433	189 480	12 294	1 559	203 333
Equity instruments	106 932	26 870	12 457	146 259	79 970	21 563	8 667	110 200
Debt instruments	119 294	175 269	1 839	296 402	131 674	158 654	1 867	292 195
Derivative instruments	451	194 415	903	195 769	110	167 741	1 828	169 679
Investment in associates ¹⁾			1 078	1 078			1 073	1 073
Investment properties			7 290	7 290			7 488	7 488
Total	423 705	409 338	25 188	858 231	401 234	360 252	22 482	783 968
Liabilities								
Liabilities to policyholders								
- investment contracts	189 876	12 905	1 221	204 002	182 293	11 827	1 500	195 620
Equity instruments	39 114	1 783	111	41 008	32 532	1 629		34 161
Debt instruments	32 145	7 053		39 198	35 403	7 657		43 060
Derivative instruments	630	180 272	1 911	182 813	501	154 716	2 644	157 861
Other issued securities ²⁾		26 686		26 686		26 323		26 323
Total	261 765	228 699	3 243	493 707	250 729	202 152	4 144	457 025

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

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

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

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

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

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

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

Sensitivity of Level 3 assets and liabilities to unobservable inputs

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

The largest open market risk within Level 3 assets and liabilities is found within the insurance business. There have been no significant changes of sensitivity during Q1 2013.

SEK m	31 Mar 2013				31 Dec 2012			
	Assets	Liabilities	Net	Sensitivity	Assets	Liabilities	Net	Sensitivity
Structured Derivatives - interest rate ¹⁾	670	-1 349	-679	59	951	-1 504	-553	58
Capital Markets ²⁾		-29	-29	19	351	-52	299	20
CPM Portfolio ³⁾	125		125	14	139		139	15
Venture Capital holding and similar holdings ⁴⁾	1 289		1 289	243	1 183		1 183	224
Insurance holdings - Financial instruments ⁵⁾	12 471	-530	11 941	1 689	9 867	-105	9 762	1 501
Insurance holdings - Investment properties ⁶⁾	7 290		7 290	729	7 488		7 488	749

1) Shift of index-linked swap spreads by 5 basis points and implied volatilities by 5 percentage points would have a profit or loss impact of +/- SEK 59m.

2) A 5 basis points shift of swap spreads would have a profit or loss impact of +/- SEK 19m.

3) Shift of credit spreads by 100 basis points would have a profit or loss impact of +/- SEK 14m.

4) Valuation is estimated in a range of reasonable outcomes, where the potential profit or loss impact is shown in the sensitivity analysis. A shift in valuation parameters would in the lower range have an impact of SEK -243m.

5) A shift of private equity of 20 per cent, structured credit 10 per cent and derivative market values of 10 per cent would have a profit or loss impact of +/- SEK 1,689m.

6) A shift of investment properties fair values of 10 per cent would have a profit or loss impact of +/- SEK 729m.

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

SEK m	Financial assets and liabilities subject to offsetting or netting arrangements						Other instruments in balance sheet not subject to netting arrangements	Total in balance sheet
	Gross amounts	Offset	Net amounts in balance sheet	Related arrangements		Net amounts		
				Master netting arrangements	Collaterals received/pledged			
31 Mar 2013								
Derivatives	187 810	-11 032	176 778	-131 080	-28 465	17 233	18 990	195 768
Reversed repo receivables	87 653	-8 818	78 835	-4 186	-74 469	180	32 161	110 996
Securities borrowing	62 474	-4 005	58 469	-16 770	-39 604	2 095	4 559	63 028
Client receivables	15 244	-15 244					14 246	14 246
Assets	353 181	-39 099	314 082	-152 036	-142 538	19 508	69 956	384 038
Derivatives	185 893	-11 032	174 861	-131 080	-26 814	16 967	7 953	182 814
Repo payables	18 981	-8 818	10 163	-4 186	-5 977		20 503	30 666
Securities lending	39 068	-4 005	35 063	-16 770	-17 205	1 088	10 553	45 616
Client payables	15 244	-15 244					19 735	19 735
Liabilities	259 186	-39 099	220 087	-152 036	-49 996	18 055	58 744	278 831
31 Dec 2012								
Derivatives	167 184	-12 459	154 725	-103 738	-43 882	7 105	14 954	169 679
Reversed repo receivables	91 422	-5 926	85 496	-9 370	-75 682	444	21 028	106 524
Securities borrowing	39 637	-3 905	35 732	-834	-32 018	2 880	9 426	45 158
Client receivables	7 576	-7 576					34 889	34 889
Assets	305 819	-29 866	275 953	-113 942	-151 582	10 429	80 297	356 250
Derivatives	159 697	-12 459	147 238	-103 738	-20 652	22 848	10 623	157 861
Repo payables	19 060	-5 926	13 134	-9 370	-3 764		15 701	28 835
Securities lending	28 362	-3 905	24 457	-834	-22 271	1 352	8 937	33 394
Client payables	7 576	-7 576					31 012	31 012
Liabilities	214 695	-29 866	184 829	-113 942	-46 687	24 200	66 273	251 102
31 Mar 2012								
Derivatives	151 380	-12 554	138 826	-75 201	-38 994	24 631	3 303	142 129
Reversed repo receivables	80 545	-4 642	75 903	-10 523	-65 039	341	26 638	102 541
Securities borrowing	74 133	-15 013	59 120	-6 124	-50 512	2 484		59 120
Client receivables	15 888	-15 888					12 695	12 695
Assets	321 946	-48 097	273 849	-91 848	-154 545	27 456	42 636	316 485
Derivatives	141 757	-12 554	129 203	-75 201	-42 088	11 914	1 090	130 293
Repo payables	30 059	-4 642	25 417	-10 523	-14 894		23 332	48 749
Securities lending	58 331	-15 013	43 318	-6 124	-35 837	1 357		43 318
Client payables	15 888	-15 888					13 081	13 081
Liabilities	246 035	-48 097	197 938	-91 848	-92 819	13 271	37 503	235 441

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

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

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

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

Reclassified portfolios – SEB Group

SEK m	Q1		Q4		Jan - Mar			Full year 2012
	2013	2012	%		2013	2012	%	
Reclassified								
Opening balance	29 342	30 813	-5		29 342	42 169	-30	42 169
Amortisations	- 645	- 828	-22		- 645	- 721	-11	-2 862
Securities sold	-1 806	-1 611	12		-1 806	-5 335	-66	-8 656
Accrued coupon	37	- 32			37	31	19	9
Exchange rate differences	- 735	1 000	-174		- 735	- 811	-9	-1 318
Closing balance*	26 193	29 342	-11		26 193	35 333	-26	29 342
* Market value	25 604	28 423	-10		25 604	33 748	-24	28 423
Fair value impact - if not reclassified								
In Equity (AFS origin)	177	242	-27		177	339	-48	1 117
In Income Statements (HFT origin)	4	98	-96		4	107	-96	217
Total	181	340	-47		181	446	-59	1 334
Effect in Income Statements*								
Net interest income	88	103	-15		88	209	-58	602
Net financial income	- 311	697	-145		- 311	- 662	-53	- 639
Other income	- 8	- 1			- 8	- 276	-97	- 391
Total	- 231	799	-129		- 231	- 729	-68	- 428

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

Non-performing loans – SEB Group

	31 Mar	31 Dec	31 Mar
SEK m	2013	2012	2012
Individually assessed impaired loans			
Impaired loans, past due > 60 days	6 643	7 234	9 442
Impaired loans, performing or past due < 60 days	665	767	1 236
Total individually assessed impaired loans	7 308	8 001	10 678
Specific reserves	- 3 796	- 4 165	- 5 783
<i>for impaired loans, past due > 60 days</i>	- 3 417	- 3 783	- 5 142
<i>for impaired loans, performing or past due < 60 days</i>	- 379	- 382	- 641
Collective reserves	- 1 787	- 1 790	- 1 882
Impaired loans net	1 725	2 046	3 013
Specific reserve ratio for individually assessed impaired loans	51.9%	52.1%	54.2%
Total reserve ratio for individually assessed impaired loans	76.4%	74.4%	71.8%
Net level of impaired loans	0.25%	0.28%	0.36%
Gross level of impaired loans	0.52%	0.58%	0.79%
Portfolio assessed loans			
Portfolio assessed loans past due > 60 days	4 802	5 389	6 404
Restructured loans	405	450	498
Collective reserves for portfolio assessed loans	- 2 534	- 2 914	- 3 284
Reserve ratio for portfolio assessed loans	48.7%	49.9%	47.6%
Reserves			
Specific reserves	- 3 796	- 4 165	- 5 783
Collective reserves	- 4 321	- 4 704	- 5 166
Reserves for off-balance sheet items	- 289	- 299	- 346
Total reserves	- 8 406	- 9 168	- 11 295
Non-performing loans			
Non-performing loans*	12 515	13 840	17 580
NPL coverage ratio	67.2%	66.2%	64.3%
NPL % of lending	0.90%	1.01%	1.29%

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

Seized assets – SEB Group

	31 Mar	31 Dec	31 Mar
SEK m	2013	2012	2012
Properties, vehicles and equipment	2 315	2 251	1 800
Shares	50	49	53
Total seized assets	2 365	2 300	1 853

Discontinued operations – SEB Group

Income statement

SEK m	Q1		Q4		Jan - Mar			Full year
	2013	2012		%	2013	2012	%	2012
Total operating income	34	78		-56	34	-3	0	305
Total operating expenses	-42	-89		-53	-42	-251	-83	-645
Profit before credit losses	-8	-11		-27	-8	-254	-97	-340
Net credit losses				0		-1		-181
Operating profit	-8	-11		-27	-8	-255	-97	-521
Income tax expense	8	10		-20	8	9	-11	33
Net profit from discontinued operations	0	-1		-100	0	-246	-100	-488

Assets and liabilities held for sale

SEK m	31 Mar 2013	31 Dec 2012	31 Mar 2012
Loans to the public			662
Other assets			1164
Total assets held for sale			1826
Deposits from credit institutions			1126
Deposits and borrowing from the public			676
Other liabilities			1
Total liabilities held for sale			1803

Cash flow statement

SEK m	Q1		Q4		Jan - Mar			Full year
	2013	2012		%	2013	2012	%	2012
Cash flow from operating activities	-25	52		-148	-25	-7	0	65
Cash flow from investment activities				0		-9	-100	38
Cash flow from financing activities	25	-53		-147	25	97	-74	87
Net increase in cash and cash equivalents from discontinued operations	0	-1		-100	0	81	-100	190

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

SEB financial group of undertakings

Capital base of the SEB financial group of undertakings

SEK m	31 Mar 2013	31 Dec 2012
Total equity according to balance sheet	106 044	109 513
Dividend (excl repurchased shares)	-1 501	-6 028
Investments outside the financial group of undertakings	-63	-64
Other deductions outside the financial group of undertakings	-4 769	-4 451
= Total equity in the capital adequacy	99 711	98 970
Adjustment for hedge contracts	-356	-473
Net provisioning amount for IRB-reported credit exposures	0	0
Unrealised value changes on available-for-sale financial assets	-1 109	-597
Exposures where RWA is not calculated	-762	-802
Goodwill	-4 055	-4 147
Other intangible assets	-2 528	-2 559
Deferred tax assets	-1 883	-2 003
= Core Tier 1 capital	89 018	88 389
Tier 1 capital contribution (non-innovative)	4 172	4 300
Tier 1 capital contribution (innovative)	9 580	9 704
Investments in insurance companies	-5 250	
= Tier 1 capital	97 520	102 393
Dated subordinated debt	6 322	6 515
Deduction for remaining maturity	-51	-39
Perpetual subordinated debt	1 728	1 890
Net provisioning amount for IRB-reported credit exposures	419	485
Unrealised gains on available-for-sale financial assets	1 074	990
Exposures where RWA is not calculated	-762	-802
Investments outside the financial group of undertakings	-63	-64
Investments in insurance companies	-5 250	
= Tier 2 capital	3 417	8 975
Investments in insurance companies	0	-10 501
= Capital base	100 937	100 867

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

On 31 March 2013 the parent company's core Tier 1 capital was SEK 83,520m (85,756 March 2012) and the reported core Tier 1 capital ratio was 12.1 per cent (13.9 March 2012).

Risk-weighted assets for the SEB financial group of undertakings

Risk-weighted assets	31 Mar	31 Dec
SEK m	2013	2012
Credit risk IRB approach		
Institutions	24 343	23 879
Corporates	327 170	326 666
Securitisation positions	4 682	5 177
Retail mortgages	41 822	42 896
Other retail exposures	9 471	9 365
Other exposure classes	1 411	1 461
Total credit risk IRB approach	408 899	409 444
Further risk-weighted assets		
Credit risk, Standardised approach	64 575	68 125
Operational risk, Advanced Measurement approach	41 132	40 219
Foreign exchange rate risk	13 592	14 042
Trading book risks	55 293	54 009
Total risk-weighted assets	583 491	585 839
Summary		
Credit risk	473 474	477 569
Operational risk	41 132	40 219
Market risk	68 885	68 051
Total	583 491	585 839
Adjustment for flooring rules		
Addition according to transitional flooring	317 955	293 398
Total reported	901 446	879 237

Capital adequacy analysis for the SEB financial group of undertakings

Capital adequacy	31 Mar 2013	31 Dec 2012
Capital resources		
Core Tier 1 capital	89 018	88 389
Tier 1 capital	97 520	102 393
Capital base	100 937	100 867
Capital adequacy without transitional floor (Basel II)		
Risk-weighted assets	583 491	585 839
Expressed as capital requirement	46 679	46 867
Core Tier 1 capital ratio	15.3%	15.1%
Tier 1 capital ratio	16.7%	17.5%
Total capital ratio	17.3%	17.2%
Capital base in relation to capital requirement	2.16	2.15
Capital adequacy including transitional floor		
Transitional floor applied	80%	80%
Risk-weighted assets	901 446	879 237
Expressed as capital requirement	72 116	70 339
Core Tier 1 capital ratio	9.9%	10.1%
Tier 1 capital ratio	10.8%	11.6%
Total capital ratio	11.2%	11.5%
Capital base in relation to capital requirement	1.40	1.43
Capital adequacy with risk-weighting according to Basel I		
Risk-weighted assets	1 120 256	1 091 468
Expressed as capital requirement	89 620	87 317
Core Tier 1 capital ratio	7.9%	8.1%
Tier 1 capital ratio	8.7%	9.4%
Total capital ratio	9.0%	9.2%
Capital base in relation to capital requirement	1.13	1.16

RWA development

Overall Basel II risk-weighted assets (RWA) before the effect of transitional flooring decreased by 0.5 per cent or SEK 3bn, since year-end.

Risk-weighted assets	SEK bn
RWA 31 December 2012	586
Volumes changes	7
Risk class migration	-1
Risk-weight changes	-5
Market and operational risk changes	2
Currency effect	-8
Other	2
RWA 31 March 2013	583

Un-floored Basel II RWA was 48 per cent lower than Basel I RWA. The ultimate target is to use IRB reporting for all credit exposures except those to central governments, central banks and local governments and authorities, and a small number of insignificant portfolios.

The Basel III framework

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

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

In 2011, the Swedish government proposed stricter Common Equity Tier 1 capital ratio requirements than under Basel III; 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). Due to 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 1 January 2014.

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 Mar	31 Dec
Average risk-weight	2013	2012
Institutions	16.7%	15.9%
Corporates	40.3%	40.8%
Securitisation positions	34.8%	34.7%
Retail mortgages	10.0%	10.4%
Other retail exposures	37.5%	37.4%

In 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 Pillar 2 implementation raises questions about the practical implication.

Skandinaviska Enskilda Banken AB (publ)

Income statement – Skandinaviska Enskilda Banken AB (publ)

In accordance with FSA regulations SEK m	Q1			Q4			Jan - Mar			Full year
	2013	2012	%	2013	2012	%	2013	2012	%	2012
Interest income	8 692	9 889	-12	8 692	9 718	-11	8 692	9 718	-11	38 470
Leasing income	1 399	1 424	-2	1 399	1 528	-8	1 399	1 528	-8	5 817
Interest expense	-5 594	-6 729	-17	-5 594	-7 084	-21	-5 594	-7 084	-21	-26 809
Dividends		25	-100							2 214
Fee and commission income	2 175	2 616	-17	2 175	2 114	3	2 175	2 114	3	8 963
Fee and commission expense	- 339	- 456	-26	- 339	- 345	-2	- 339	- 345	-2	-1 523
Net financial income	824	949	-13	824	1 169	-30	824	1 169	-30	4 046
Other income	165	- 288		165	12		165	12		159
Total operating income	7 322	7 430	-1	7 322	7 112	3	7 322	7 112	3	31 337
Administrative expenses	-3 418	-4 568	-25	-3 418	-3 420	0	-3 418	-3 420	0	-15 077
Depreciation, amortisation and impairment of tangible and intangible assets	-1 252	-1 734	-28	-1 252	-1 278	-2	-1 252	-1 278	-2	-5 446
Total operating expenses	-4 670	-6 302	-26	-4 670	-4 698	-1	-4 670	-4 698	-1	-20 523
Profit before credit losses	2 652	1 128	135	2 652	2 414	10	2 652	2 414	10	10 814
Net credit losses	- 97	- 87	11	- 97	- 139	-30	- 97	- 139	-30	- 385
Impairment of financial assets	- 1	- 20	-95	- 1			- 1			-1 114
Operating profit	2 554	1 021	150	2 554	2 275	12	2 554	2 275	12	9 315
Appropriations	327	-4 401		327	279	17	327	279	17	-3 175
Income tax expense	- 857	1 037		- 857	- 765	12	- 857	- 765	12	-1 289
Other taxes	- 15	- 86		- 15	9		- 15	9		- 86
Net profit	2 009	-2 429		2 009	1 798	12	2 009	1 798	12	4 765

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

SEK m	Q1			Q4			Jan - Mar			Full year
	2013	2012	%	2013	2012	%	2013	2012	%	2012
Net profit	2 009	-2 429		2 009	1 798	12	2 009	1 798	12	4 765
<i>Items that may subsequently be reclassified to the income statement:</i>										
Available-for-sale financial assets	486	554	-12	486	226	115	486	226	115	693
Cash flow hedges	- 547	152		- 547	- 586	-7	- 547	- 586	-7	584
Translation of foreign operations	- 12	- 31	-61	- 12	- 15	-20	- 12	- 15	-20	- 72
Other comprehensive income (net of tax)	- 73	675		- 73	- 375	-81	- 73	- 375	-81	1 205
Total comprehensive income	1 936	-1 754		1 936	1 423	36	1 936	1 423	36	5 970

Balance sheet - Skandinaviska Enskilda Banken AB (publ)

Condensed	31 March	31 Dec	31 March
SEK m	2013	2012	2012
Cash and cash balances with central banks	201 752	165 994	20 430
Loans to credit institutions	237 134	200 189	299 699
Loans to the public	950 818	937 734	897 300
Financial assets at fair value	484 934	426 326	381 910
Available-for-sale financial assets	16 942	17 610	16 909
Held-to-maturity investments	920	1 636	2 757
Investments in associates	1 053	1 044	1 113
Shares in subsidiaries	49 709	50 671	53 606
Tangible and intangible assets	41 868	43 026	42 915
Other assets	43 185	64 823	33 101
Total assets	2 028 315	1 909 053	1 749 740
Deposits from credit institutions	238 259	199 711	257 863
Deposits and borrowing from the public	695 429	637 721	525 645
Debt securities	664 048	641 413	601 114
Financial liabilities at fair value	252 079	232 062	199 105
Other liabilities	59 890	74 097	47 760
Provisions	141	160	62
Subordinated liabilities	23 414	24 213	24 362
Untaxed reserves	26 346	26 346	25 049
Total equity	68 709	73 330	68 780
Total liabilities, untaxed reserves and shareholders' equity	2 028 315	1 909 053	1 749 740

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

SEK m	31 March	31 Dec	31 March
SEK m	2013	2012	2012
Collateral and comparable security pledged for own liabilities	313 434	294 990	294 428
Other pledged assets and comparable collateral	134 969	119 577	108 025
Contingent liabilities	81 406	78 565	79 423
Commitments	332 924	315 157	309 665

This is SEB

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