Annual Report 2004

More local than the international

More international than the local

At SEB we are well familiar with the local markets and always close to our customers. At the same time, we can offer our customers the most attractive solutions thanks to our resources and network of contacts as an international bank. We are quite simply more local than the international banks – and more international than our local competitors.

Contents

SEB's financial information is available on www.sebgroup.com

Financial information during 2005

Publication of annual accounts	9 February
Publication of Annual Report	End of March
Annual General Meeting	13 April
Interim report January–March	3 May
Interim report January–June	26 July
Interim report January–September	28 October

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2004 in brief

Result and proposed dividend

- Operating result increased by 16 per cent, to SEK 9,273m (7,963m).
- Net profit increased by 16 per cent to SEK 6,590m (5,704m) representing SEK 9.69 (8.22) per share.
- The SEB share rose by 21 per cent, better than Swedish SAX-index and European bank index.
- The credit loss level remained low.
- Return on equity was 13.2 per cent (12.3).
- Proposed dividend is SEK 4.35 (4.00).

Key figures

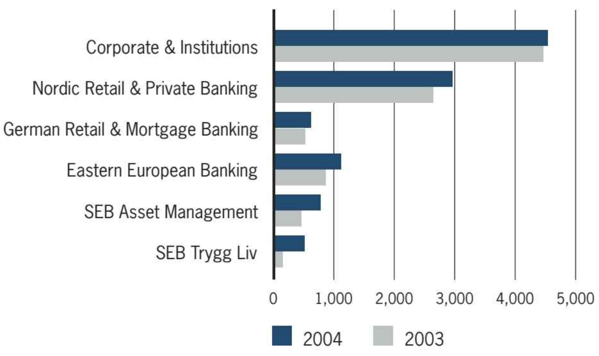
	2004	2003
Return on equity, %	13.2	12.3
Earnings per share, SEK[1]	9.69	8.22
Cost/income ratio	0.67	0.67
Credit loss level, %	0.10	0.15
Total capital ratio, %	10.29	10.23
Core capital ratio, %	7.76	7.97
Number of full time equivalents, average	17,772	18,067
Number of e-banking customers, thousands	1,953	1,614
Assets under management, SEKbn	886	822
Total assets, SEKbn	1,591	1,279

1) For further information on the SEB share, please see page 20.

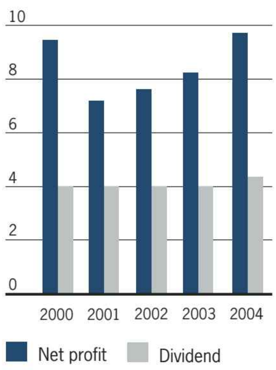
Important events during 2004

- SEB Trygg Liv purchased 100 per cent of the shares of Codan Pension, one of the leading Danish life insurance companies, for SEK 3.3bn.
- SEB Kort acquired Eurocard's card-issuing activities in Denmark for SEK 490m.
- SEB's Lithuanian subsidiary bank, Vilniaus Bankas, acquired 95 per cent of the shares of the Ukrainian Bank Agio (purchase completed in January, 2005) – an investment of approximately SEK 200m.
- In order to strengthen relations with commercial real estate customers and to take advantage of the potential in this market, a new business unit was formed called Commercial Real Estate.
- Jacob Wallenberg announced his wish to withdraw as Chairman of the Board as from SEB's 2005 Annual General Meeting, although remaining a director. Marcus Wallenberg, at present Deputy Chairman of the Board, is proposed as new Chairman after the 2005 Annual General Meeting.
- SEB's Board of Directors appointed Annika Falkengren President and Group Chief Executive as from 1 January, 2006. Lars H Thunell, the present Group Chief Executive, will retire in 2006.

Operating result per division
SEKm



Net profit and dividend
Per SEB share, SEK



SEB poised for further growth

SEB's geographic expansion and hard internal work over recent years have formed a strong platform for future growth.

For Europe, 2004 was a year in which a historical step was taken. On 1 May, the EU welcomed another 10 member countries and 75 million people. This means great opportunities for Europe as a whole and, in particular, for SEB. We see enormous potential for new customers in new markets. In recent years, SEB has expanded successfully eastwards and is now looking forward to increased trade, deregulation and further harmonisation in those markets.

A consistent strategy

Looking at our own activities, the past year was characterised by continued efficiency measures. Our strategy remained firmly established and over the past year SEB continued to focus on increased customer satisfaction, cost consciousness, co-operation and cross-selling within the Group.

Last autumn, we announced some changes at the executive management level. After eight years as Group Chief Executive, Lars Thunell will retire in January 2006. He will be succeeded by Annika Falkengren who has already left her position as Head of the Corporate & Institutions division in order to devote her time as Deputy Group Chief Executive until she assumes the role of CEO.

Swedish Corporate Governance Code

Swedish and international scandals have in recent years shown how vital it is for companies to enjoy confidence from both the market and society in order to be effective. Sweden has a long tradition of self-regulation as far as ethical ownership control is concerned. A Swedish Corporate Governance Code will now be introduced to increase transparency and to make it easier for companies to manage their businesses. Although the Code will be effective from 1 July 2005, implementation work is already in progress. The Code Group has presented guidelines for how companies can improve their corporate governance through elaborate self-regulation. In particular, I would like to stress the importance of the Code's basic comply or explain principle.

Eight intense years

After eight challenging years as Chairman of SEB's Board of Directors, I will resign at the 2005 Annual General Meeting. The years gone by have been intense and rewarding as expansion and growth have characterised SEB's development. We started operations in the Baltic countries, in Poland and Germany and consolidated our position in our Nordic neighbouring countries. For me personally, this has been both exciting and demanding. It is with great satisfaction that I look back at SEB's achievements of growth, customer satisfaction and return to our owners.

The Bank's services were revolutionised by the introduction of the Internet. SEB was at the forefront of utilising this technological development. We managed this experience and gained knowledge in a way that enabled us to offer our customers competitive and user-friendly Internet services today. Initially, however, SEB underestimated the importance of personal contact with customers, which possibly caused us to close down some of our branch offices too quickly. In my opinion, we have now learned to balance the interactive office with customer relations through personal contact. Another important example of progress is how SEB successfully developed into one of the leading asset management banks in the Nordic region through strong leadership and clear goals. The Bank's significant expansion over the last few years is a result of both strategic acquisitions and organic growth. In part, this work has proved to be prosperous because SEB has realised how important it is to spend its time and resources integrating the Bank's activities and employees in line with growth.

SEB's negotiations with FöreningsSparbanken for the purpose of a planned merger represent another eventful period. As we know, the merger did not materialise since the European Commission demanded too many concessions that would minimise the planned synergy effects. It should, however, be noted that SEB has since then expanded substantially. The necessary platform has been built upon which SEB can realise its vision of becoming a leading North-European bank based upon long-term customer relations, competence and e-technology.

It is gratifying to see that both our customers and employees are more satisfied today, which means that SEB is able to create long-term value for its owners. This is the result of recent years' hard work and focused activities. Co-operation has been, and remains, the guiding principle.

On behalf of myself and the Board, I wish to convey my warmest thanks to all employees and management for a rewarding year and for all your hard work and commitment. Even though I say goodbye to the Chairmanship I will, as an 'ordinary' director, look forward to the opportunities and challenges that 2005 will offer.

Stockholm in February 2005

Jacob Wallenberg
Chairman of the Board

Best result to date

SEB's position is strong. The past year was a good year for SEB and its shareholders. Our decision a few years ago to focus more strongly on our customers, improve internal co-operation and reduce costs has yielded results.

SEB's customers have step by step become more satisfied, which has led to increased volumes and market shares within several areas. SEB presents its best result ever. It is with great pleasure that I note improved results within all divisions and the success of SEB's internationalisation since the mid 90's. I am proud of our competent and committed staff.

SEB combines local presence with international competence

We continue to aim for a position as a leading bank in Northern Europe, based upon long-term customer relations, competence and e-technology. Over the last years we have successfully met high customer demands, building on our platform as an international bank with a local presence in nine home markets in the Nordic region, the Baltic countries, Germany and Poland. During the year we have strengthened our Nordic position further through the acquisitions of Eurocard and Codan Pension in Denmark. In addition, Merchant Banking's expansion in the Nordic countries outside Sweden and in Germany has been successful. The Group has now more banking customers in the Baltic countries than in Sweden and more than half of the staff is employed internationally. Approximately 45 per cent of profits are generated in our non-Swedish home markets.

Improved results within all divisions

Five out of six divisions present their best results ever. SEB's corporate business accounts for an increasingly large part of the result. The Corporate & Institutions division has delivered high and stable results, despite varying market conditions. The corporate side is also growing in importance within retail and life operations.

Despite a tough interest rate environment, the Nordic retail operations reported improved results following intensified sales activities leading to higher mortgage and savings volumes. We have strengthened our competence further within the area of individual financial advice and Euromoney recently ranked SEB's Private Banking as number one in Sweden.

SEB Asset Management presents a large result improvement. Strong equity markets contributed, but the improved result was also an effect of increased sales. Portfolio performance is in line with that of SEB's peers, but our ambitions are higher than so. We therefore continue our efforts to improve investment processes further.

The strategy for the life insurance business focusing on unit-linked and occupational pension schemes has proved successful. SEB Trygg Liv has strengthened its position as market leader in Sweden within these areas and presented its best result to date. Clearly, the embedded values that have been built up over several years are now beginning to contribute to the operating result.

SEB in Germany has over the last years taken several steps towards increased profit growth. The profit improvement programme within retail has yielded results. Results have improved step by step, even though there is still room for further improvement. Merchant Banking in Germany has exploited growth opportunities and increased volumes.

High loan portfolio volumes and active product development have contributed to the Eastern European Banking division's result of over SEK 1bn. The competence and experience of our Baltic banks constitute the stepping-stone for further expansion into Eastern Europe through the acquisition of Bank Agio in the Ukraine and continued investments in Russia.

Employees' competence and commitment

Ultimately, SEB's strong position and our customers' willingness to increase business volumes with us is a result of our employees' competence and commitment. Our aim over the last years to increase co-operation between different units, more distinctly offering 'One SEB' to our customers, has deepened employee motivation. Our core values are now implemented and form part of SEB's day-to-day operations. This is clearly reflected in the strong SEB culture that is developing, where decisions are taken on a local basis near the customers.

A strong SEB for the future

It is with confidence that I look forward to 2005, which will also be my last year as Group Chief Executive of SEB. On 1 January next year, Annika Falkengren, who has successfully managed the Group's largest division, Corporate & Institutions, will succeed me. SEB will continue to focus on customers, costs and increased co-operation in our 3 C-programme. The strategy remains the same. It is through our North-European platform and around the Baltic rim that we can offer our customers even better solutions and thus promote growth.

Stockholm in February 2005

Lars H Thunell
President and Group Chief Executive

Globalisation and the new economy characterised 2004

It was in 2004 that we for the first time became really aware of the fact that we are living in a global economy. In principle, this affects private individuals, companies and the world economy as a whole in a positive way.

Consequently, the effects of globalisation are prominent when SEB's Chief Economist Klas Eklund, Merchant Banking's Chief Analyst Robert Bergqvist and SEB's Private Economist Gunilla Nyström summarise 2004.

"The past year was very favourable for the real economy", says Robert Bergqvist. "Across the world, 2004 was characterised by good growth, while inflation was kept low thanks to continued advances in productivity."

Klas Eklund agrees, noting at the same time that the great imbalances in the world economy persist. To a great extent, the twin deficits of the U.S. are financed by Asia, particularly China, through continued Asian support of the dollar in the form of purchases of U.S. government bonds. And even though the Nordic countries and Eastern Europe show solid growth, economic performance in most of Europe is sluggish.

"In a long-term perspective we are facing a macro-economic triangle drama", explains Klas Eklund. "The U.S. must tighten its fiscal and monetary policy, the European situation demands structural policy measures like deregulation and, in Asia, savings must be reduced and the pace of consumption speeded up.

Some experts believe that this disequilibrium between mainly the U.S. and Asia can last for a long time, but most economists would agree that it is an indicator of structural problems in the economy that must be remedied, the sooner the better", says Eklund.

More worrying than anything else is that the twin deficits are on the increase - in the U.S. federal budget and in its current balance – despite the fall of the dollar. This shows that there are underlying problems in the U.S. economy.

"Turning the U.S. deficits is not a piece of cake. It will take a long time," notes Robert Bergqvist. "Right now, however, the American growth rate looks good. The problem child is Western Europe that continues to be a disappointment."

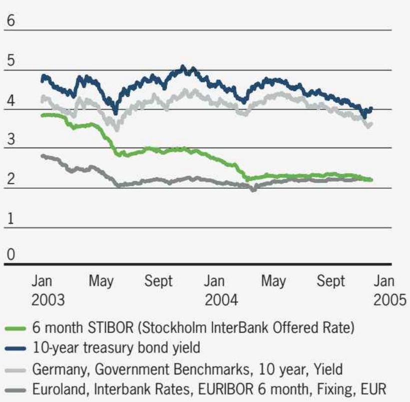
The set-backs and poor growth of Germany, the heart of the euro zone, are the prime source of concern for the economists, although the effects of the German Government's economic reforms start becoming visible. At the same time another trend grows ever stronger. Increasingly, European and international companies resort to countries with low production costs. This has caused concern in many West-European countries, not least in Sweden that saw many companies move their production abroad in 2004. In the economists' opinion, however, this form of globalisation brings a lot of good, not least an increased pace of corporate establishment in various growth markets such as Eastern Europe and Asia.

Currency trend

SEK against EUR and USD, current rates
EUR against USD, current rates

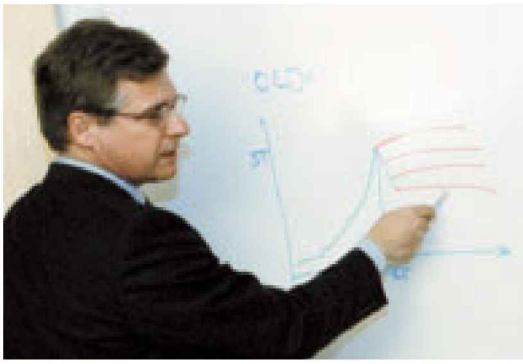
Interest rates

Weekly averages, per cent



Stock market

Index 1997 = 100



2004 will go to history as the year in which the new economy made its comeback. SEB's economists Klas Eklund, Gunilla Nyström and Robert Bergqvist note that strong growth without inflationary pressure was made possible thanks to very important gains in productivity.

The three economists are impressed by Swedish industry's ability to adapt its operations and to use its resources under new conditions and demand patterns.

"The Swedes lived in the best of worlds last year. I believe that 2004 will be recorded in the macro-economic history book as the year of return of the new economy. Thanks to the rapid rise in productivity, growth rates could remain high without inflationary pressure," notes Klas Eklund. Robert Bergqvist agrees, describing the productivity trend as remarkable.

Nevertheless, in spite of this favourable development the economists' apprehensions about a jobless recovery have been confirmed. New jobs were conspicuous by their absence and investments were at a record low during 2004.

"Companies were able to use existing resources to increase their utilisation of capacity. In this connection the strong gains in productivity were of course an important factor. Besides, many Swedish corporate managers remember their 'scars' from the last recession, which makes them extra wary about all sorts of new investments," says Eklund. At the same time, he believes that this negative trend may be broken in 2005.

"Given industry's full utilisation of capacity, the prerequisites are very promising for investments to get started and for the creation of new jobs," he confidently continues, pointing at the noticeable upswing in demand in the construction sector, for example, which is an important economic motor.

More jobs will even further improve the economic conditions of the households, which were very favourably affected by the economic development in 2004. In addition, falling consumer prices on many goods contribute to the positive outlook, yet another effect of globalisation.

"As a matter of fact, the households have never been better off than during the past year. Housing prices have continued upwards. In combination with low interest rates this has created a very favourable climate for the households," says Gunilla Nyström, pointing at a number of clear indicators of a better 2005:

"Low interest rates, tax cuts and the increased basic allowance together with continued low inflation and increases in real wages indicate that the purchasing power of the households will rise."

She stresses an innovation that may affect small company growth positively in a more long-term perspective.

"The abolishment of succession and gift taxes will be an important incentive to help many small companies to survive and to implement successions of generations. This will contribute to growth, too."

Even though the prospects for 2005 undoubtedly look good, not least from a Nordic perspective, there are storm clouds if a long-term view is taken. One such disquieting sign is the increasing pressure on the U.S. as the driving motor of the world economy, a position which moreover is challenged by fast-growing China.

"There is a heavy burden on America to show high growth and a stable economic system", says Robert Bergqvist. Among other things he mentions the fact that the U.S. must continue to attract 70 per cent of the savings of the world in order not to lose ground to primarily China, whose position as a great economic power was further strengthened in 2004.

Klas Eklund says that China's share of the world economy will grow further during 2005 and that we will see a series of Chinese brand names establishing themselves in earnest in the international market.

"During the past year's continued upswing, China has proved, once for all, that it is an economic superpower that we have to count with."

Profit growth in focus

The SEB Group is a North-European financial group for companies, institutions and private individuals. Although its main activities consist of banking services SEB also conducts important life insurance operations. SEB has a total of 670 branch offices around Sweden, Germany, the Baltic countries and Poland and more than 5 million customers, of whom close to 2 million use the Internet services. As from January 2005, SEB has operations in the Ukraine. On 31 December 2004, the Group's total assets amounted to SEK 1,591bn, while its assets under management totalled SEK 886bn. The Group is represented in some 20 countries around the world and has a staff of about 18,000.

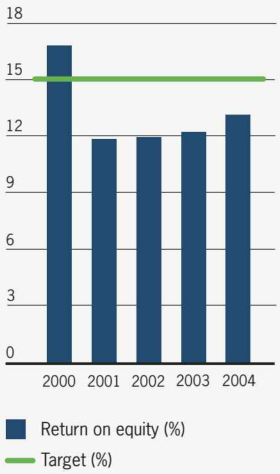
Business concept. SEB's business concept is to offer financial advice and to handle financial risks and transactions for companies and private individuals in a way that creates customer satisfaction, while giving shareholders a competitive return and contributing to the view of SEB as a good citizen of society.

Vision and goals. It is SEB's vision to be a leading North-European bank, based upon long-term customer relations, competence and e-technology. The goals shall be reached with the help of motivated employees and through co-operation between the different areas of activity within SEB.

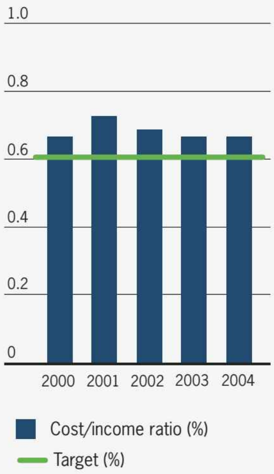
Strategy. SEB's strategy is to keep building upon the Group's traditional factors of strength as a financial partner to companies and financially active, demanding private individuals and to strengthen its position in its home markets. SEB's change programme, called 3 C as in *Customer satisfaction*, *Cross-servicing* (improved internal co-operation and increased cross-selling) and *Cost efficiency* continues to be a top priority.

Financial goals and outcome

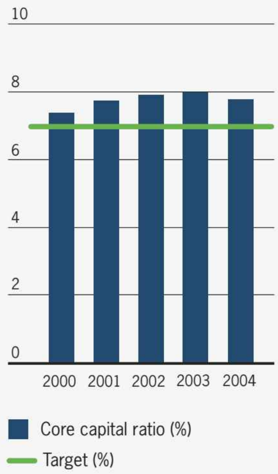
Return on equity
Target: 15 per cent after tax over a business cycle



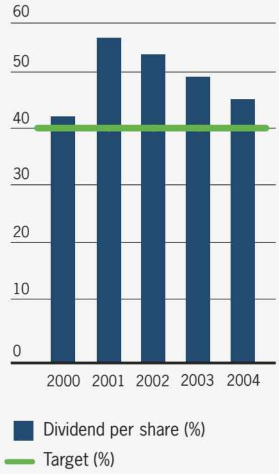
Cost/income ratio
Target: 0.60 long-term (0.65 by year-end 2005)



Core capital ratio
Target: at least 7 per cent



Dividend per share
Target: 40 per cent of earnings per share over a business cycle



Customers and employees – goals and outcome

The most important *non-financial* goals to be achieved are:

- Increased share of satisfied private and corporate customers
- Increased share of highly motivated employees

In addition, SEB has established a number of goals for equality, environmental work etc.

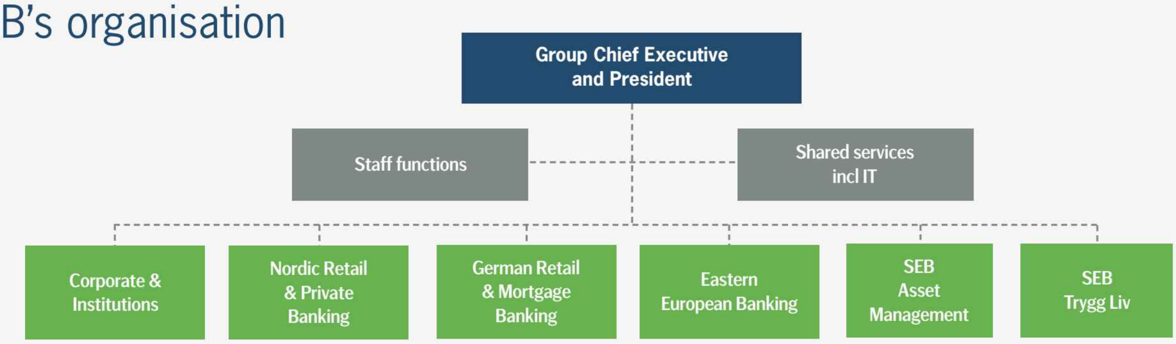
PULSE
Percentage share of staff that is highly motivated and satisfied with leadership

The SEB Group	European average	2004	2003	2002
Motivation	57	57	57	56
Leadership	55	73	68	n/a

KNIX (Customer satisfaction index)
Percentage share of customers who report that they are satisfied, or more than satisfied, with SEB's services

Sweden	European average	2004	2003	2002
Private individuals	69	66	59	51
Companies and institutions	64	69	61	46
Germany				
Private individuals	69	71	74	n/a
Companies and institutions	64	88	82	n/a
The Baltic				
Private individuals	69	75	n/a	n/a
Companies and institutions	64	69	n/a	n/a

SEB's organisation



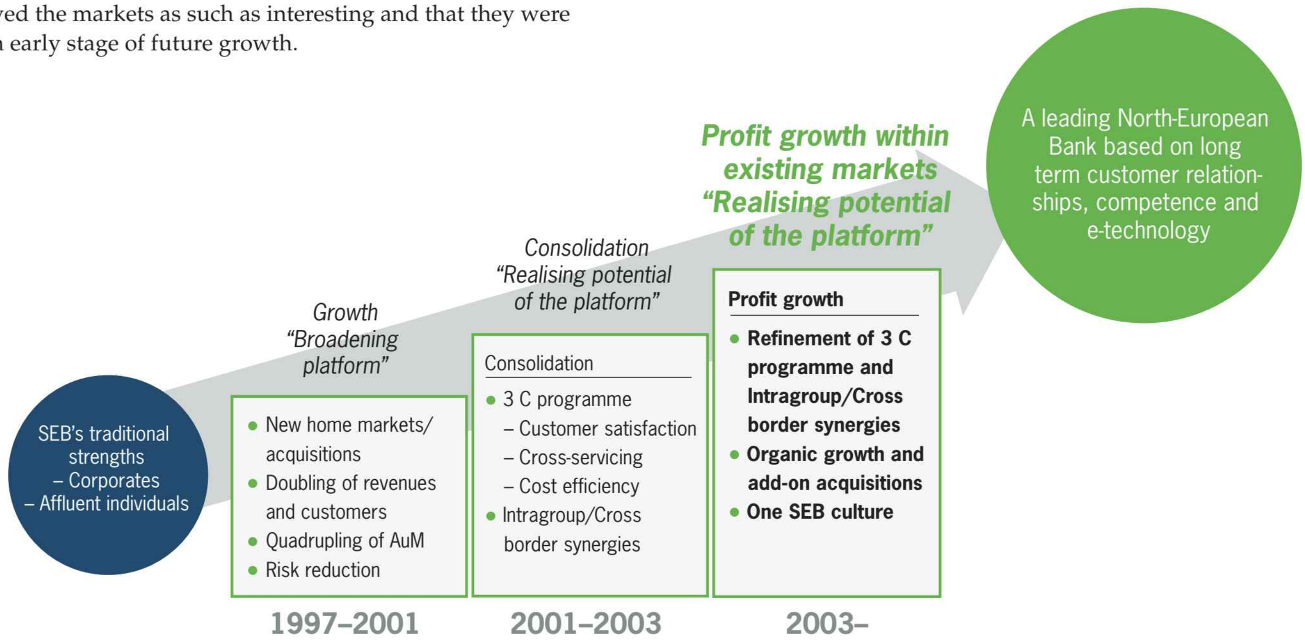
Strategic development

In the mid 1990s SEB took several strategic steps towards the vision of becoming a leading North-European bank, based upon long-term customer relations, competence and e-technology.

SEB's traditional strong position among corporate customers and affluent individuals was strengthened through acquisitions of life insurance and asset management operations as well as new home market acquisitions in Germany and Eastern Europe. The investments in three Baltic banks and a partly owned bank in Poland were a means of meeting increased client activities in these countries. These investments were also made as SEB viewed the markets as such as interesting and that they were at an early stage of future growth.

Once the broader platform was built, several steps were taken in order to consolidate and realise the potential of it, particularly through increased customer satisfaction, cross-servicing and cost-control (the 3 C-programme).

The focus on profit growth within existing operations continues. The ambitions are built upon the 3 C-programme, organic growth and smaller add-on acquisitions as Codan Pension and Eurocard in Denmark and Bank Agio in the Ukraine as well as the continuous process to solidify a One SEB culture.



Increased growth outside Sweden

SEB's home markets in Northern Europe account for the dominating part of Group income, result and number of employees. During the past year, SEB continued to consolidate its position in its home markets by acquiring the life insurance operations of the Danish company Codan, among other things.

Northern Europe's bank and insurance markets have undergone radical changes in recent years as a result of deregulation, globalisation, economic growth in several East European countries and last, but not least, a technological development that forms the basis of the rapid development of banking services via the Internet.

However, there are several differences between SEB's home markets in Northern Europe. In all essentials, Sweden and the other Nordic countries are deregulated and mature markets, with a few, large domestic banks and insurance companies. Within several areas, foreign financial groups and domestic niche players are tough competitors. The German banking market is still fragmented and government guarantees and regulations have restricted competition within a number of areas. The Baltic countries and Poland are growth markets, with great demand for loans and a growing interest in mutual fund savings, life insurance, et cetera. SEB's new markets in the Ukraine and Russia have a very promising growth potential.

Strong demand for mortgage loans

Continued demand for loans, particularly for mortgage loans to private individuals, characterised the Nordic banking market in 2004. In the Baltic countries mortgage loans to the household sector grew strongly, while demand in Germany was dampened after the sharp increase in 2003, when the subsidies of mortgage loans were abolished.

After a couple of years of increase, new savings in the Nordic area showed a downward trend. The new savings that take place consist primarily of low-risk savings such as bank deposits. At the same time, there has been a clear shift from traditional insurance to unit-linked insurance. German investors are prudent by tradition. Deposit volumes continued to grow in the Baltic, where there was also a rising demand for more modern savings products like mutual funds and life insurance.

In all of SEB's home markets the use of Internet continues to increase. This trend is even more intense in the Baltic countries.

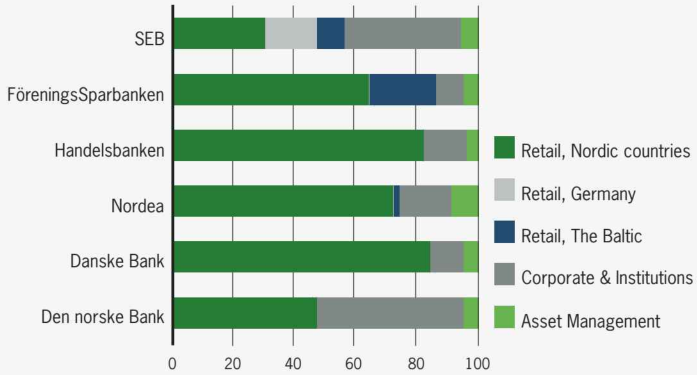
With SEK 886bn in assets under management at year-end 2004, SEB is one of the largest asset managers in the Nordic region. In 2004, SEB's sales to institutional clients were the strongest since 2000 and the entities outside Sweden accounted for two thirds of total net sales.

Sweden

SEB's original home market, Sweden, is a mature market, not least within the retail area where the other major Nordic banks as well as a number of niche players are the main competitors.

Customer segmentation, Nordic banks 2004

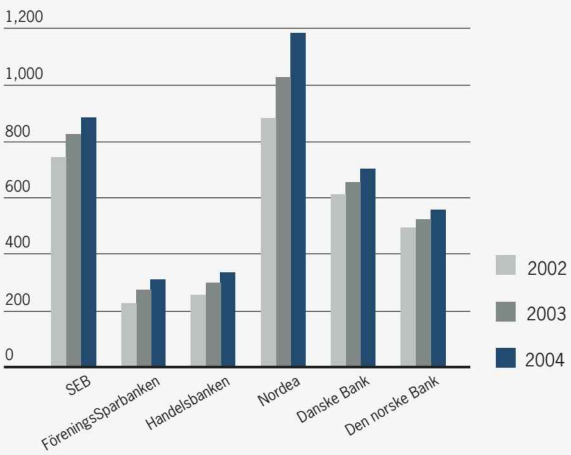
Share of total income, %



The Nordic banks differ in terms of business structure. Corporate customers account for a considerably higher share of the business of Den norske Bank NOR and SEB compared with the other banks. SEB furthermore has the highest share of business outside the Nordic region. Nordic retail accounts for a higher share of Danske Bank's and Handelsbanken's total income compared with the others.

Total assets under management

SEKbn



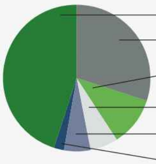
SEB's ten home markets

- Approximately 200 million inhabitants
- More than 5 million customers
- Close to 2 million Internet customers

BOŚ Bank in Poland is owned to 47 per cent by SEB

The acquisition of Bank Agio in the Ukraine was completed in the beginning of 2005

Geographical distribution of gross income in 2004



Sweden	45%
Germany	30%
Rest of the Nordic Countries	11%
Rest of Europe	6%
The Baltic	6%
Rest of the world	2%

SEB's home markets in Northern Europe account for the dominating part of income.

During 2004, Swedish bank advances increased by 6 per cent, to SEK 1,400bn, while mortgage loans grew by close to 8 per cent, to SEK 1,370bn, of which SEK 940bn was household-related (plus 13 per cent). The market for mortgage loans to private individuals has increased by 12 per cent in average per year since 2001, while SEB's mortage volumes to private individuals has increased by 18 per cent in average.

SEB's share of Swedish household deposits remained stable during 2004, whereas its share of corporate deposits was slightly higher at year-end 2004 than one year earlier. Its share of total lending to the general public (households, companies, etc.) rose to 15 per cent (14). SEB's share of household lending increased to 12.5 per cent (11.9), mainly due to increased private mortgage lending, of which its share grew to 14.8 per cent (14.3). Its share of new lending dropped, to 16.9 per cent (17.4). By strongly focusing on small and medium-sized companies, SEB managed to attract 4,500 new corporate customers in 2004. The Bank's share of corporate lending rose to 17 per cent (15.5).

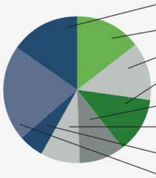
In the Swedish household savings market (excluding directly owned shares), the Group ended the year as number two, with a share of 14.6 per cent (15.7).

An increasingly large number of international financial players have started to prioritise private banking in recent years. SEB managed to consolidate its market position in this area as a result of increased customer satisfaction, growing volumes and improved results. For two consecutive years, the business magazine Euromoney has appointed SEB the best private bank in Sweden. In total, SEB ranked number 1 in 18 sub-categories in Euromoney's survey.

The Swedish mutual fund market slowed down during the latter part of 2004 and total net sales for the year were down by 20 per cent. SEB is the second largest player in the mutual fund

Market shares of total savings, Sweden, 2004

Per cent

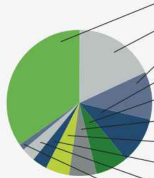


FöreningsSparbanken	15.3	(15.6)
SEB	14.6	(15.7)
Skandia	12.7	(12.3)
Handelsbanken	12.3	(12.4)
Nordea	10.1	(10.6)
AMF	8.5	(8.3)
Länsförsäkringar	5.4	(5.6)
Other	21.1	(19.5)

SEB is number 2 on the Swedish private savings market with a market share of 14.6 per cent (15.7 per cent).

Unit-linked insurance in Sweden, new business, 2004

Per cent



SEB Trygg Liv	34.8	(29.5)
Skandia	18.1	(26.8)
Robur	10.7	(9.3)
Länsförsäkringar	10.2	(9.7)
Handelsbanken	7.4	(10.9)
Danica	6.0	(3.5)
Folksam	5.2	(5.1)
Moderna	3.5	(0.9)
AMF	3.0	(3.2)
Other	1.1	(1.1)

Source: The Swedish Insurance Federation statistics

Market shares, Sweden and rest of Nordic region

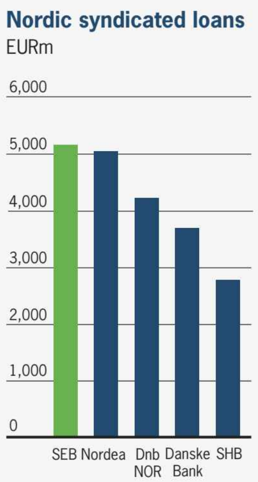
Per cent	2004	2003	2002
Deposits from the general public	**21.4**	21.1	21.9
Households	**12.6**	12.6	12.4
Companies	**26.9**	26.8	28.1
Lending to the general public	**15.0**	14.0	13.6
Households	**12.5**	11.9	11.2
Companies	**17.0**	15.5	15.2
Mortgage loans, private market	**14.8**	14.3	13.4
Mutual funds, new business	**7.4**	13.4	11.8
Unit-linked insurance, new business	**34.8**	29.5	21.2
Equity trading, Stockholm	**10.0**	11.4	9.3
Equity trading, Oslo	**8.4**	11.7	13.1
Equity trading, Helsinki	**3.2**	4.6	5.2
Equity trading, Copenhagen	**6.0**	6.9	8.0

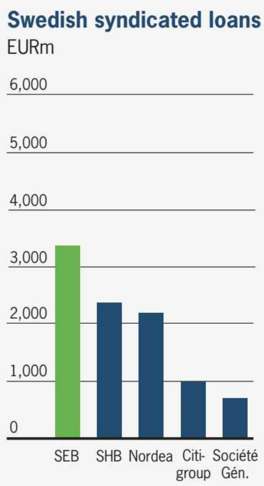
market, with a market share of 16.3 per cent (16.9). Market share for net sales of SEB funds was 7.4 per cent (13.4). The decrease was mainly explained by outflow from institutional clients and strong sales of external mutual funds, which are not included in the official statistics.

In the biannual Prospera survey, retail customers ranked SEB as number two of all major fund companies operating in the Swedish market.

SEB has a very strong position in the market for large companies within merchant and investment banking. Within such areas as export and project finance, debt and capital market services and securities financing, the competition consists mainly of U.S. and European investment banks and global commercial banks. In the Swedish corporate market SEB is the leader within foreign exchange trading, cash management, export finance and international payments, among other things. For several years, SEB has been ranked the best foreign exchange bank in Swedish kronor on a global scale. Enskilda Securities was once again the largest broker on the stock exchange in Stockholm, while its share of the corporate finance market dropped.

Within the life insurance area, SEB Trygg Liv is one of the largest players in the Swedish market and number one within unit-linked insurance. The occupational pension market used





Source: Dealogic

to be fast-growing but slowed down during 2004, whereas the endowment assurance market recovered some of its lost volumes. The brokers represent an increasingly important channel of distribution, particularly within occupational pensions. SEB Trygg Liv strengthened its position as market leader within unit-linked insurance, with a share of 34.8 per cent (29.5) of new contracts. SEB Trygg Liv occupied the position as market leader in the total market, too.

The other Nordic countries

In the Nordic region outside Sweden, i.e. Denmark, Norway and Finland, SEB has a strong position within selected areas, for example cards, asset management, merchant and investment banking. The Group has approximately one million customers and 1,500 employees in these Nordic countries.

On a Nordic scale, SEB dominates corporate and investment banking for large clients and financial institutions. This dominance rests on SEB's unique position in Sweden, the largest market, and the aim is to reach similarly prominent positions in the other Nordic home markets.

In the autumn of 2004, SEB entered the Danish life insurance market through the purchase of Codan Pension.

SEB Kort has consolidated its position in the Nordic region by acquiring Eurocard in Norway in late 2002 and in Denmark in the summer of 2004. Today, SEB can offer its customers in Sweden, Denmark and Norway a complete assortment of Eurocard, Diners Club, Master Card and Visa cards (except for the last-mentioned one in Norway). In Finland, SEB Kort is the owner of Diners Club.

SEB Kort is the leading issuer of credit and charge cards in the Nordic region, in a market that steadily becomes tougher. Both domestic big banks, Danske Bank for example, and such international players as Citibank and Barclays Bank (in co-operation with FöreningsSparbanken) showed an increased interest in the market for credit and charge cards during 2004.

Denmark

SEB in Denmark consists of Merchant Banking, Enskilda Securities, SEB Kort (Eurocard, Diners Club, Master Card and Visa), SEB Asset Management, Retail & Private Banking, and Codan Pension. SEB had a total of approximately 800 employees and some 600,000 customers at year-end 2004.

SEB has strengthened its market position in Denmark, increasing both the number of clients and products offered. Within cash management and custody services, SEB received a number of top rankings and awards in 2004. Structural change in the capital markets, especially in the mortgage bond market, has paved the way for investments in new products and enhanced the business opportunities within both fixed income and equity related derivatives. SEB is one of the top three participants in the fixed income market in Denmark.

Within equity trading, Enskilda Securities is number 4 on the Copenhagen stock exchange with a market share of 6 per cent.

The Danish occupational pension market has grown by 10 per cent annually since 2000, whereas the private market largely reported zero growth. Codan Pension has grown by 15–18 per cent.

Codan Pension's savings insurance is available both as unit-linked and traditional insurance (through profit-distributing companies). In the private market, unit-linked insurance accounts for a major part of sales, while a large share of the corporate market consists of traditional insurance, since certain companies still do not accept unit-linked insurance as part of occupational pension plans.

SEB Asset Management manages 127 bn, primarily for institutional clients. SEB is ranked third in the Danish market after the two major local banks.

Norway

SEB in Norway consists of Merchant Banking, Enskilda Securities, SEB Kort (Eurocard, Diners Club and Master Card) and Private Banking. The number of employees is close to 400 and the number of customers close to 500,000.

SEB's activities in Norway developed well during 2004. Following recent years' investment in staff and product development SEB in Norway is a competitive full service provider to large and medium-sized corporates and financial institutions. The overall business flow was robust within most product and prioritised customer segments. Activity by private equity funds in Norway saw a substantial growth in 2004 and SEB arranged and participated in several important transactions. SEB is today among the five most highly ranked corporate banks and the clear market leader within investment banking in Norway.

On the Oslo stock exchange Enskilda Securities was ranked number 3, with a market share of 8.4 per cent in 2004.

Finland

SEB in Finland comprises Merchant Banking, Enskilda Securities, SEB Kort (Diners Card) and Gyllenberg (asset management and mutual funds) with approximately 280 employees and more than 100,000 customers in total.

In 2004, SEB continued to expand its customer base in Finland and increased its market share within most product areas despite fierce competition.

Within custody services SEB consolidated its position further, following SEB's acquisition of OMX's Finnish custody clients. As a result of this agreement, SEB's custody volume rose by EUR 15bn. SEB Finland was the second-largest player in this area at the end of the year.

SEB moved its position forward within corporate finance during the year and is now one of the leading players (No. 2) in this area. This, together with a highly ranked research and equities position, brings Enskilda Securities in Finland to the forefront of Finnish investment banking.

Merchant Banking participated in 16 syndicated loan transactions, of which it arranged seven. In addition, a number of financing transactions of corporate acquisitions and major leasing transactions were carried out during the year. Trade finance activities were successful and the market prospects for this area are seen as favourable.

The increased activities towards institutional clients in Finland were particularly manifest within foreign exchange and derivatives trading.

The Finnish mutual fund market showed rapid growth in 2004 as a result of strong development in stock markets and the highest net sales volumes in many years. SEB's subsidiary Gyllenberg is with 7.3 per cent market share the fourth largest player in the Finnish mutual fund market. In addition, Gyllenberg has a top ranked position in the institutional market.

Germany

In Germany, the subsidiary SEB AG is one of five nation-wide banks. The bank is focused on the household market (particularly savings and mortgage loans), real estate customers, merchant banking and asset management. SEB has approximately 3,400 employees and one million customers in Germany.

Germany's economic recovery in 2004 was primarily due to increased exports and did not lead to higher demand for credits in the German banking system. The demand for mortgage loans fell after the sharp increase in 2003. Demand for savings products was slowing down.

With a market share of 1.2 per cent SEB Asset Management is the tenth largest player in the German mutual fund market. The total market had a weak development during 2004 and net sales of mutual funds declined.

SEB's share of the total household deposit and lending market in Germany is less than one per cent.

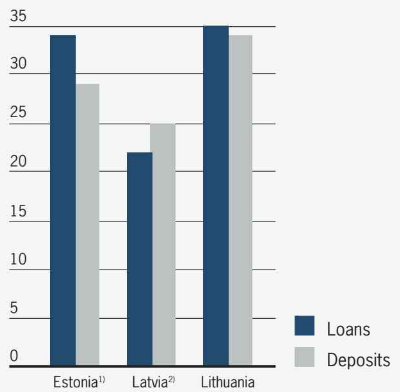
Merchant Banking's operations in Germany gained a significant number of new clients in 2004. This was assisted by the development of advanced domestic and international cash management services.

In 2004, the product range was expanded with, for example, custody and clearing services. The rationale behind this was to support an increase in the number of institutional clients in Germany and to provide a full North-European product spectrum. TNS Infratest client survey placed SEB's services to medium-sized corporates and financial institutions at the very top in Europe.

The Baltic countries

In the Baltic SEB has three subsidiary banks – Eesti Ühispank in Estonia, Latvijas Unibanka in Latvia and Vilniaus Bankas in Lithuania – with approximately 4,000 employees in total and more than 2.1 million customers.

Market share per country



1) Excluding loans to financial institutions
2) Resident deposits only

The three banks have strong positions in their markets. Both in terms of total size and deposits/lending, Eesti Ühispank is the second largest bank in Estonia after Hansabank. In Latvia, Latvijas Unibanka is number three in size but number one in terms of deposits/lending. Vilniaus Bankas is the biggest bank in Lithuania and market leader within deposits and lending.

The economies of the three Baltic countries, Estonia, Latvia and Lithuania, continued to grow and GDP increased by between 6 and 8 per cent during 2004. Loan demand, particularly for mortgage loans, remained strong. The high economic growth is mirrored in the development of SEB's Baltic subsidiaries, which have grown strongly. Their combined share of the total deposits and lending markets of the Baltic countries is approximately 30 per cent.

Strong growth characterised the newly developed Baltic mutual fund and life insurance markets, albeit from a low starting level. SEB's banks have significant shares of these markets. Eesti Ühispank, for example, has a market share of 25 per cent within life insurance and of 27 per cent of the mutual fund market in Estonia, while Vilniaus Bankas' share of the Lithuanian unit-linked insurance market is 44 per cent.

Poland

In Poland, SEB has a wholly-owned mutual fund company, SEB TFI, and a 47 per cent ownership of Bank Ochrony Środowiska, BOŚ, with a total of 1,750 employees and 190,000 customers (135,000 in BOŚ).

Since SEB became a part-owner of BOŚ in 2001, the bank has changed its business orientation from an environmental bank to a universal bank for private individuals and companies. The share of lending to the environmental sector has dropped from 50 per cent to about 25 per cent of its total lending. The number of branch offices has increased from 50 to 89.

High GDP growth and strongly increased industrial production characterised Poland in 2004, mainly due to a strong increase in exports but also to domestic consumption. Loan demand was up. The number of bankrupt companies is steadily dropping. BOŚ increased its market share of deposits and lending slightly.

The high growth rate reported for unit-linked insurance in 2003 declined in 2004, due both to important privatisations in Poland that attracted a great deal of capital and to interest rate developments during the year. The latter furthermore led to a certain shift from pure interest rate funds to balanced funds. At year-end 2004, SEB TFI had a share of approximately 5 per cent of the open mutual fund market in Poland.

Russia and the Ukraine

SEB has a representative office in Moscow and a leasing company in Saint Petersburg. Since January 2005, SEB is the owner of the Ukrainian Bank Agio, with 500 employees and 20,000 customers.

In line with its traditional principle of following its corporate customers into the world, SEB has increasingly started to look east in recent years.

SEB's corporate customers in Northern Europe regard Russia as an interesting country both as a production and growth base due to its size, low wages and strong economic growth. In the Baltic countries Russia accounts for an important part of the business of the corporate customers. There is a great demand for financing, for example for commercial real estate, particularly office space and shopping premises, but also for cash management and payment services. To be able to meet its customers' requirements SEB has applied for a banking licence in Russia.

The reason why SEB acquired the Ukrainian Bank Agio (with 12 branch offices) is primarily found in the growing business with the Ukraine of SEB's corporate customers in the Nordic home markets, the Baltic and Germany. Also the Ukrainian market itself offers interesting opportunities for the future. The Ukraine has reported an annual economic growth rate of about 10 per cent during the last two years.

SEB's customers

Today, SEB has approximately 5 million private customers and 390,000 small and medium-sized corporate customers in ten countries, with a total population of more than 200 million people, including the Ukraine. For many years, SEB occupies a leading position as a bank for large companies and financial institutions in Sweden, in several cases with hundred-year-long relations. During 2004, companies and institutions accounted for about 65 per cent of SEB's operating result. Growth has been particularly strong in SEB's home markets outside Sweden. For example, the SEB Group has now more banking customers in the Baltic countries than in Sweden and 45 per cent of the result of the Group is generated in markets outside Sweden.

In order to realise its vision of being a leading North-European bank based upon long-term customer relations, competence and e-technology, SEB strives to achieve the highest possible degree of customer satisfaction.

SEB's customers are very satisfied within most areas, such as merchant and investment banking (cf. ranking list on page 13), private banking as well as within the German and Baltic operations. According to the Bank's own customer satisfaction index, KNIX, the small and medium-sized corporate customers to whom SEB paid special attention in the autumn of 2004 had become markedly more satisfied. The number of corporate customers that were satisfied, or more than satisfied, with SEB's service was 69 per cent in Sweden and the Baltic countries and 88 per cent in Germany during 2004. The European average for banks was 64 per cent.

The Group's Swedish private customers raised their ratings for SEB during 2004. According to the external Swedish Quality Index, SKI, SEB has improved its services notably over the last couple of years in the opinion of its private customers. Also, it was the only one of the major Swedish banks that reported an increase in this area during the past year.

Improved customer satisfaction remains high on the agenda and the work on improving services and increasing the level of activities towards customers goes on continuously. SEB shall offer individual, active and beneficial banking relations whenever and wherever customers so wish. This means, for example, tailor-made solutions through a combination of products and

Customer categories

Large companies and institutions

SEB is a financial partner to approximately 500 major company groups, predominantly Nordic and German, and to international corporations with operations in the Nordic and Baltic areas. SEB is also a major financial partner to approximately 700 international banks and between 100–200 large institutions. The offerings comprise, among others, trading, financing, cash management, investment banking services, insurance and asset management.

Small and medium-sized companies

SEB serves some 390,000 small and medium-sized companies in its home markets in the Nordic and Baltic countries. These companies can use SEB's knowledge and competence, built upon the experience from co-operation with large companies and adapted to the needs of small enterprises.

Private individuals

More than five million private individuals in all home markets have entrusted SEB with the task of assisting them with solutions regarding their private finances at present.

Examples of SEB's ranking in 2004

Area	Rank	Organisation/magazine etc
Best Private Banking in Sweden	No. 1	Euromoney
Best equity research in Sweden	No. 1[1)]	Affärsvärlden
Best brokerage house in the Nordic/Baltic region	No. 1[1)]	Euromoney
Best M&A house in Finland	No. 1[1)]	Euromoney
Best brokerage house in Sweden	No. 1[1)]	Prospera
Best cash management in the Nordic/Baltic region	No. 1	Euromoney
Best equity clearing in the Nordic/Baltic region	No. 1	Global Investor Magazine
Foreign exchange trading, Swedish kronor	No. 1	Euromoney
Foreign exchange trading, global market share, customers	No. 11	Euromoney

1) Enskilda Securities

services to meet different customer needs. Furthermore, it means being sensitive, building relations on customers' own conditions and treating all customer matters in an ethical way.

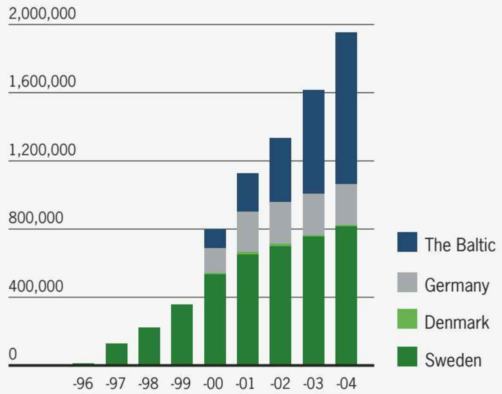
Customers having complaints about information received from SEB or about the way in which a service was performed can turn to SEB's complaint units. The task of these is to deal with complaints in a quick, effective and uniform way, identifying possible system errors. To start with, however, complaints are dealt with by the officer or unit that furnished the relevant information or provided the service concerned.

Increased usage of Internet

At year-end 2004, SEB had close to two million customers using the Internet for their banking transactions in Sweden, Denmark, Germany and the Baltic countries. In Sweden, where SEB had 815,000 Internet customers at year-end 2004, close to 95 per cent of private customer contacts take place via the net. In the Baltic countries, the increase is very rapid. In 2004, the number of e-banking customers in SEB's Baltic subsidiary banks rose by 47 per cent, to 890,000, or more than in Sweden. In Germany the number of Internet customers has remained relatively stable around 240,000 over the last couple of years.

Corporate customers increasingly solve their financial matters through the Internet. For many years, SEB's Trading Station has enabled large companies to make their currency and interest-related transactions via the Internet. During the last quarter of 2004, more than 66 per cent of SEB's foreign exchange transactions were carried out through Trading Station, compared with 50 per cent two years earlier. Other corporate net services include Online Cash Management (account balances and international/domestic payments in Denmark, Finland, Norway and Sweden), Corporate Authorisation System (power of attorney system through which customers themselves can register new powers of attorney, thus avoiding a lot of paper work) and SEB Trade Finance (export/import letters of credit assistance, collections and guarantees).

Number of customers using SEB's Internet services
Development 1996–2004



Today, close to 2 million private customers and small companies are using SEB's Internet banks in six different countries. In addition, the Group offers such special services as foreign exchange and fixed income trading via the

SEB's employees

SEB's approximately 18,000 employees and their ability to identify and meet customer needs are crucial for a successful development of the Group's activities. Therefore, SEB's ability to attract and develop the most competent employees with the help of a strong corporate culture is a very important competitive factor.

SEB's values

The SEB Group's common corporate culture is based upon the following four values: Commitment, Continuity, Mutual respect and Professionalism. These shall form a natural part of the organisation and its leadership as well as of the daily relations between employees and with customers. SEB's commitment to customers and society shall be reflected in these values. The goal is to create value for customers and shareholders and, obviously, for the employees.

During 2004, SEB's top managers continued their round-table conversations that were started in 2003. In total, more than 2,000 employees have participated in discussions and workshops across the organisation in order to create a natural dialogue between employees and managers and make everybody aware of the importance of increased co-operation based on the Group's values. Today, both managers and employees are strongly determined to increase co-operation both across national and internal organisational boundaries.

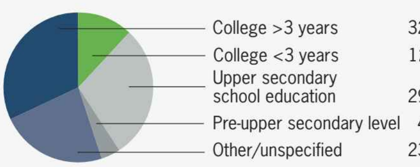
Competence and leadership development

Today, the SEB Group has more than half of its staff outside Sweden. In line with SEB's international growth, its competence development and leadership programmes have become more international.

Last year, SEB invested a total of SEK 241m (208) in training and staff development and 10,500 employees, including 800 managers, participated in the Group's various internal and external training programmes. Internal training comprises everything from professional competence courses to the Group's own management programme, the Wallenberg Institute. In addition, SEB co-operates with a number of leading management institutes in Sweden, England, Switzerland and the U.S.

In order to detect and develop top management resources from a Group wide perspective SEB's Group Chief Executive and Group Executive Committee run an annual top management review (TMR). Particular focus is put on cross-divisional career possibilities as well as on gender issues. In 2004 the management review comprised 605 (575) top managers from all parts of SEB. 30 per cent (28) were females.

Educational level



Within the framework of global competence planning, SEB employees and managers have a direct responsibility for their own personal development. Together, they ensure that the staff gets the training and development that answer customers' needs for top-class financial competence. At all levels, understanding customers and their needs as well as the ability of working with relations and networks are trained.

International staff exchange

SEB has increasingly invested in international staff exchange programmes in order to strengthen its common culture, improving knowledge transfer and providing employees with further career and own development opportunities. In 2004, the Group Executive Committee approved the framework and goals of a staff exchange programme called "Growing the experience". More than 100 employees participated in the programme during 2004. In addition, some 125 employees work in long-term expatriate positions in different countries within the SEB Group.

Internal attitude survey

SEB's ambition is to establish an open and continuous dialogue about employees' views on motivation, leadership, work environment and Group performance. The internal global attitude survey that was carried out throughout the Group in 2004 indicated generally high levels of motivation and an outstanding level of perceived leadership quality in the whole Group.

Work environment and health

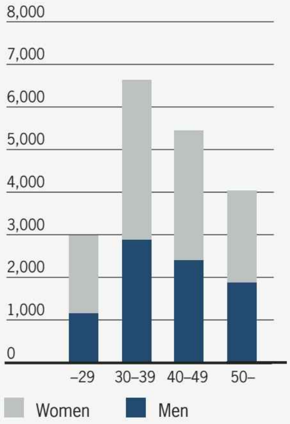
Since a good work environment is of great importance both for a company's profitability and from a competition, quality and productivity point of view, SEB continues its long-term investments in health and work environment. A new central department, Health & Work, was started in January, 2004 for the purpose of long-term engagement in health and work environment issues within SEB Sweden.

Considerable rehabilitation efforts aimed at long-term sick employees were implemented during 2004. In total, more than 300 employees participated in SEB's rehabilitation programmes, which offer life and working life planning opportunities and increased personal support before resumption of work. Close to 80 per cent of the participants go back into service within six months from starting rehabilitation.

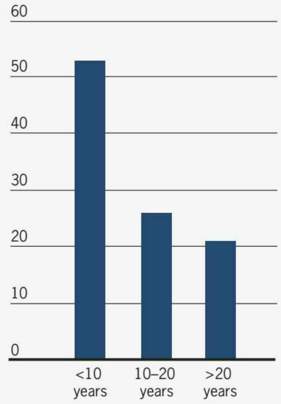
SEB has a well-functioning, systematic work environment plan and a good overview of the health situation through efficient signal systems, such as work environment inspections, sickness absence statistics, attitude surveys, career development conversations and systematic personal contacts with employees being sick-listed long term.

In order to safeguard customers' long-term confidence and a good work environment, SEB has introduced a new alcohol

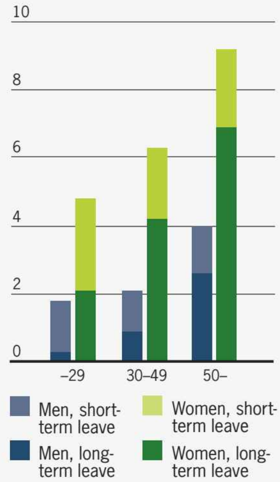
No. of employees
Distributed by age and gender



Years of service
%



Sick-leave, SEB in Sweden
Short and long-term leave by gender
Of regular working hours, %



Total sick leave for SEB in Sweden 2004 was 4.9 per cent and long-term leave 2.9 per cent.

Employee turnover

Year	Heads Average	Starters		Leavers		Retired	
2002	19,994	884	4.4%	–1,343	–6.7%	–273	–1.4%
2003	19,411	643	3.3%	–1,069	–5.5%	–108	–0.6%
2004	19,108	784	4.1%	–789	–4.1%	–189	–1.0%

and drug policy. This means that the Group now makes drug tests on all newly-recruited staff and whenever drug abuse is suspected.

Equality and diversity

SEB strives to offer everybody equal opportunities and equal rights, regardless of gender, national/ethnic origin, age, sexual orientation or religious faith. All Group units have fixed equality targets and established action plans for reaching them, together with representatives of the staff.

The long-term goal is an equal distribution between men and women, according to the equality plan that was adopted by SEB in Sweden in 1998. Each sex shall be represented by at least 40 per cent at each level. SEB has taken several measures in order to achieve an equal distribution between women and men. For example, when a new manager is appointed both sexes shall be represented among the three main candidates. Worth mentioning among other efforts to increase equality are mentor programmes and home and family services in the form of cleaning and child care for employees with children under the age of eight and for senior managers.

In 2004, 38 per cent of all the Group's managers were women. The highest share, or 45 per cent, is found in the Baltic. In Sweden, 40 per cent (39) of all managers were women, which means that the overriding goal has been achieved. The share for group and customer service managers was 51 per cent, while it was 36 per cent for department and branch office heads. At superior levels, the share of women was 23 per cent.

Image of SEB as a potential employer

In order to secure its position as an attractive employer, SEB decided in 2004 how the Group should profile itself towards the target group of young professionals (last-year students and academics that have a couple of years' experience of the labour market). Among other things, SEB shall build long-term relations with this group, communicating Group values and defining more clearly which profile job applicants should have to be of interest for future recruitment.

SEB's compensation system

The total compensation structure of SEB can consist of five parts: base salary, variable salary, long term incentives, pensions and other benefits.

The base salary is individual and based upon work complexity and individual performance, training, experience and competence. The salary shall be according to market and fixed according to the local conditions prevailing in each country.

Most SEB employees are eligible for a short-term, performance-based compensation. In Sweden, a system was put in place during 2004 through which all employees can receive a variable salary of maximum SEK 18,000, based on the financial result of the Group, plus another maximum SEK 18,000 based on the result of the local unit and/or individual. Managers and key specialists are generally subject to individual agreements, usually maximised to 10 – 15 per cent of the annual salary and sometimes higher for senior managers and specialists.

Approximately 700 managers and key specialists were granted employee stock options in 2004 as a long-term incentive. (See page 54 for more information on the SEB employee stock option programme.)

Pension conditions vary from one country to another and are often regulated through collective agreements, as in Sweden. In Sweden, only a small number of employees at Group Management level enjoy different conditions. The pension conditions of the Group Executive Committee are specified in Note 9 on page 71.

Higher ambitions for a sustainable development

As a financial group, SEB is an important part of society, e.g. as a payment agent and lender. SEB's activities are based upon the long-term confidence of its customers, employees and society. One of the overriding goals is to be a good member of society wherever the Group operates. SEB shall stand for good ethics, openness and contribute to sustainable development.

SEB's Corporate Social Responsibility

Over the last few years, SEB has worked with the concept of sustainable development. At the end of 2003, SEB's Board of Directors adopted a Corporate Social Responsibility (CSR) policy for the Group. In February 2004, SEB acceded to the Global Compact of the United Nations, an initiative that is led by UN Secretary-General Kofi Annan. This policy implies that SEB assumes long-term responsibility in its daily work both for ethical issues with a direct impact on its customers, business and employees and, in a broader sense, for society and the environment. Furthermore, SEB supports the OECD guidelines for multinational companies.

Several Group-wide policies and instructions are guiding the work for sustainable development. This work is based upon SEB's common values: Commitment, Continuity, Mutual respect and Professionalism. In addition, targets have been set for continuous and systematic assessment and follow-up of the work, which is led by a Group-wide CSR-committee with representatives from all divisions and staffs. The heads of divisions and subsidiaries have the operative responsibility for sustainable development.

Ethics and sustainability

Since SEB's activities are based upon confidence and long-term relations with customers, the Group and its employees must meet the highest ethical standards and act in a long-term perspective.

SEB's priority CSR areas

- Ethics and sustainability
- SEB's role as a lender
- SEB's role as an asset manager
- SEB's role as an employer
- SEB's social commitment
- SEB's environmental responsibility

It goes without saying that SEB observes all laws and other regulations concerning bank secrecy, treatment of personal information, integrity protection and information safety. In addition, the SEB Group has adopted a number of own ethical rules and a Code of Business Conduct for its employees.

SEB's rules on ethical issues

SEB's ethical rules shall serve as a support for all employees and as a guideline for how they shall act in their relations with customers and others. These rules also apply to Board members, auditors, consultants and the like in all Group companies. All measures and decisions within SEB shall be in line with these rules. Measures and decisions shall always meet the highest standards for an ethical behaviour, even in the case rules are missing or not providing sufficient guidance.

In addition, there are rules for specific subject areas that supplement and clarify the principles of the ethics policy such as measures against money laundering, employees' own securities transactions and conflicts of interest.

According to SEB's ethics policy, the following principles of ethical behaviour, among others, shall apply to all SEB employees:

- To observe confidentiality with respect to information about customers and business relations;
- To understand the purpose and meaning of every customer's assignment, making sure that customers understand the consequences of their assignments;
- To show respect for the basic principles of equal treatment and diversity;
- To avoid situations that can lead to conflicts of interest between customers and various parts of the SEB Group;
- To observe restrictions as regards undue benefits and gifts;
- To carry out all measures and decisions in such manner that they can withstand scrutiny by others.

SEB's working basis for a sustainable development

- Corporate Social Responsibility policy
- Instruction on Corporate Social Responsibility
- Code of Business Conduct
- Ethics policy
- Instruction on social commitment
- Environmental policy
- Credit policy
- Diversity and equality policy
- Leadership policy

SEB's Code of Business Conduct

SEB's Code of Business Conduct summarises SEB's views on how employees should act in relation to each other, customers, suppliers, competitors and the world around them at large. Moreover, the code treats with the handling of possible conflicts of interest and other important compliance matters.The code describes how employees may bring up issues of an ethical nature, conflicts of interest, et cetera to their managers or other specially appointed officers.

SEB's role as a lender

SEB's credit policy describes the role and responsibility of the Group as a lender. It is SEB's ambition to increase awareness of the indirect effects that the Group's credit-granting activities have on the environment and what they mean for a sustainable development. There is a special section in the credit policy that stresses SEB's social responsibility beyond the important issues regarding customer confidence, purpose of credit and environmental matters.

The Group Head of Credits has issued special instructions and prepared follow-up systems to support credit decisions involving SEB's social responsibility. Factors that may have a negative impact on the environment and other issues of importance are evaluated and analysed on an annual basis in connection with credit decisions. Not only factors affecting the borrower's repayment capacity are taken into account, since the analyses and evaluations are made in a broader perspective. Special attention is paid to financing of major infrastructure projects, which may involve risks for a negative impact upon the population and the environment.

SEB's role as an asset manager

SEB strives to maintain high ethical standards in its relations with customers, employees, suppliers and other partners. The Group offers a broad range of asset management products with a special ethical profile and works actively with corporate governance issues. SEB Fonder (Mutual Funds) finds it important that each company that they choose to invest in has an established ethical and environmental policy.

At present, SEB Fonder manages eight Swedish, one Finnish and two German funds with a special ethical profile as well as several institutional customers' portfolios. The total value of such assets under management is currently close to SEK 8bn. Most of these funds observe the guidelines of Global Ethical Standards, including certain additional rules. This means that the portfolios are subject to regular control by independent parties to ensure that they comply with international standards for human rights, labour, the environment, bribes, corruption and weapons in order to avoid investments in companies that violate these rules. In Germany, asset management has taken a further step by introducing a so called positive ranking, which means that the selection of funds is focused on the top-ranked ethical companies within each specific group. Through close contacts with research companies, employees' knowledge about CSR issues will increase.

As a major manager of savings capital, it is SEB Fonder's responsibility to be an active owner and to act in order to give the companies the best possible opportuntities for carrying on their activities. This is why SEB Fonder formed a special unit for ownership responsibility last year, focusing on the preparation of incentive programmes, compensation, Board composition and auditing issues.

During 2004, SEB Asset Management continued to develop its CSR work. Explicit examples of this are more resources to ownership control and a new ethics policy and the same applies to Social Responsibility Investments, SRI. That this effort has been successful is evidenced by the fact that several new institutional customers, with very high ethical demands on asset management, entrusted the division with the management of their assets last year. At the same time, there is a need for further development of the Bank's offerings and concepts for a successful combination of special ethical considerations with professional asset management.

SEB's role as an employer

To be perceived as an attractive employer both by the staff and society is an important success factor for the Group. Ultimately, employer responsibility is based upon SEB's fundamental values and SEB's observance of these. Employees' motivation is regularly measured as well as their satisfaction with the leadership. In 2004, SEB was chosen as economics students' favourite employer among Swedish banks and as number 12 in a comparison between all sectors. The ambition is to keep this leading position within banking.

For a long time, SEB has actively worked for equality between the sexes. During 2004, the Bank approached its long-term goal of achieving an equal distribution between the sexes at all levels. The Group actively pursues an equal work policy. The Group Chief Executive Lars H Thunell was the Chairman of Studieförbundet Näringsliv och Samhälle's (SNS-Industrial Council for Social and Economic Studies) project for the purpose of getting more women into leading business positions, thus increasing the diversity at management and board level within Swedish companies.

The well-being of the staff is monitored through indicators that describe the health situation of the employees (more detailed information about this is found in the section on SEB's staff).

Social commitment

Being a good member of society forms part of SEB's business concept and this is why the Group supports various social projects both centrally and through its different business areas. Youth, education, equality, diversity and a sustainable development are areas of priority. The goal is that SEB's staff shall actively contribute knowledge and personal commitment to these issues.

Mentor Sverige and Mentor Lietuva

Since 1997, SEB supports Mentor Sverige, a Swedish foundation engaged in drug prevention measures for the youth, which runs two drug prevention programmes: a mentorship and a parental training programme. Through the mentorship programme, SEB employees get an opportunity of being mentors for pupils at the senior level of the compulsory school during one school year. This mentorship has proved rewarding both for the pupils and mentors. During 2004, 208 employees participated in the parental training programme under the auspices of Mentor Sverige. SEB employees are offered support through this training, particularly in their role as parents of teenagers. So far, mentorship programmes have been carried out in Stockholm, Gothenburg and Malmö and the parental training has also been offered in Sundsvall.

Vilniaus Bankas, SEB's Lithuanian subsidiary, was one of the initiators of a national mentor organisation in Lithuania and programmes were started in three cities last autumn, with close to 50 mentor couples.

According to an internal survey 85 per cent of SEB's employees in Sweden were aware of the Mentor programmes and more than 80 per cent were positive, or very positive. In 2004, SEB employees devoted more than 10,000 hours to these activities, which means twice as much as in 2003. SEB contributed SEK 1.5m to Mentor Sverige and Mentor in Lithuania.

Other projects

The Bank co-operates closely for four years with Livslust, a foundation that runs a vocational school for young orphans in Latvia. The work of this foundation is successful, engaging many people and customers in a clear and tangible way. The units that chose to give money instead of sending Christmas cards sent the money to Livslust last year.

In various ways, wherever SEB is represented, the Bank supports local projects and initiatives that focus on school-, training- and sports-linked children's and youth issues. In Malmö, SEB started a project to reduce segregation as early as 2003. In Gothenburg, SEB has taken special interest in Grunden Bois, a sports association for mentally retarded children and youth.

At the annual Christmas concerts it is a tradition to collect money for various projects, such as Fryshuset and Mentor Sverige. SEB has also distributed Christmas gifts to the City Mission of Stockholm and the Swedish Church in London.

In 2004, SEB contributed SEK 2m through its ethical funds, of which SEK 1.5m went to the WWF and SEK 0.5m to the Swedish Cancer Society.

SEB Trygg Liv has for several years worked with the welfare concept and taken strategic business positions based upon a comprehensive valuation process that focuses on long-term financial security for SEB's customers. The project called "Profitable Health" proposes new ways of preventing long-term sick-reporting. SEB Trygg Liv's safe living for the elderly, BoViva, is steadily growing. The first inauguration of an "active community" for the elderly, consisting of 119 apartments, took place in the town of Halmstad in 2003. BoViva Stockholm, comprising 113 apartments, will be completed by the end of 2005 and BoViva Gothenburg, with 97 apartments, will be ready in 2006.

Germany

In Germany support was mainly focused on the Paralympics. Through SEB Fonden, started in 2002, the Bank sponsors charity organisations and supports sports, science, art and culture. SEB sponsored three participants in the Paralympics in Athens, in co-operation with the Deutscher Behindertensportverband and the foundation Deutsche Sporthilfe. Within culture, Staatliche Hochschule für Bildende Künste received support for the installation of a photographic laboratory. In addition, a guest peformance in Berlin by the Royal Dramatic Theatre of Stockholm was sponsored. For the twenty-fourth time, SEB AG awarded the Deutscher Städtebaupreis (German Urban Development Award), worth 15,000 euro and intended to support revitalisation projects of urban areas.

The Baltic

In 2004, SEB's Baltic banks expanded their work with corporate social responsibility and supported various educational, sports and and cultural projects. In Estonia, the "Let there be light" project for the improvement of classroom illumination was supported. In Latvia co-operation with the Vitolu foundation helped talented youth from poor families to carry on university studies. In Lithuania 42 Vilniaus Bankas employees worked as mentors under a mentorship programme.

Support of the victims of the tsunami

On Boxing Day 2004, one of the worst disasters of our time hit the world when a tsunami occurred in South East Asia. SEB's employees collected more than SEK 3m to support the victims and SEB donated as much, in addition to a basic contribution of SEK 500,000. The total contribution from the Group amounted to SEK 6.7m, distributed equally between the Red Cross and Save the Children.

Payment fees waived

A couple of years ago, SEB was the first bank in Sweden that waived its fees on payments to charity organisations with so-called 90-accounts. The Bank has gone one step further as far as SOS Children's Villages are concerned by making all their payments free of charge.

Environmental matters

According to SEB's environmental policy, SEB shall consider environmental aspects to the greatest extent possible. SEB has signed the environmental documents of both the United Nations and the International Chamber of Commerce, under which the signatories are committed to paying due regard to, and acting for, a better environment within their respective activities.

In 2004 SEB updated its environmental policy and set measurable targets for its activities. The work is led by a Group-wide environmental committee, which will continuously report on and review this work. SEB's Board of Directors will receive its reports once a year. SEB meets the requirements of the sustainability index FTSE4Good.

Key Figures 2004

		Status 2004
Overall CSR	Review CSR Policy and related instructions on yearly basis	Achieved
	Inclusion in FTSE4Good	Achieved
	Employee attitude: Per cent of employees who think – SEB is an ethical company – it is important that SEB is an ethical company **Customer attitude:** Per cent of customers who think – SEB is an ethical company – it is important that SEB is an ethical company	 74% 75% 60% 87%
Code of Business Conduct	Finalised during 2005	In progress
Role as a lender	Follow up the implementation of CSR in the credit process decisions, review internal rules and guidelines, secure reporting and communication	In progress
Role as a fund manager	Develop best in class model for SEB's ethical products	In progress
Role as an employer	Motivation index Leadership index Gender equality Sick leave rate[1] Health index SEB as an attractive employer[1]	57 73 37.9% 4.9% 62 Position 12 among all companies First position among banks among economics students
Social Commitment	Employee satisfaction with choice of charity partners Mentorship programme[1] Customers satisfaction with choice of charity partners Financial support of social projects	New objective Internal awareness 85% New objective SEK 18,7m, of which SEK 6.7m to Tsunami victims
Environment	**Suppliers** Request environmental policy from suppliers when negotiating new general contracts (approx) – Group level – Swedish market	 15% 70%
	Energy "Good environmental choice" electricity or other certified electricity Consumption of electricity[3]	 90% 50.5 GWh
	Waste and recycling:[1] Paper that is certified and environmental labeled Total refuse[2] Share of sorted refuse[2] Paper consumption[2]	 65% 485 ton New objective 449 ton
	Water consumption[1] [2]	97,100m³/year
	Transports Environmental policy agreed in general contracts with suppliers as Posten, Securitas and DHL[1]	 New objective
	Travelling – Analyse mode of transport in business travel – Analyse no of environmental friendly company cars in the firm – Analyse no of telephone and video conferences	 In progress In progress In progress

1) In the Swedish market
2) Five largest properties
3) 90 per cent of total consumtion in Sweden

SEB's market value increased by 21 per cent during 2004

After a 46 per cent rise in 2003, the SEB Series A share rose by 21 per cent in 2004. Earnings per share were SEK 9.69 (8.22). The proposed dividend is SEK 4.35 (4.00) per share.

Share capital
The SEB share is listed on the Stockholm Stock Exchange. The share capital amounts to SEK 7,046m, distributed on 704.6 million shares of a nominal value of SEK 10 each. The Series A share entitles to one vote and the Series C share to 1/10 of a vote.

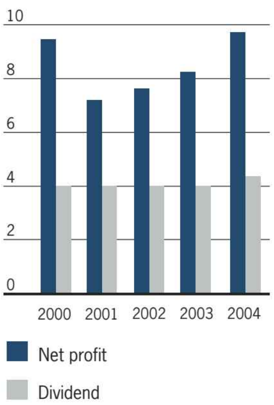
Stock Exchange trading
During 2004, the value of the SEB Series A share increased by 21 per cent, while the General Index rose by 18 per cent and the European Banking Index by 11 per cent. During the year, the total turnover in SEB shares amounted to close to SEK 86bn.

Dividend policy
The size of the dividend in SEB is determined by the financial position and growth possibilities of the Group. SEB strives to achieve long-term growth based upon a capital base for the financial group of undertakings that must not be inferior to a core capital ratio of 7 per cent. The dividend per share shall, over a business cycle, correspond to around 40 per cent of earnings per share, calculated on the basis of operating result after tax.

SEB share

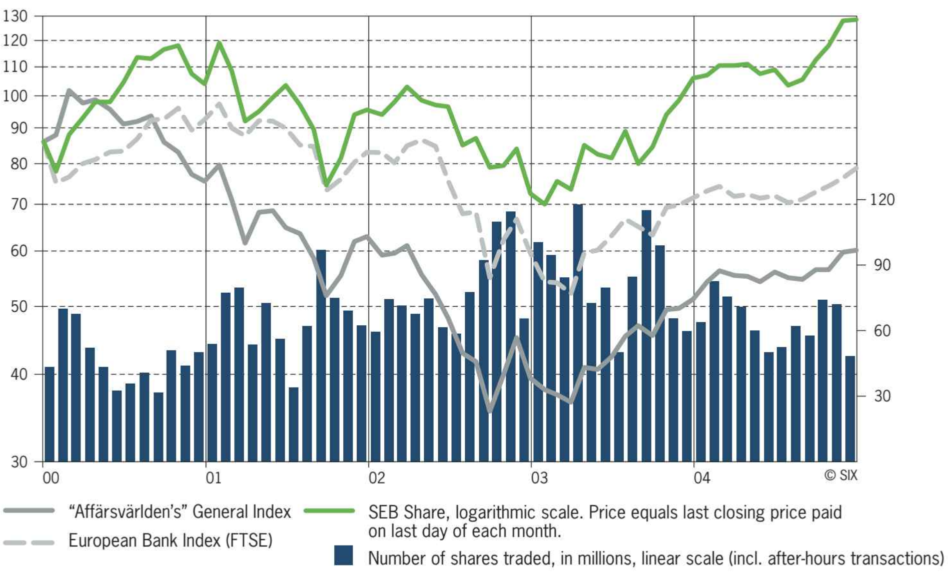
Data per share	**2004**	2003	2002	2001	2000
Net profit, SEK	**9.69**	8.22	7.60	7.17	9.43
Net profit after accounting dilution, SEK	**9.56**	8.19	7.60	7.17	9.43
Shareholders' equity, SEK	**76.31**	70.10	65.51	62.86	59.06
Adjusted shareholders' equity	**84.46**	75.53	68.88	67.10	62.61
Net worth, SEK	**87.05**	78.03	70.55	67.05	62:60
Cash flow, SEK	**4.95**	-4.24	4.49		
Dividend per A and C share, SEK	**4.35**	4.00	4.00	4.00	4.00
Year-end market price					
per Series A share, SEK	**128.50**	106.00	72.50	95.50	104.00
per Series C share, SEK	**124.50**	96.50	65.00	83.00	99.00
Highest price paid during the year					
per Series A share, SEK	**131.00**	107.00	110.00	119.50	127.50
per Series C share, SEK	**126.50**	96.50	99.50	110.00	117.00
Lowest price paid during the year					
per Series A share, SEK	**99.50**	66.50	66.00	61.00	77.50
per Series C share, SEK	**92.50**	61.00	58.50	55.50	68.50
Dividend as a percentage of result for the year, %	**44.9**	48.6	52.7	55.8	42.4
Yield, %	**3.4**	3.8	5.5	4.2	3.8
P/E	**13.3**	12.9	9.5	13.3	11.0
Number of outstanding shares					
average	**679.8**	693.5	700.1	704.6	704.6
at year-end	**668.5**	691.4	697.6	704.6	704.6

Net profit and dividend
Per SEB share, SEK



Earnings per share in 2004 amounted to SEK 9.69. A dividend of SEK 4.35 per share is proposed.

SEB Share
SEK



Sources: Thomson Financial and SIX

Share capital

Share series	Number of shares	Number of votes	Percentage of capital	Percentage of votes
A	673,784,123	673,784,123	95.6	99.5
C	30,773,557	3,077,355	4.4	0.5
	704,557,680	**676,861,478**	**100.0**	**100.0**

Each Series A-share entitles to one vote and each Series C-share to 1/10 of a vote. The nominal value of each share is SEK 10.

Repurchase programme

	A shares	C shares	Total number of shares
Total	**673,784,123**	**30,773,557**	**704,557,680**
Hedge for employee stock option	–19,400,000	0	–19,400,000
Capital management	–11,780,000	–4,921,049	–16,701,049
Total number of outstanding shares	**642,604,123**	**25,852,508**	**668,456,631**

See further page 49

Change in share capital

Skandinaviska Enskilda Banken's share capital has changed as follows since the Bank was started in 1972:

Year	Transaction	SEK	Added no. of shares	Accumulated no. of shares	Share-capital SEKm
1972				5,430,900	543
1975	Rights issue 1:5	125	1,086,180	6,517,080	652
1976	Rights issue 1:6	140	1,086,180	7,603,260	760
1977	Split 2:1		7,603,260	15,206,520	760
1981	Rights issue 1B:10	110	1,520,652	16,727,172	837
1982	Bonus issue 1A:5		3,345,434	20,072,606	1,004
1983	Rights issue 1A:5	160	4,014,521	24,087,127	1,204
1984	Split 5:1		96,348,508	120,435,635	1,204
1986	Rights issue 1A:15	90	8,029,042	128,464,677	1,284 [1]
1989	Bonus issue 9A+1C:10		128,464,677	256,929,354	2,569
1990	Directed issue[2]	88.42	6,530,310	263,459,664	2,635
1993	Rights issue 1:1	20	263,459,664	526,919,328	5,269
1994	Conversion		59,001	526,978,329	5,270
1997	Non-cash issue	91.30	61,267,733	588,246,062	5,882
1999	Rights Issue[3]	35	116,311,618	704,557,680	7,046

1) The recorded share capital at 31 December, 1986 was still SEK 1,204m, since the proceeds from the rights issue were not paid in full until early 1987.
2) The issue was directed at the member-banks of Scandinavian Banking Partners. Through splits in 1977 (2:1) and 1984 (5:1), the nominal value of the shares has been changed from SEK 100 to SEK 10.
3) According to the instructions of the Financial Supervisory Authority, subscribed shares that have been paid will not be registered as share capital in the balance sheet until the rights issue has been registered (which took place in January, 2000).

Distribution of shares by size of holding

Size of holding	No. of shares	Per cent	No. of shareholders
1–500	40,678,807	5.8	261,406
501–1 000	19,830,969	2.8	27,477
1 001–2 000	20,180,470	2.9	14,304
2 001–5 000	23,365,792	3.3	7,648
5 001–10 000	11,971,305	1.7	1,716
10 001–20 000	8,048,502	1.1	577
20 001–50 000	11,716,678	1.7	380
50 001–100 000	10,732,564	1.5	148
100 001–	558,032,593	79.2	309
	704,557,680	**100.0**	**313,965**

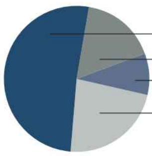
Source: SIS Ägarservice

The SEB share on the Stockholm Stock Exchange

	2004	2003	2002	2001	2000
Year-end market capitalisation, SEKm	**90,382**	74,391	50,850	66,900	73,120
Volume of shares traded, SEKm	**86,293**	85,648	83,758	75,424	57,049

Shareholder structure

Percentage holdings of equity on 31 December 2004

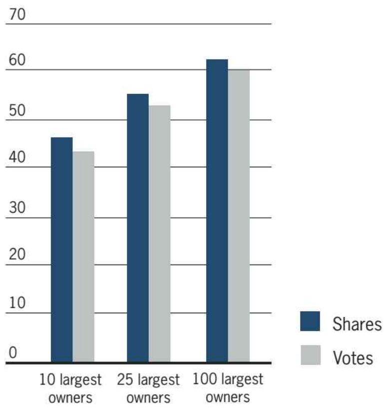


The majority of the Bank's approximately 314,000 shareholders are private individuals with small holdings.

Source: SIS Ägarservice

Ownership concentration

Largest owners' share of shares and votes, %



Source: SIS Ägarservice

The largest shareholders[1]

December 31, 2004	No. of shares	Of which Series C shares	Per cent of number of all shares	Per cent of number of all votes
Investor	138,272,295	0	19.6	20.4
Trygg Foundation	65,677,962	0	9.3	9.7
Robur Funds	16,475,671	0	2.3	2.4
AFA Försäkring	15,847,049	887,480	2.2	2.2
SHB/SPP Funds	14,203,565	0	2.0	2.1
Wallenberg foundations	11,080,389	6,621,173	1.6	0.8
SEB Funds	10,911,310	0	1.5	1.6
Alecta	9,729,359	3,202,711	1.4	1.0
AMF Pension	8,900,000	0	1.3	1.3
SHB	6,862,763	0	1.0	1.0
Skandia Liv	6,049,285	3,352,567	0.9	0.4
Tredje AP-fonden	5,891,062	0	0.8	0.9
EB Foundation	5,710,993	0	0.8	0.8
Andra AP-fonden	5,548,791	0	0.8	0.8
Första AP-fonden	3,328,393	67,847	0.8	0.8
Foreign shareholders	159,004,435	1,199,422	22.6	23.3

1) Excluding SEB as shareholder through repurchased shares to hedge employee stock option programme and for capital management.

Source: SIS Ägarservice

Corporate & Institutions

Focus and investments in SEB's home markets outside Sweden have been successful.

FACTS CORPORATE & INSTITUTIONS

Annika Falkengren
Head of Division
(as to 9 February 2005)

This division is responsible for large and medium-sized corporations, financial institutions and commercial real estate clients. It comprises **Merchant Banking** (cash management, trading in currencies and fixed income, capital markets, lending, structured finance, import and export finance, custody etc) and **Enskilda Securities** (equity trading, corporate finance etc), and operates in 13 countries.

	2004	2003
Percentage of SEB's total income	37	38
Percentage of SEB's operating result	48	55
Percentage of SEB's staff	18	18

Profit and loss account

SEKm	2004	2003	Change, per cent
Net interest income	4,560	4,603	–1
Net commission income	3,888	3,659	6
Net resultof financial transactions	1,779	1,809	–2
Other operating income	287	207	39
Total income	**10,514**	**10,278**	**2**
Staff costs	–3,556	–3,299	8
Other operating costs	–2,309	–2,171	6
Amortisation of goodwill	–54	–56	–4
Depreciation and write-downs	–91	–111	–18
Total costs	**–6,010**	**–5,637**	**7**
Net credit losses etc	–16	–186	–91
Write-downs of financial fixed assets		–14	–100
Intra-group minority interest		–26	–100
Operating result	**4,488**	**4,415**	**2**

	2004	2003
Cost/Income ratio	0.57	0.55
Allocated capital SEKbn	15.7	14.5
Return on capital, %	20.6	21.9
Number of full time equivalents, average	3,214	3,171

Stable results and high returns for Corporate & Institutions

Corporate & Institutions showed a satisfactory operating profit for 2004 of SEK 4,488m (4,415). The improvement of the result chiefly stemmed from lower credit losses. Client revenues were stable despite increasing price pressure and sharp competition for mandates.

The depreciation of the U.S. dollar against the Swedish currency had a negative impact on the division's revenues, which to a significant extent are in dollars. Low interest rates and the relatively stable global economy have sharpened competition and put margins under pressure.

Merchant Banking – stable results despite margin pressure

The operating profit for 2004 amounted to SEK 4,376m (4,288). In line with its previously announced strategy, Merchant Banking invested in its home markets, increasing costs by 7 per cent. During the fourth quarter, market activity picked up, which affected the result positively. Although the client business increased, the downward pressure on margins, together with the weaker U.S. dollar, prevented this translating into higher revenues. Recoveries affected the result positively and credit quality was good and stable.

Home market investments paid off

During 2004 Merchant Banking focused on and invested in SEB's strategically important home markets: Sweden, Norway, Denmark, Finland, Germany and the Baltic. One hundred employees have been recruited in the Nordic region and Germany as part of this effort.

In Sweden, Merchant Banking maintained its strong position as the leading bank for large companies and financial institutions.

Merchant Banking's operations in Germany continued to deliver good results, bolstered by a string of new mandates and a significant number of new clients. During 2004, trading of euro-denominated government and mortgage bonds has been centralised in Germany. The product range has been enhanced with, for example, custody and clearing services. The rationale behind this is to support an increase in the number of institutional clients in Germany and to provide a full North-European product spectrum.

Merchant Banking in Germany offers its clients advanced domestic and international cash management. Examples of important mandates in 2004 include: pan-Nordic mandates from German chemical company Linde and DHL (Deutsche Post), and a domestic mandate for paper-company Jefferson Smurfit. SEB was mandated lead and co-arranger of twelve euro-denominated bond issues in the primary bond market in Germany. Examples of important capital market transactions include: EUR 180m facility for Phoenix Group and a EUR 150m lease receivables securitisation programme on behalf of new client Grenkeleasing AG. The volume of securities lending increased considerably during the year and efforts to attract business from financial institutions strengthened SEB's position as a leading player in the European prime brokerage market.

In a client survey carried out by TNS Infratest, Merchant Banking Germany received particular praise from the mid corporate and institutional client segments. Clients were especially satisfied with their relationship with SEB and its individual approach, ranking SEB as a clear market leader in terms of client loyalty.

Activities in Norway developed well during 2004 both with respect to results and market position. The overall business flow was robust in most products and prioritised client segments. SEB executed Norway's first structured credit derivative transaction. SEB carried out a number of large transactions

MERCHANT BANKING

Merchant Banking´s main areas of activity and responsibility are as follows:

- Overall responsibility for the relationship with the Group's large and medium sized corporate customers, commercial real estate clients, financial institutions, and international banks
- Trading in currencies, bonds, derivatives and futures
- Advisory services, brokerage and research within capital and debt markets
- Cash management and payment services
- Project and trade finance as well as corporate finance in connection with acquisitions
- Venture capital
- Securities related financing solutions
- Management of the Group´s liquidity portfolio
- Custody services
- Leasing and factoring products

Merchant Banking has for a number of years reported stable and good results, with a low level of risk and stable credit quality. Merchant Banking is continuously strengthening its presence in its home markets outside Sweden, i.e. primarily Norway, Finland, Denmark, Germany and the Baltic. Merchant Banking will continue to concentrate on the client segments large/medium-sized companies and financial institutions.

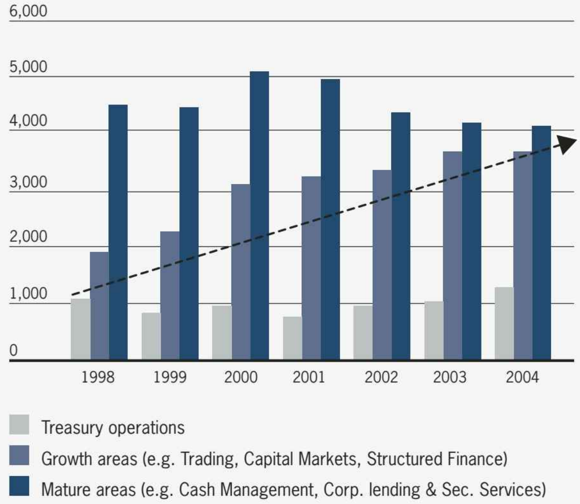
	2004	2003
Percentage of SEB's total income	32	33
Percentage of SEB's operating result	47	54
Percentage of SEB's staff	16	15

Profit and loss account

SEKm	2004	2003	Change, per cent
Total income	**9,106**	**8,910**	**2**
Total costs	**–4,714**	**–4,399**	**7**
Net credit losses etc	–16	–183	–91
Write-downs of financial fixed assets		–14	–100
Intra-group minority interest		–26	–100
Operating result	**4,376**	**4,288**	

Cost/Income ratio	0.52	0.49
Allocated capital, SEKbn	14.7	13.5
Return on capital, %	21.4	22.9
Number of full time equivalents, average	2,790	2,721

Changed business mix – Merchant Banking
Operating income, SEKm



in the Norwegian capital market, including a NOK 530m loan for APR Media Holding and a EUR 250m loan for media company Schibsted. In addition, the Bank played a leading role in several syndicated loan facilities for clients such as Aker, Statoil, Kongsberg Gruppen and Hafslund.

In Finland, Merchant Banking strengthened its custody operations by acquiring OMX's custodian client business. At the end of the year SEB was the number two custodian in Finland. The agreement increased SEB's assets under custody by approximately EUR 15bn.

Other areas in Finland also developed well and the overall result almost doubled. Merchant Banking participated in sixteen syndicated loan transactions and led seven of them: Finnair, Metsä Tissue, Elcoteq, Ahlström, Kapiteeli, Citycon and Dividum. The last three of these amounted to EUR 825m and were all commercial real estate financings. During the year a number of key staff and management were hired to enhance the activities in Finland.

In Denmark, Merchant Banking continued to broaden its services and to invest in the strengthening of a pan-Nordic offering. Advisory-based foreign exchange developed positively during the year.

Strong products and tough competition

Within foreign exchange and fixed income trading, SEB continues to develop leading risk management and transaction tools. The risk management tools, coupled with recognised leading research, aim to give clients better ways to analyse and address their risks, simultaneously allowing SEB to tailor its advice. Transaction technology remains a priority and SEB's electronic platform for foreign exchange trading now handles 66 per cent of all SEB's foreign exchange transactions. The market for structured investment products continued to grow in Sweden and the other home markets.

Within cash management, SEB has won mandates with the help of a unique pan-Nordic/Baltic offering. Over the year a large number of clients chose to migrate their payment flows from the postal giro to the Bankgirocentralen, partly owned by SEB. One significant example is Vägverket, the Swedish Road Authority, with approximately 12 million payments yearly.

The custody and clearing business continued to grow and showed good profitability during 2004. Over the year some 6.5 million transactions were processed and assets under custody amounted to SEK 2,845bn (2,396) by year-end. SEB won a number of important Nordic and global mandates, including Neonet, Barclays Capital, Merrill Lynch and KBC Securities, which all chose SEB as their multi-Nordic custodian.

SEB was the leading Nordic arranger of syndicated loans during the year with a large number of transactions including: USD 325m and EUR 150m for Alfa Laval, EUR 200m for Capio, SEK 1.2bn for Billerud, SEK 750m for Gambro, EUR 500m for Scania and a revolving credit facility of EUR 840m for Boliden. In addition, SEB acted as arranger and co-ordinator of SKF's EUR 300m credit facility.

New sales of leasing and factoring during 2004 amounted to SEK 16.2bn – an increase of 41 per cent from the year before.

The shipping market was strong during 2004 and SEB secured and enhanced its position in this client segment during the year. As an example, SEB provided EUR 132m in financing for a new ferry for the Baltic shipping company Tallink.

The market for debt financing of private equity transactions experienced high activity over the year and SEB arranged and participated in a number of significant transactions. These included: Lindorff for Altor in Norway, the re-financing of Nycomed for DLJ Merchant Banking Partners in Denmark, Auto Teile Unger for KKR in Germany. Four new mezzanine investments were made and three exited.

Last year SEB Företagsinvest, SEB's venture capital unit which focuses on technology and health-care, exited five of its investments, including the sale of its stake in industrial automation company HMS to Segulah. HMS has been a client of SEB since its start in the early nineties. Segulah's acquisition was financed by a newly-formed team within Merchant Banking, focusing on mid-corporate acquisition finance. The formation of this unit is part of SEB's intensified focus on financially complex mid-sized companies and financial institutions.

SEB's commercial real estate activities were focused on a new business unit during 2004. The unit consolidates financing and relationship management of commercial real estate clients in Merchant Banking and SEB AG Group, improving the use of existing competence and business opportunities. Within this market segment SEB acted as co-ordinator and arranger of a SEK 15.1bn syndicated financing for Fastighets AB Tornet and a SEK 6bn revolving credit facility for Kungsleden AB.

Rankings

SEB's role as a leading bank in terms of volumes, quality and client satisfaction in a number of product categories was confirmed during 2004 through a string of awards and rankings. In Euromoney's rankings SEB was positioned: 19th globally for total foreign exchange market share (the sole Nordic bank among the top 20) and number one for the Swedish krona, "Best Cash Management bank in the Nordic & Baltic region", ninth most used cash manager globally and number five regarding overall quality of cash management services. Treasury Management International's survey of European CFOs named SEB best cash manager in the Nordic region. The survey polled more than one thousand international cash management users. SEB was ranked number two by Global Investor Magazine for European custody services, and as a top-ranked custodian in Norway, Finland and Denmark in a client survey performed by Global Custodian Magazine.

Enskilda Securities – market leader in the Nordic region

Enskilda Securities' operating profit for 2004, SEK 112m (127), was somewhat lower than for the previous year.

Secondary commission income was 20 per cent higher than the year before, reflecting increased turn-over on the Nordic stock exchanges and the strong market position that Enskilda Securities maintained during the year. Trading was considerably weaker compared to 2003. This was partly explained by the strategic decision at the start of the year to decrease exposure in structured equity derivatives. This resulted in a somewhat lower net result for the Equities area compared to the year before, despite considerably improved commission income.

ENSKILDA SECURITIES

Enskilda Securities, SEB´s investment bank, offers corporate finance service, equity trading and equity research. The high rankings in surveys for all Nordic countries and a strong market position makes Enskilda Securities the No 1 investment bank in the Nordic markets.

	2004	2003
Percentage of SEB's total income	5	5
Percentage of SEB's operating result	1	2
Percentage of SEB's staff	2	2

Profit and loss account

SEKm	2004	2003	Change, per cent
Total income	**1,408**	**1,368**	**3**
Total costs	**–1,296**	**–1,238**	**5**
Net credit losses etc		–3	–100
Operating result	**112**	**127**	**–12**

	2004	2003
Cost/Income ratio	0.92	0.90
Allocated capital, SEKbn	1.0	1.0
Return on capital, %	8.1	9.1
Number of full time equivalents, average	424	450

Activity in the Corporate Finance area improved from the relatively low levels in 2003, both for M&A and in the primary equity market. Among the transactions in the fourth quarter were: Nordic Capital's acquisition of Finnveden and Plastal, Kesko's acquisition of Indoor Group and Swedish consumer good retailer KF's sale of KappAhl. In addition, large block trades were placed in shares for Telia Sonera, Frontline, and others.

Enskilda Securities continued to lead the market in Sweden both for equities and derivatives and was also among the top three in Norway. Combined with good rankings in Finland and Denmark, this confirmed Enskilda Securities as the leading Nordic investment bank.

During the fourth quarter, Enskilda Securities was awarded "Best Institutional Research House in Sweden" by the Swedish periodical Affärsvärlden and ranked as "Best stock broker in Sweden" and "Leading stock broker to large Norwegian institutional clients" by Prospera, a research institute. The market position was also underlined by Enskilda's top ranking for equity research and equity brokerage, both locally and internationally in all major client surveys.

Market share of Nordic stock exchanges

	Ranking 2004	Market share 2004
Stockholm	1	10.0%
Oslo	3	8.4%
Helsinki (excl. Nokia)	5	6.0%
Copenhagen	5	6.0%

Nordic Retail & Private Banking

Growth in terms of financial result, volumes and market shares within important areas.

FACTS NORDIC RETAIL & PRIVATE BANKING

Fleming Carlborg Head of Division

The division has 1.6 million private customers, including 760,000 Internet customers, and 130,000 small and medium-sized corporate customers.

Customers have access to SEB's complete range of financial services through branch offices and 24-hour open telephone and e-banking services.

The business areas are Retail Banking, Private Banking and SEB Kort (cards):

- **Retail Banking** consists of SEB's approximately 200 Swedish branch offices, ATMs, telephone banking and e-banking, as well as of back office and support functions. The mortgage business (SEB BoLån AB) is also a part of Retail Banking.
- **Private Banking** consists of SEB Enskilda Banken with representation in 7 Swedish cities, and of Private Banking International with branches in Luxembourg, Copenhagen, Oslo, London, Zurich, Geneva, Nice, Marbella and Singapore. In Sweden, SEB is the leading asset manager for private clients and foundations.
- **SEB Kort** includes 2.7 million charge, credit, debit and co-branded cards. The business area has a 30–50 per cent market share in Sweden, Denmark, Finland and Norway and includes trade marks like Eurocard and Diners Club. SEB Kort also has acquiring agreements with 160,000 retailers.

For Nordic Retail & Private Banking, customer focus is the core of the division's strategy. Success is to be built on active, strong, long-term and mutually rewarding relations with the customers. Activity and initiative, personal service, accessibility and competence are key areas – using the SEB Group's total strength. In line with the strategy, responsibilities and mandates are delegated as far as possible.

	2004	2003
Percentage of SEB's total income	30	29
Percentage of SEB's operating result	32	33
Percentage of SEB's staff	26	26

Profit and loss account

SEKm	2004	2003	Change, per cent
Net interest income	4,374	4,247	3
Net commission income	3,780	3,326	14
Net result of financial transactions	165	151	9
Other operating income	172	173	–1
Total income	**8,491**	**7,897**	**8**
Staff costs	–2,841	–2,574	10
Other operating costs	–2,429	–2,392	2
Amortisation of goodwill	–48	–52	–8
Depreciation and write-downs	–47	–55	–15
Total costs	**–5,365**	**–5,073**	**6**
Net credit losses etc	–194	–194	0
Intra-group minority interest		–17	–100
Operating result	**2,932**	**2,613**	**12**

	2004	2003
Cost/Income ratio	0.63	0.64
Allocated capital, SEKbn	11.0	9.1
Return on capital, %	19.2	20.7
Number of full time equivalents, average	4,696	4,744

Result improved due to increased sales

In 2004, the division's result increased by 12 per cent, to SEK 2,932m (2,613), mainly due to higher income through increased sales. Excluding the sale of Europay Norway's acquiring operation, the result increased by 10 per cent.

Net commission income rose by 14 per cent in total, primarily from equity brokerage, mutual funds and cards. Net interest income rose by 3 per cent, to SEK 4,374m (4,247), mainly due to increased mortgage and other lending volumes.

Rising sales and volumes continued to offset intensified competition and margin pressure. Low interest rates reduced deposit margins, particularly on transaction accounts. Lending margins stabilised during the year except on mortgages, where price pressure remained.

The division's costs rose by 6 per cent, to SEK 5,365m. Excluding higher pension costs due to new accounting principles (IFRS) and profit-based compensation under a system that comprises all employees of the division, the increase was 1 per cent. Eurocard's card-issuing business in Denmark was acquired in the summer of 2004 and included in the accounts as from August 2004, contributing about SEK 10m to the result, including integration costs during the period. SEB now has the exclusive right to Eurocard in Sweden, Norway and Denmark and, in addition, franchising rights to the Diners Club brand in the whole Nordic area. As part of the fine-tuning of the Norwegian card operations purhased in 2002, the acquiring operation in Norway was sold. These sales contributed slightly more than SEK 70m to the result. Credit losses remained low.

Increased customer satisfaction led to new business

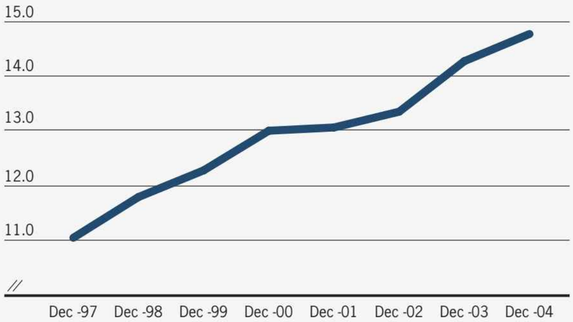
The annual customer survey by TNS Gallup (KNIX) was presented in November 2004. According to this survey, satisfaction among both private and corporate customers increased strongly for the third year in a row. As a result, SEB's customer satisfaction index was higher than the average for the industry. Earlier in 2004, SEB was the only major Swedish bank that could report increased customer satisfaction according to the Swedish Quality Index survey.

The business areas' percentage of the division's operating result

%

SEB's market share, private mortgages in Sweden

%



Within several important areas, market shares continued to increase. By year-end, SEB's share of the private mortgage market was 14.8 per cent (14.3), while its share of new sales was 16.9 per cent.

Total lending volumes increased by 16 per cent, to SEK 207bn, of which SEK 148bn consisted of mortgage loans.

By year-end 2004, total deposit volumes were SEK 121bn, or at the same level as one year earlier. According to Sparbarometern (Savings Barometer), SEB was No. 2 in the Swedish savings market on 31 December 2004, with a share of 14.6 per cent of total household savings.

The number of Internet customers rose during the year, to 823,000 (765,000), of which 64,000 were corporate customers. 94 per cent of all customer meetings now take place via the Internet and the percentage of customers paying their bills via the net increased from 45 to 58 per cent in the course of the last two years.

In the spring of 2004, SEB introduced a new interest calculation model that gives customers interest from the very first day, regardless of whether it is a public holiday or not.

Retail Banking continued to focus on companies

Retail Banking's result increased to SEK 1,650m (1,633m).

The focus on small and medium-sized companies continued. Following intensified co-operation with Merchant Banking, the corporate specialists of the branch offices developed their advisory capacity within cash management. In total, 4,500 new corporate customers were added during the year and corporate lending increased, albeit at a slow rate.

The range of Internet services for companies is continuously expanded. Among other things, access to credit information was offered in the autumn. "The Internet Office for Companies" was a contributing factor to the magazine Euromoney's top-ranking of SEB's electronic cash management services. The corporate market awarded SEB the highest mark for its e-banking services and its broad range of products in the magazine Affärsvärlden/Finansbarometern.

The efforts to co-ordinate SEB's different channels continued in order to facilitate customers' choice as to when, where and how to contact the Bank. Since autumn 2004, both the Internet and telephone banking activities of the Bank are integrated into the three regions of the branch office organisation.

In the private market, a new advisory service was introduced during autumn, which is a further development of SEB's private advisory services.

Private Banking's growth gained momentum

Private Banking activities have been greatly affected by changed market conditions over the last few years. After forceful cost-savings programmes and increased co-ordination across national borders, the business area started to focus on growth again in 2004. In early 2005, Euromoney ranked SEB number one within private banking in Sweden for the second year in a row.

Intensified sales and increased customer activities during the second half of the year were fruitful. The result increased by 38 per cent, to SEK 530m (384m), due to increased commission income and reduced costs.

Assets under management increased by 12 per cent, to SEK 189bn, due to both higher market values of funds/portfolios under management and a positive inflow of new volumes of SEK 6bn in total.

SEB Private Banking will open an office in Singapore during the first half of 2005 in order to be able to offer a complete range of services, to expatriates in the Asian market.

SEB Kort's result – continued strong profit growth

Including a capital gain from the sale of the Norwegian acquiring operations referred to above, SEB Kort's result improved by 26 per cent, to SEK 752m (596m).

The expansion in Norway and Denmark as well as the steadily increasing usage of credit and charge cards explain this growth. Total card turnover amounted to SEK 177bn (161bn) during the year.

Between 2003 and 2004 SEB Kort's credit losses, including fraud, decreased by 10 per cent. The decline in fraud was remarkable, since this is a growing problem in general in the industry and in view of SEB Kort's increased volumes. High safety-consciousness and advanced IT security systems explain the successful handling of fraud attempts.

The acquisition of Eurocard Denmark was completed in August. This provided SEB Kort with 166,000 new cards, 35 new employees in Denmark and a contribution of approximately SEK 10m to the result, including integration costs during the period.

The operations of Europay Norway, acquired at the end of 2002, were fully integrated with SEB Kort during the year.

Strong base for future growth

Improved customer satisfaction, increased volumes and results form a strong platform for the future.

The division will continue its efforts to grow in the small and medium-sized company sector as well as in the mortgage and savings markets. In addition, growth can be achieved within new areas in SEB's geographical home markets by opening branch offices in for example Denmark where the Group already has more than half a million customers after the acquisition of Eurocard and Codan Pension.

SEB AG Group

Continued growth for merchant banking activities.

FACTS SEB AG GROUP

The set-up of the business areas within SEB´s German operation corresponds to SEB´s business model. The **German Retail & Mortgage Banking division** includes Retail, Real Estate as well as major subsidiaries like SEB Hypothekenbank and SEB Immobilien-Investment. **SEB´s German Merchant Banking operation** takes care of trading and capital market products, mid-corporate and institutional clients as well as of large North-European companies represented in Germany. The responsibility for SEB Invest (mutual funds) lies within the SEB Asset Management division.

	2004	2003
Percentage of SEB's total income	21	22
Percentage of SEB's operating result	12	11
Percentage of SEB's staff	19	21

Profit and loss account

SEKm	2004	2003	Change, per cent
Net interest income[1]	3,831	3,926	–2
Net commission income	1,997	1,779	12
Net result of financial transactions	37	105	–65
Other operating income	202	254	–20
Total income	**6,067**	**6,064**	**0**
Staff costs	–2,460	–2,717	–9
Other operating costs	–1,695	–1,643	3
Depreciation and write-downs	–223	–250	–11
Restructuring costs	–163	0	
Total costs	**–4,541**	**–4,610**	**–1**
Net credit losses etc	–446	–635	–30
Write-downs of financial fixed assets		–2	–100
Net result from associated companies		40	–100
Operating result	**1,080**	**857**	**26**

	2004	2003
Cost/Income ratio	0.75	0.76
Cost/Income ratio excluding restructuring costs	0.72	0.76
Allocated capital, SEKbn	11.7	11.2
Return on capital, %	6.6	5.5
Return on capital excluding restructuring costs, %	7.6	5.5
Number of full time equivalents, average	3,434	3,815

1) Change in accounting for pension costs 2003/2004: SEK 140m offset against staff costs in January–December

Moderate upswing continues

Following three years of stagnation, gross domestic product in Germany grew by 1.7 per cent in real terms. Growth was driven chiefly by exports as domestic demand – private investment activity and consumption – remained weak. A further rise was seen in the number of unemployed and insolvencies. The prospects for 2005 are subdued. Whilst domestic demand is likely to recover, the strength of the Euro and the general weakening of the global economy cast a damper on the outlook for exports. GDP growth is expected to reach 1.4 per cent in 2005.

Best result since the takeover of BfG in 1999

The operating result (excluding restructuring costs of SEK 163m) of SEB's entire operations in Germany (SEB AG Group) amounted to SEK 1,243m, an improvement of 45 per cent compared with 2003 on a comparable basis.

Net interest income remained stable on a comparable basis, although low short-term interest rates continued to affect the result negatively. Merchant Banking's increased credit business with institutional clients as well as money market and derivatives products had a positive effect on net interest income.

Net commission income amounted to SEK 1,997m, which was 12 per cent higher than in 2003. This was mainly an effect of improved cross-selling with retail customers and by sales of structured project finance. Assets under management amounted to SEK 136bn, 10 per cent higher than in 2003.

Income from financial transactions decreased, mainly due to weak capital markets in the second half of 2004.

Income increased by 2 per cent on a comparable basis.

Total costs, excluding restructuring costs, decreased by 2 per cent compared with the corresponding period in 2003 (before change in accounting for pension costs) in spite of investments in new product/customer segments in Merchant Banking.

Cost/income ratio and return on equity have improved every year since 2001, but not yet enough to reach the medium-term target of exceeding cost of capital.

German Retail & Mortgage Banking

Improved operating result despite continuously tough market conditions.

FACTS GERMAN RETAIL & MORTGAGE BANKING

Fleming Carlborg Responsible for the division within GEC

The division serves one million private individuals, including 250,000 Internet customers, and real estate companies all over Germany. Customers are able to access its services through 175 branches, more than 2,000 ATMs via Cash-pooling with allied banks, an Internet platform and telephone banking. The purpose of this division is to be a long-term financial partner offering modern financial solutions and top-quality service. The focus is on high customer retention which will be achieved by deeply committed staff and through co-operation with stakeholders outside and within the SEB Group.

The division offers high-yielding mutual funds and real estate funds, developed by the product companies SEB Invest and SEB Immobilien-Investment. Third-party products complete the division's range of offerings. Competitive power is increased through strategic alliances with Gerling, VW Bank, DVAG and Deutsche Bausparkasse Badenia.

	2004	2003
Percentage of SEB's total income	17	18
Percentage of SEB's operating result	7	7
Percentage of SEB's staff	17	19

Profit and loss account

SEKm	2004	2003	Change, per cent
Net interest income[1]	3,146	3,398	–7
Net commission income	1,337	1,216	10
Net result of financial transactions	83	–17	
Other operating income	211	221	**–5**
Total income	**4,777**	**4,818**	**–1**
Staff costs	–2,029	–2,331	–13
Other operating costs	–1,311	–1,193	10
Depreciation and write-downs	–211	–236	–11
Restructuring costs	–163		
Total costs	**–3,714**	**–3,760**	**–1**
Net credit losses etc	–445	–573	–22
Write-downs of financial fixed assets		–2	–100
Net result from associated companies		40	–100
Operating result	**618**	**523**	**18**

	2004	2003
Cost/Income ratio	0.78	0.78
Cost/Income ratio excluding restructuring costs	0.74	0.78
Allocated capital, SEKbn	9.5	9.4
Return on capital, %	4.7	4.0
Return on capital excluding restructuring costs, %	5.9	4.0
Number of full time equivalents, average	3,012	3,412

1) Change in accounting for pension costs 2003/2004: SEK 120m offset against staff costs in January–December

Successful restructuring and improved cross-selling

The division's operating result improved by 49 per cent to SEK 781m, excluding restructuring costs of SEK 163m.The first half-year was focused on cost reduction and setting up of a new sales organisation, while also income improvement was in focus during the second half of the year.

Total income was stable between 2003 and 2004, mainly due to an increase in net commission income of 10 per cent, particularly in the fourth quarter. Strong gross sales of funds, sales of insurance products and increased income from portfolio management contributed to the increase.

SEB ImmoInvest continued to develop strongly and increased its market share from 5.0 to 5.7 per cent on an annual basis. Gross sales totalled SEK 12.0bn and net sales SEK 6.3bn. Gross sales of SEB Invest's mutual funds amounted to SEK 15bn. Net sales remained low, mainly due to high inflows and outflows between different funds.

Net interest income amounted to SEK 3,146m, a decrease of 4 per cent on a comparable basis between 2003 and 2004. Low short-term interest rates and lower volumes continued to affect retail deposit revenues negatively. Total retail savings (including portfolio management) amounted to SEK 93bn, which was 4 per cent below 2003. Although new sales of retail mortgage loans improved during the year, gross sales were significantly lower than in 2003. This was a general trend in the market due to the abolishment of the private mortgage subsidy. Lending to real estate clients increased.

Other income totalled SEK 211m, particularly affected by the sale of properties in SEB AG's subsidiary Frankfurter Vermögensholding (FVH), with a capital gain of SEK 52m.

A corresponding cost of approximately SEK 30m for the above-mentioned property sale plus additional costs for projects Basel II and IFRS were the major reasons for the quarterly cost increase. Excluding these non-recurring items, total costs decreased by 6 per cent (before restructuring costs) on an annual basis, positively affected by the profit improvement programme including a staff reduction of approximately 400 employees.

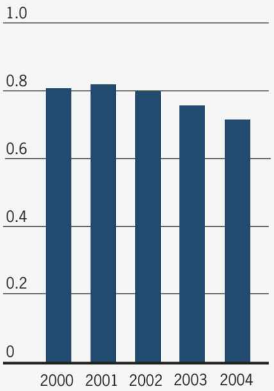
Net credit losses decreased, to SEK 445m (573). The normal seasonal increase in the fourth quarter was lower than in previous years. Overall, the measures implemented to improve asset quality continue to influence the result favourably.

Cost/income ratio and return on capital improved between 2003 and 2004, both before and after restructuring costs.

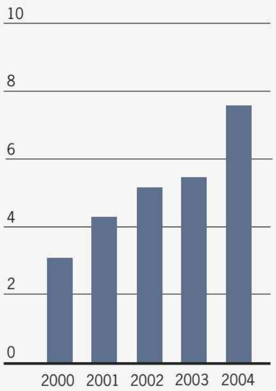
Restructuring measures yielding result

SEB AG Group – entire operations in Germany

Cost/income-ratio[1)]



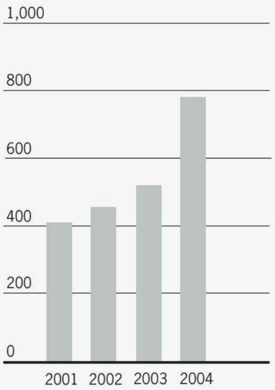
Return on allocated capital[1)], %



1) Excl. one off items.

Operating result development[2)]

German Retail & Mortgage Banking, SEKm



2) Excl. restructuring costs, and capital gain from sale of Deutsche Börse, 2001.

Eastern European Banking

Substantial volume growth contributed to an operating result well exceeding SEK 1 billion.

FACTS EASTERN EUROPEAN BANKING

Mats Kjær Head of Division

The division comprises the three wholly owned Baltic banks **Eesti Ühispank** (Estonia), **Latvijas Unibanka** (Latvia) and **Vilniaus Bankas** (Lithuania). The three banks serve more than 2.1 million individuals, including 890,000 Internet customers and 156,000 corporations via a branch network that comprises some 200 branch offices, and via Internet banks. SEB's fund company, **SEB TFI**, and the listed Polish bank **Bank Ochrony Środowiska, BOŚ**, of which SEB owns 47 per cent, also form part of the division.

BOŚ was established in 1991. It has a staff of 1,750 (not included in SEB's total number of staff) and 89 branch offices.

	2004	2003
Percentage of SEB's total income	9	9
Percentage of SEB's operating result	12	11
Percentage of SEB's staff	23	23

Profit and loss account

SEKm	2004	2003	Change, per cent
Net interest income	1,560	1,370	14
Net commission income	760	659	15
Net result of financial transactions	209	205	2
Other operating income	51	108	–53
Total income	**2,580**	**2,342**	**10**
Staff costs	–706	–694	2
Other operating costs	–514	–503	2
Amortisation of goodwill	–49	–49	0
Depreciation and write-downs	–196	–196	0
Total costs	**–1,465**	**–1,442**	**2**
Net credit losses etc	–85	–84	1
Write-downs of financial fixed assets	–2	–3	–33
Net result from associated companies	48	30	60
Operating result from insurance operations	31	16	94
Operating result	**1,107**	**859**	**29**

Cost/Income ratio	0.57	0.62
Allocated capital, SEKbn	4.0	3.3
Return on capital, %	19.8	18.7
Number of full time equivalents, average	4,043	4,127

Continued growth

Economic growth rates of the Baltic countries are still amongst the highest in Europe with GDP growth of 6 to 8 per cent.

The loan portfolio of SEB's Baltic banks increased by 32 per cent during the year, totalling SEK 48bn. Particularly high growth was seen in the household sector. The mortgage loan portfolio increased by 57 per cent, representing around 17 per cent of the division's total loan portfolio. Deposits rose by 27 per cent, to SEK 36bn. The combined market share of the three Baltic banks was 29 per cent for loans and 31 per cent for deposits.

Market share per country

	Estonia[1]	Latvia[2]	Lithuania
Loans	34%	22%	35%
Deposits	29%	25%	34%

1) Excluding loans to financial institutions
2) Resident deposits only

The interest in mutual fund and life insurance products is growing fast, albeit from a low starting level. SEB's banks have an important share of these markets. Eesti Ühispank, for example, has a market share of 25 per cent within life insurance and of 27 per cent of the mutual fund market in Estonia, while Vilniaus Bankas' share of the Lithuanian unit-linked insurance market is 44 per cent.

Assets under management increased by 14 per cent, totalling SEK 7bn at year-end 2004. The Baltic banks reported particularly strong growth rates, at 44 per cent.

The Polish fund company SEB TFI manages more than half of the division's total assets under management and has a market share of about 5 per cent in Poland.

Strong result development

Total accumulated result for the year was 29 per cent higher than in 2003, well exceeding one billion SEK for the first time in the history of the division.

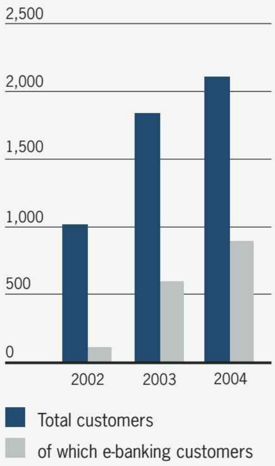
Total income rose by 10 per cent. Although margins showed a downward trend during the year, net interest income increased due to continued strong development of lending and deposit volumes.

The main sources of commission income were credit and charge cards, lending, fund management and payment fees.

Despite strong growth, the cost increase was limited to 2 per cent, which improved the cost/income ratio to 0.57 (0.62). Net credit losses were at the same level as last year, SEK 85m (84). The quality of the loan portfolio improved over the year.

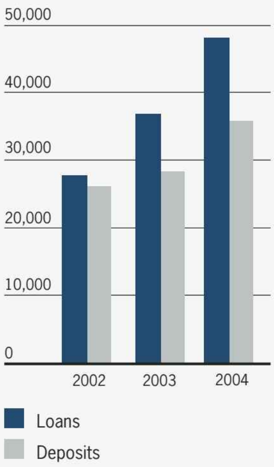
Customer growth, SEB's Baltic banks

Number of customers, in thousands

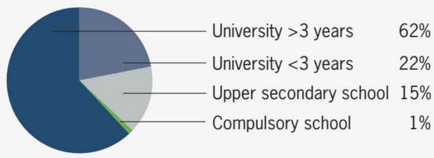


Loans and deposits, SEB's Baltic banks

SEKm



Educational level, SEB's Baltic banks



The life insurance result, SEK 31m, was almost twice as high as in the previous year. Life insurance and asset management represented 8 per cent of the division's total result for the year.

Contribution from BOŚ bank amounted to SEK 48m (SEK 30m).

Improved customer offerings

The number of clients continued to increase both within the household and corporate sectors. Total number of clients rose by 15 per cent compared with the same period last year, while the number of Internet clients increased by 47 per cent to 890,000. This means that SEB now has more bank and Internet customers in the Baltic countries than in Sweden.

In the spring of 2005 the division will go through a rebranding process, adding SEB's name to each local name as its new brand name.

In order to increase customer satisfaction Vilniaus Bankas has appointed a private economist, a new concept in the Baltic countries that has already been very well received by the market.

During 2004 SEB has gone through a process of moving the management of SEB's Eastern European funds from Sweden to Eesti Ühispank, thus leveraging the whole competence of the SEB Group.

By introducing equity-linked deposits, Eesti Ühispank and Vilniaus Bankas broadened their range of savings products, which was much appreciated by their customers.

In 2004, the SEB Group took further steps to support its customers in the East-European markets through Vilniaus Bankas' acquisition of Bank Agio in the Ukraine. The purchase of 95 per cent of the shares in Bank Agio was completed in January 2005. SEB furthermore increased its Russian activities through its leasing company in Saint Petersburg and initiated a process to obtain a banking license in Russia.

The acquisition of Bank Agio as well as the planned enhanced investments in Russia are building upon the competence within SEB's Baltic operations and in line with SEB's traditional ambition to follow its corporate clients in their international expansion.

SEB Asset Management

Strong equity markets and increased sales led to substantially improved earnings.

FACTS SEB ASSET MANAGEMENT

Harry Klagsbrun Head of Division

SEB Asset Management offers a broad range of asset management expertise and services to institutions, life insurance companies and private individuals, among others. The offerings include equity and fixed income, private equity, real estate and hedge funds management. The division has about 100 portfolio managers and analysts. On 31 December 2004, total assets under management amounted to SEK 639bn.

SEB Asset Management aims to be the leading asset manager in its markets in terms of customer satisfaction and profitability.

The division's activities, comprising administration, packaging, management and sales of mutual funds and institutional portfolios, are conducted in Sweden, Denmark, Finland, Luxembourg and Germany. Sales are carried out through the Group's branch offices and private banking entities, but also through the division's own sales-force, the Internet, telephone and call centres.

SEB Asset Management's investment philosophy is to achieve superior results in the long term through active portfolio management.

	2004	2003
Percentage of SEB's total income	6	5
Percentage of SEB's operating result	8	6
Percentage of SEB's staff	2	3

Profit and loss account

SEKm	2004	2003	Change, per cent
Net interest income	77	83	–7
Net commission income	1,516	1,235	23
Net result of financial transactions	9	3	200
Other operating income	22	18	22
Total income	**1,624**	**1,339**	**21**
Staff costs	–471	–521	–10
Other operating costs	–358	–330	8
Amortisation of goodwill	–3	–7	–57
Depreciation and write-downs	–19	–26	–27
Total costs	**–851**	**–884**	**–4**
Operating result	**773**	**455**	**70**

Cost/Income ratio	0.52	0.66
Allocated capital, SEKbn	1.8	1.8
Return on capital, %	30.9	18.2
Number of full time equivalents, average	443	474

Strong results

The division's result increased by 70 per cent compared with last year. Profit from operations outside Sweden developed even stronger and accounted for approximately one third of the result. Income for the year increased by 21 per cent, mainly thanks to strong equity markets and significantly increased performance fees. Costs were lower than in 2003 as a result of lower staff costs and lower performance-related remuneration, particularly in the fourth quarter. The sale of the U.S. operations in the second quarter contributed to the cost decrease, too.

The cost/income ratio improved to 0.52 from 0.66.

Strong net sales despite weak markets

The division as a whole reported strong net sales during 2004. Net sales rose by 63 per cent, to SEK 26bn (16). Institutional sales were strong across the board, where the entities outside Sweden accounted for two thirds of total net sales. Retail sales showed a somewhat weaker development, especially after the summer.

In Sweden, SEB's net sales of its own mutual funds was SEK 4.1bn (9.3), compared to a total market of SEK 56bn (70). This represents a market share of 7.4 per cent (13.4). The decrease was mainly explained by net outflow from institutional clients. Net sales of external mutual funds (which are not included in the official market share statistics) were at the same level, approximately SEK 3bn, as last year, representing approximately 40 per cent of total net sales of funds. The total value of external funds was SEK 11bn (8) at year-end 2004.

The division's total assets under management increased by 7 per cent, to SEK 639bn, including external mutual funds.

Of total assets under management, the equity part represented 38 per cent (35) and fixed income 56 per cent (56). Total mutual funds including external funds represented 39 per cent (36) of the division's assets under management, totalling SEK 250bn (213), of which SEK 181bn (154) in Sweden.

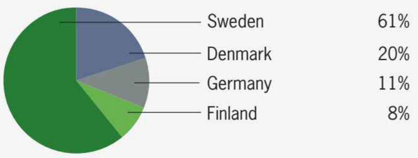
Difficult year for asset managers

Like most of its major domestic and international competitors, SEB's investment performance in relation to index benchmark was not satisfactory. However, SEB's long term performance in relation to the mutual fund peer group improved during the year, which resulted in an increased Morningstar rating. Swedish mutual funds performed slightly better than peer group benchmarks. The work on enhancing and refining investment processes and methods continues and is high on the agenda. The aim is to create the best possible investment return for all clients.

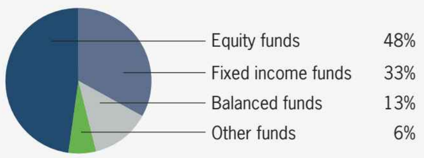
Assets under management

Per asset type
Total amount SEK 639bn

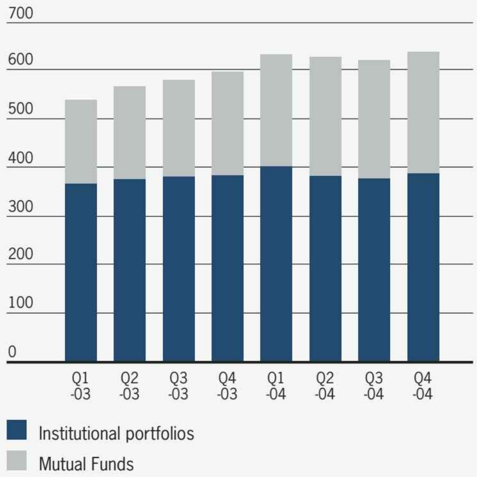
Per country
Total amount SEK 639bn



Mutual funds per asset type
Total amount SEK 251bn

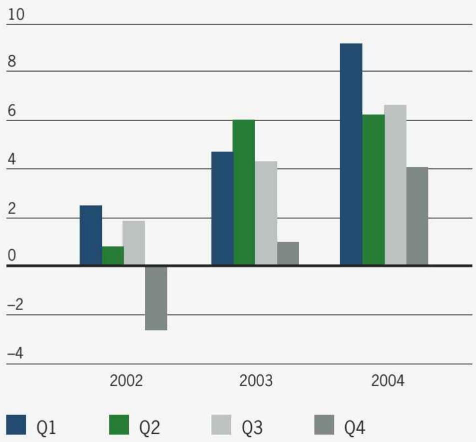


Assets under management per product type, SEKbn
Total amount SEK 639bn



SEB Asset Management manages 72 per cent of the SEB Group's total assets under management

Net sales, SEKbn
Total net sales SEK 26bn 2004



Increased focus on customer satisfaction and sales

During the year, a number of client surveys confirmed SEB Asset Management's strengthened position in the institutional segment as well as within retail in all home markets. In a Swedish mutual funds client survey, conducted by Prospera, SEB came in second place compared to tenth in the previous survey from 2002. In Denmark, 120 institutional clients ranked SEB Asset Management third among approximately 30 firms. Another example confirming the positive trend was the SFR survey in Finland, where SEB got a shared top position among institutional clients.

The division has made several senior recruitments to strengthen sales, product development, operations and investment management, including new teams for asset classes such as corporate credits and alternative investments. Continued investments in people and processes involved in the investment management activities will strengthen the delivery of competitive products and long-term investment returns to our clients.

SEB Trygg Liv

Successful strategy behind the division's best result to date.

FACTS SEB TRYGG LIV

Anders Mossberg Head of Division

The business concept of SEB Trygg Liv is to offer customers security throughout life with the help of insurance and security solutions. It offers private individuals and companies a complete range of products in the field of social security such as pensions, occupational pensions, health insurance, nursing insurance and rehabilitation insurance. In addition, SEB Trygg Liv offers endowment insurance and is responsible for the IPS product (Individual Pension Savings) as well as for premium pension activities. As an added value customers are offered secure housing for senior citizens.

SEB Trygg Liv has 1.5 million customers and operates in Sweden, Denmark, Finland, Ireland, Luxembourg and the UK. After the acquistion of Codan Pension, the division has some 1,150 employees. Its activities are focused on the sale and administration of unit-linked insurance products and their equivalent for account of the traditional mutual life insurance companies Nya and Gamla Livförsäkringsaktiebolaget SEB Trygg Liv respectively. These companies are not consolidated with the SEB Trygg Liv Holding Group, which only receives a fee for the administrative and sales services provided.

	2004	2003
Percentage of SEB's operating result	5	2
Percentage of SEB's staff	5	4

Profit and loss account

SEKm	2004	2003	Change, per cent
Total income	**1,941**	**1,450**	**34**
Total costs	**–1,425**	**–1,291**	**10**
Result from associated companies	–8	–10	–20
Operating result[1]	**508**	**149**	
Change in surplus values, net	1,470	1,739	–15
Business result[2]	**1,978**	**1,888**	**5**
Change in assumptions	789	–94	
Financial effects of short-term market fluctuations	101	296	–66
Total result	**2,868**	**2,090**	**37**

	2004	2003
Allocated capital, SEKbn	5.2	4.3
Return, business result, %	27.3	31.6
Number of full-time equivalents, average	816	721

1) In the SEB Group reporting, SEB Trygg Liv is accounted for according to the same principles as associated companies – one-line accounting. Accordingly, only the operating result is consolidated in the SEB Group's accounts.

2) An insurance company´s costs for an insurance policy mainly arise when the contract is written. On the other hand, income accrues regularly throughout the duration of the policy. This means that in periods of rapid growth in the insurance portfolio, actual costs exceed income, which thus has a negative impact on the operating result. At the same time, surplus values in operations increase. in order to provide a more true presentation of the life insurance business, the total result is presented including the current period change in surplus values being the present value of future profits from existing insurance contracts.

Best result to date

In 2004, SEB Trygg Liv achieved its best annual result ever. All the six latest quarterly results have exceeded the preceding quarter. The year's operating result of the profit-distributing operations amounted to SEK 379m (149), excluding the recently acquired Codan Pension, and SEK 508m including Codan Pension. The company is consolidated in SEB Trygg Liv from 1 October, 2004 and contributed SEK 129m to the result in the fourth quarter.

Income, excluding Codan Pension, rose by 17 per cent compared with the preceding year, as a result of increased assets under management and a higher number of customers. Total cost increases were limited to 1 per cent.

The new business margin improved for the fourth consecutive year to 19.5 per cent (18.1), excluding Codan Pension.

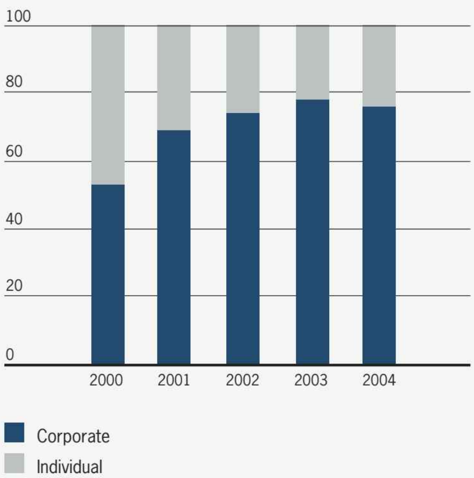
The business result (which includes changes in surplus values) amounted to SEK 1,978m (1,888). At present, surplus values are not calculated in the Danish operations. The surplus values are not included in the SEB Group's result and balance sheet.

Strong position within occupational insurance in Sweden

Sales by the companies in Sweden, Ireland and Luxembourg improved by 7 per cent to SEK 29.6bn (27.6), measured as weighted volume. Sales of unit-linked insurance, which are prioritised, accounting for 90 per cent of total sales, increased by 15 per cent. The rate of sales growth levelled off gradually during the year, but SEB Trygg Liv continued to strengthen its position as the market leader within unit-linked insurance in Sweden, with a share of new business of 34.8 per cent (29.5).

Growing corporate market

SEB Trygg Liv's sales in Sweden divided between individuals and corporations, weighted sales, %



Volumes, excluding Codan Pension

SEKm	2004	2003
Sales volume [1] insurance		
Total	**29,622**	**27,650**
Traditional life insurance	2,539	4,039
Unit-linked insurance	27,083	23,611
Premium income		
Total	**15,106**	**13,223**
Traditional life insurance	4,048	4,410
Unit-linked insurance	11,058	8,813
Assets under management		
Total	**232,900**	**214,300**
Traditional life insurance [2]	166,800	157,900
Unit-linked insurance	66,100	56,400

1) Measured as weighted volume: single premiums + 10 times regular premiums.
2) Defined as net assets, i.e. investments after deduction of other financial assets and liabilities.

Codan Pension

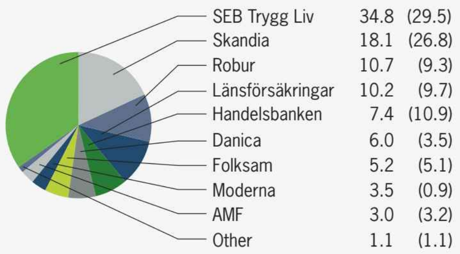
	2004	2003
Premium income, SEKm		
Single premium	1,066	798
Regular premium	3,539	3,392
Total	**4,605**	**4,190**
Traditional insurance	4,053	3,898
Unit-linked insurance	552	292
Total	**4,605**	**4,190**
Assets under management, SEKbn		
Traditional insurance	76.0	73.0
Unit-linked insurance	1.0	0.4
Total	**77.0**	**73.4**
Operating result, SEKm	**328**	**385**
Expense ratio, %	**10.6**	**19.2**
Total return, %	**10.4**	**6.8**

The increase in sales during the year was attributable to occupational pensions, but also to a new endowment pension product that was launched in December by the Irish company SEB Life. The company's sales increased tenfold to SEK 818m (76). The new branch office in Luxembourg, primarily for Swedes living abroad, contributed to the increase.

Since occupational pensions represent 75 per cent of total sales, distribution through insurance brokers continues to be of great importance.

Assets under management amounted to SEK 233bn (214) excluding, and to SEK 311bn including Codan Pension. Premium income (premiums paid), excluding Codan Pension, increased by 14 per cent to SEK 15.1bn (13.2). Premium income from unit-linked insurance increased by 25 per cent, to SEK 11.1bn. Total payments into Individual Pension Savings (IPS) increased by 11 per cent, to 683m (613), while new sales rose by 50 per cent. Payments into PPM amounted to SEK 573m (542).

Unit-linked insurance in Sweden, new business, 2004
Per cent



Source: The Swedish Insurance Federation statistics

The fund offering within unit-linked insurance was strengthened during the year through a hedge fund, SEB Global Hedge. With some 80 funds SEB Trygg Liv is one of the insurance companies with the largest range of insurance funds in Sweden.

Even if international comparisons show that transfer rights for insurance policies are not frequently used, the possibility to transfer policies is of great value to customers. A decision was therefore made to introduce transfer rights for occupational pensions in unit-linked insurance, effective January 1, 2005. Transfer rights for private unit-linked pension insurance were introduced in 2003.

The concept "Lönsam Hälsa" (profitable health) was launched, enabling companies to reduce sickness absenteeism. By working in a structured way with preventive measures, good results will follow. The sickness and health insurance products were further developed during the year in line with increasing demand. SEB Trygg Liv foresees a significant market potential for these products. As part of the ambition to offer security throughout all phases of life, two new housing projects for senior customers were started in Gothenburg and Stockholm.

Codan Pension – Denmark

The acquisition of Codan Pension was part of SEB's ambition to strengthen its position in northern Europe and within the life insurance area. The acquisition was completed according to plan on 1 October, 2004.

The Danish occupational pension market has achieved annual growth rates of 10 per cent since 2000, while the private market has shown virtually zero-growth. Codan Pension's growth rate within occupational pension has been in the range of 15-18 per cent in recent years, and the company has thus increased its market share. Measured in premium income, Codan Pension is the fourth largest life insurance company in Denmark, with a market share of 9 per cent.

The company sells savings, life and health insurance to private individuals and corporate clients via proprietary private and corporate salespersons, via Codan Forsikring (general insurance) and via insurance brokers. Savings insurance is available both as unit-linked and traditional insurance (in

Sales margin, excluding Codan Pension

SEKm	2004	2003
Sales volumes weighted (regular + single/10)	2,962	2,765
Present value of new sales (9% disount rate[1])	1,525	1,409
Selling expenses	–947	–909
Profit – new business	**578**	**500**
Sales margin	**19.5%**	**18.1%**

1) Changed to 8 per cent at the end of 2004.

Traditional insurance in Sweden

As per 31 December 2004	Gamla Liv	Nya Liv
Assets under management, net assets SEKm	155,700	11,100
Result for the period after tax on return, SEKm	13,266	211
Premium income, SEKm	2,749	1,299
Collective consolidation ratio[1], retrospective reserve, %	106	101
Bonus rate, %	4	3
Solvency ratio[2], %	164	109
Capital base, SEKm	60,728	896
Required solvency margin, SEKm	4,030	483
Solvency quota[3]	15.1	1.9
Total return, %	10.2	5.2
Share/Exposure of equities in investment portfolio, %	35	0
Share of fixed income, %	56	100
Share of real estate, %	9	0

1) The collective consolidation ratio shows the company's assets in relation to its commitments to policyholders. The commitments include both guaranteed and non-guaranteed values.
2) The company's net assets (incl. share capital and subordinated debts) in relation to the guaranteed commitments in the form of technical provisions.
3) Quota capital base/required solvency margin.

profit-distributing companies). In the private market, unit-linked insurance accounts for the major part of sales, while a large share of the corporate market consists of traditional insurance, since certain business areas still do not offer unit-linked insurance as an investment alternative.

Codan Pension's sales in 2004 amounted to SEK 6.9bn, measured as weighted volume, of which sales to corporates accounted for 65 per cent. The share of the corporate business sold by insurance brokers was 40 per cent. Assets under management amounted to SEK 77bn and premium income to SEK 4.6bn in 2004.

Traditional life insurance in Sweden

The insurance companies Gamla and Nya Livförsäkringsaktiebolaget are not profit-distributing companies and, accordingly, not consolidated with SEB Trygg Liv's result. The 2004 result for Gamla Liv amounted to SEK 13,266m (11,025) and to SEK 211m (109) for Nya Liv. Total return was 10.2 per cent and 5.2 per cent, respectively.

Nya Livförsäkringsaktiebolaget has applied to the Swedish Financial Supervisory Board for approval to transfer parts of its insurance portfolio to Fondförsäkringsaktiebolaget SEB Trygg Liv. The intention is to streamline Nya Liv's operations and to improve its capital situation.

Report of the directors

Financial Review of the Group

The SEB Group continued to develop positively during 2004 mainly due to the following factors: SEB's strategy of focusing on its home markets in Northern Europe in combination with its internal "3 C" change programme, defined as Customer satisfaction, Cross-servicing (which means increased co-operation and cross-selling within the Group) and Cost efficiency.

In line with the strategy of strengthening the Group's position in Northern Europe three complimentary acquisitions were made during the year:

- SEB Trygg Liv acquired Codan Pension, one of Denmark's leading life insurance companies, for SEK 3.3bn. The purchase was finalised on 1 October.
- SEB Kort acquired Eurocard's card-issuing activities in Denmark for SEK 490m. This purchase was completed in August, 2004.
- SEB's subsidiary bank in Lithuania, Vilniaus Bankas, signed an agreement in October concerning the acquisition of more than 90 per cent of the shares of the Ukrainian Bank Agio. In January 2005, the purchase of 95 per cent of the shares was completed, an investment of about SEK 200m.

In order to support the international business of its home market customers in the Nordic region, the Baltic countries and Germany, SEB applied for a banking licence in Shanghai during the year.

There were no major organisational changes during 2004. As previously, the Group's activities were carried out through the following divisions:

Corporate & Institutions – through the Merchant Banking business area – is responsible for trading in currencies and interest-bearing instruments, cash management, lending, export and project finance, custody services etc. for large and medium-sized companies as well as institutions. Enskilda Securities comprises financial advisory services, equity trading and equity research. During 2004 a new business unit was set up, Commercial Real Estate (the management of which is stationed in Germany), in order to exploit the potential of the real estate market.

Nordic Retail & Private Banking comprises Retail, i.e. the network of branch offices, telephone and Internet services, Private Banking (asset management services) and SEB Kort (cards).

German Retail & Mortgage Banking comprises the activities of the subsidiary group SEB AG with the exception of the largest corporate and institutional clients, which form part of Merchant Banking, and the fund management, which forms part of SEB Asset Management.

Eastern European Banking (formerly SEB Baltic & Poland) comprises three Baltic subsidiary banks (Eesti Ühispank, Latvijas Unibanka and Vilniaus Bankas) , SEB's Polish mutual fund company SEB TFI, SEB's participation (47 per cent) in the Polish Bank Ochrony Środowiska, BOŚ.

SEB Asset Management is responsible for the sale and management of mutual funds and institutional mandates.

SEB Trygg Liv comprises life insurance and pension services, with a special focus on unit-linked insurance.

Result and profitability

SEB publishes both an operational profit and loss account and a statutory profit and loss account in accordance with the directives of the Financial Supervisory Authority (FSA).

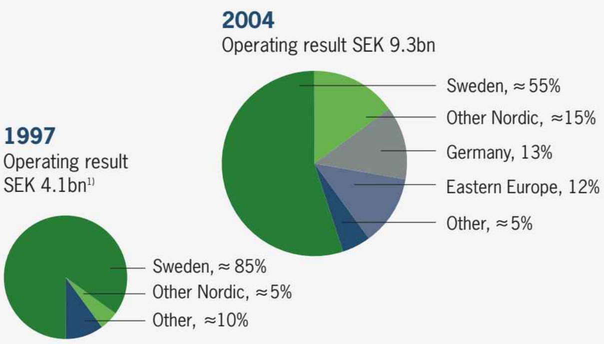
As from 2002, the insurance business operating result (excluding changes in surplus values) is reported on one line both in the statutory and operational profit and loss accounts. SEB's insurance business consists mainly of life insurance but also of non-life (run-off only).

Comparisons with the preceding year are affected by new accounting principles, capital gains and restructuring costs.

New accounting principles regarding employee benefits are included in the accounts since January 2004. This change has had a negative impact of SEK 231m on the operating result compared with 2003.

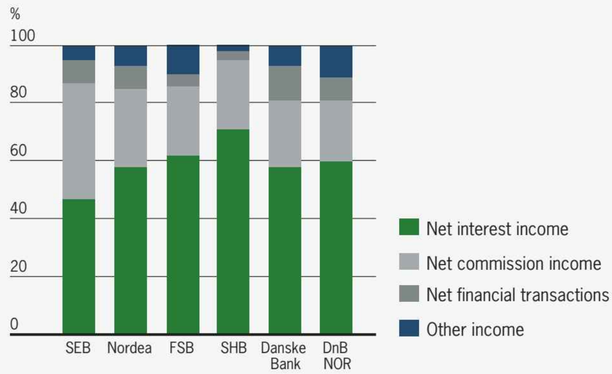
Solid platform provides broader profit contribution

Total operating result SEB Group



1) Excl. restructuring costs of SEK 1,018m

SEB's income distribution compared with the other major Nordic banks



SEB's commission income traditionally weighs heavier than that of other Swedish banks due to the Group's specialisation on advisory services and more transaction-intensive activities with large companies and demanding private customers.

Profit and loss account, quarterly basis

SEKm	2004:4	2004:3	2004:2	2004:1	2003:4
Net interest income	3,381	3,346	3,352	3,442	3,498
Net commission income	2,956	2,620	2,871	2,852	2,718
Net result of financial transactions	532	384	430	830	640
Other operating income	379	307	364	179	257
Total income	**7,248**	**6,657**	**7,017**	**7,303**	**7,113**
Staff costs	–2,751	–2,683	–2,737	–2,741	–2,623
Other operating costs	–1,746	–1,459	–1,573	–1,540	–1,661
Amortisation of goodwill	–143	–151	–210	–151	–153
Depreciation and write-downs	–212	–170	–183	–188	–210
Restructuring costs		–39	–49	–75	
Total costs	**–4,852**	**–4,502**	**–4,752**	**–4,695**	**–4,647**
Net credit losses etc[1)]	–188	–166	–135	–212	–330
Write-downs of financial fixed assets	–28	–4	1		–43
Net result from associated companies	8	5	9	–1	32
Operating result from insurance operations[2)]	334	98	60	68	69
Operating result	**2,522**	**2,088**	**2,200**	**2,463**	**2,194**

1) Including change in value of seized assets

2) Result from SEB Trygg Liv, non-life and pertaining goodwill amortisation

	2004:4	2004:3	2004:2	2004:1	2003:4
of which SEB Trygg Liv	243	106	81	78	64
Change in surplus values, net	531	265	335	339	464
Business result	**774**	**371**	**416**	**417**	**528**

Key ratios

	2004	2003
Return on equity, %[1)]	13.2	12.3
Return on equity excl goodwill, %	19.3	19.0
Return on total assets, %	0.46	0.45
Return on risk-weighted assets, %	1.19	1.10
Earnings per share (weighted average number), SEK[2)]	9.69	8.22
Earnings per share (total shares issued), SEK	9.35	8.10
Cost/income ratio	0.67	0.67
Cost/income ratio, excl goodwill	0.64	0.65
Credit loss level, %	0.10	0.15
Reserve ratio for doubtful loans, %	72.2	66.3
Level of doubtful loans, %	0.31	0.52
Total capital ratio, %	10.29	10.23
Core capital ratio, %	7.76	7.97
Core capital ratio excl goodwill, %	6.83	6.90
Risk-weighted assets, SEKbn	570	535
Number of full time equivalents, average	17,772	18,067
Number of e-banking customers, thousands	1,953	1,614
Assets under management, SEKbn	886	822

1) Return on equity, excluding amortisation of goodwill and including estimated costs for employee stock option programme according to new accounting principles from 2005, is calculated at 14.7 per cent for January–December 2004.

2) Issued number of shares 704,557,680 of which SEB has repurchased 19.4 million Series A shares for the employee stock option programme and another 16.7 million shares for the improvement of the capital structure of the Bank as decided at the 2004 Annual General Meeting. Earnings per share after full dilution, calculated in accordance with the recommendations of the Swedish Financial Accounting Standards Council, was SEK 9.56 (8.19).

The new standard, IFRS, must be applied by all publicly traded companies from 1 January 2005 according to an EU regulation. A description of the new accounting principles and their effect on SEB's profit and loss accounts, return on equity and earnings per share is found in the section "Transition to IFRS/IAS" on page 55.

Income

Total income increased by 4 per cent, to SEK 28,225m (27,071), mainly due to higher net commission income from the capital market and to card fees.

Net interest income decreased somewhat, to SEK 13,521m (13,782). Continuously increased volumes, particularly of mortgage and corporate lending and deposits, had a positive impact, while generally low interest rates had a negative effect. In the first half of the year, the Swedish central bank lowered its interest rate by 75 basis points, to 2.0 per cent. The ECB kept its 2.0 per cent level throughout the year. In addition, new accounting principles for employee benefits had a negative impact of SEK 120m.

Net commission income rose by 11 per cent, to SEK 11,299m (10,218), due to higher stock market-related income, particularly at the beginning of the year. Brokerage income was up by 12 per cent and administrative fees by 22 per cent, compared with 2003. Credit and charge card commissions increased by 13 per cent.

Net result of financial transactions increased by 4 per cent, to SEK 2,176m (2,084).

Other income totalled SEK 1,229m (987), including capital gains of SEK 292m from the sale of SEB's shares in Amagerbanken, Denmark, SEK 210m and from Euroline, Norway SEK 82m.

Costs

Total costs increased by 4 per cent, to SEK 18,801m (18,135). Restructuring costs of SEK 163m in Germany and a one-off write-down of goodwill by SEK 58m in the second quarter had a negative effect. Excluding these one-off items and the effects of changed accounting principles, costs were virtually unchanged.

Staff costs totalled SEK 10,912m (10,499), mainly due to new accounting principles, a new performance-based programme for all employees in Sweden and Merchant Banking's growth strategy outside Sweden, primarily in Germany and the other Nordic countries.

The number of full time equivalents in December 2004 was 18,087, an increase of 255 compared with 2003. Excluding Codan Pension, Eurocard Denmark and approximately 100 new recruits within Merchant Banking, the number of positions dropped by 225.

Other operating costs were stable, at SEK 6,318m (6,191) in spite of investments in new IT systems, preparations for Basel II and for new accounting principles (IFRS). Total IT-costs (defined as a calculated cost for all IT-related activities including own staff) were SEK 3.6bn (3.5).

Credit losses

The Group's *net credit losses*, including change in value of seized assets, dropped to SEK 701m (1,006). Incurred losses and provisions for probable losses totalled SEK 1,731m (2,576), whereas recoveries and dissolution of reserves, including the country risk reserve, amounted to SEK 988m (1,595).

The credit loss level was 0.10 per cent (0.15) and the quality of the credit portfolio remained stable.

Insurance operations

SEB Trygg Liv's operating result increased to SEK 508m (149) including Codan Pension as from the fourth quarter and to SEK 379m excluding that company. The result has been included in the Group's result.

SEB Trygg Liv's business result (including changes in surplus values but excluding financial effects of short-term market fluctuations), was SEK 1,978m (1,888).

The change in surplus values of SEK 1,470m is not included in the Group's operating result. Changes in surplus values and their effects are described in the section of SEB Trygg Liv on pages 34–36.

The result of the SEB Group's total insurance operations, non-life (run-off only) and life including goodwill amortisation of SEK 147m (147) amounted to SEK 560m (78).

Operating result

The SEB Group's *operating result* for 2004 was up by 16 per cent, to SEK 9,273m (7,963), the best one achieved to date. German restructuring costs together with the effects of the new accounting principles concerning employee benefits affected the result negatively by SEK 394m. Excluding these effects, profits increased by 21 per cent.

Approximately 45 per cent of the result was generated in SEB's markets outside Sweden.

Earnings per share and return on equity

	2004	2003
Net profit (after tax), SEKm	6,590	5,704
Earnings per share, SEK	9.69	8.22
Million shares, weighted number	679.8	693.5
Return on equity, %	13.2	12.3
Average equity, SEKm	49,863	46,182

Tax costs

Total tax amounted to SEK 2,666m (2,247). SEK 3,034m (1,402) represented taxes paid, SEK –669m (761) deferred tax and SEK 301m (84) taxes for previous years. The total tax rate was 28.7 per cent (28.2). The increase was mainly due to tax for previous years.

Net profit

SEB's profit after tax increased by 16 per cent, to SEK 6,590m (5,704). Return on equity improved to 13.2 (12.3). Earnings per share increased to SEK 9.69 (8.22), calculated on weighted number of shares.

Financial structure

Balance sheet

The Group's balance sheet total , SEK 1,591bn, increased by 24 per cent since year-end 2003 (1,279) due to increased lending to, and deposits from, the general public and to high customer activity as regards repos and trading activities. The consolidation of Codan Pension during the fourth quarter led to an increase of SEK 81bn respectively SEK 77bn in the assets and liabilities of the insurance operations. The increased volumes had a limited effect on the Group's risk-taking. While risk-weighted assets increased by 6 per cent, the Group's risk-taking in trading operations decreased (Value at Risk).

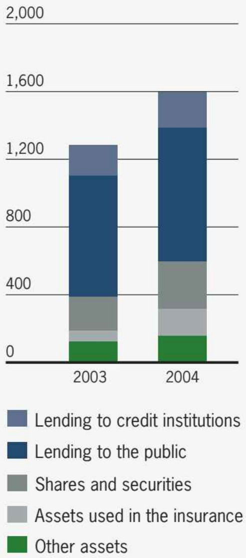
As a result of the new accounting principles for employee benefits, the Group's pension assets and commitments have been consolidated in the balance sheet. As from the beginning of 2004, the consolidation contributed SEK 1.4bn to equity (included in the core capital as well).

Assets

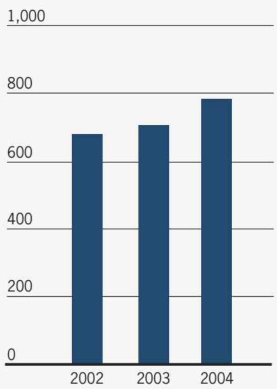
The most important asset item on the balance sheet is lending to the public, which rose to SEK 783.0bn (707.5) during the year. Lending to credit institutions showed a strong increase to SEK 207.7bn (179.3).

Total credit exposure, including contingent liabilities and derivatives contracts, amounted to SEK 1,134.3bn (see further under Risk and capital management on page 42). Assets in insurance operations amounted to SEK 155.0bn (62.7) as detailed in Note 28.

Balance sheet
SEK bn



Lending to the public
SEK bn



Securities portfolios

At year-end 2004, the market value of the trading portfolios of the SEB Group was SEK 257.4bn (186.7). Holdings in these portfolios, which are classified as financial current assets, are valued at market. The portfolios consist of immediately liquid and pledgeable securities in SEK, euro, U.S. dollars and other important currencies. This year's higher level is a reflection of increased trading activities in investment grade instruments; credit and market risk levels for the portfolios show minor changes only.

The investment portfolio had a book value of SEK 2.4bn (2.5) at year-end. It is classified as a fixed asset and valued at amortised acquisition value.

Derivatives

At year-end 2004, the notional value of the Group's derivatives contracts totalled SEK 5,434bn (5,502). The volumes are primarily driven by offering clients derivatives products for management of their financial exposures. The Group manages the resulting positions through entering offsetting contracts in the market place. As a consequence, the mix of derivatives as detailed in Note 49 largely reflects the demand of our customer base. The customer and market making transactions form part of the trading book and are valued at market on a continuous basis.

The Group also uses interest rate swaps for the purpose of protecting the cash-flows and real value of the Bank's fixed-interest assets and liabilities from interest rate fluctuations. These hedge transactions constitute 4 per cent of the total derivatives volume. The efficiency of the hedge transactions is measured continuously. Since the underlying contracts shall not be valued at market, according to current accounting practice, the changes in value in the hedging derivatives are not reported over the profit and loss. From 2005, IFRS offers corresponding possibilities to neutralise profit and loss volatility via the options for cash-flow and fair value hedge accounting.

The major portion of the Group's derivatives engagements is related to contracts with short maturity, which are dominated by interest- and currency-related forwards. A minor portion consists of exchange-traded derivatives contracts, where profits and losses are continuously settled on a cash basis. The counter-parties in the market place are mainly Swedish and international banks of very high quality as well as central banks.

In accordance with Swedish accounting standards, the positive and negative closing gains, calculated as the difference between the current market price and the entry price for each derivatives contract, are reported on a gross basis on the balance sheet under other assets and liabilities. Netting contracts (i.e. being able to offset negative against positive closing gains) are disregarded in this calculation but form a very important part of the Group's credit risk mitigation strategy. With all major derivatives counterparties, SEB strives to enter agreements about netting and, where relevant, marginal collaterals, thereby reducing the exposure in the event of a counterparty default.

Positive market values imply a counterparty risk; to reflect also future uncertainty in market conditions a credit risk equivalent is calculated. Depending upon type of contract, currency and remaining maturity, an add-on to the current market price is computed. The credit risk equivalent is fully consolidated in the Group's credit exposure. On a net basis, the total credit risk equivalent at year-end was SEK 49.6bn (49.9), with further details on exposures by industry given in table on page 44.

Intangible fixed assets, including goodwill

At year-end 2004 intangible fixed assets totalled SEK 10.1bn (10.5), of which the absolute majority consisted of acquisition goodwill.

The most important goodwill items were related to the following: the acquisition of the Trygg-Hansa group in 1997, the Group's build-up of banking activities in the Baltic countries and Poland during the period 1998–2001, and investments in the credit card business in Norway and Denmark. At year-end 2004, remaining goodwill in connection with the Trygg-Hansa acquisition was SEK 5.3bn, the Baltic acquisitions SEK 1.7bn, and card business SEK 1.1bn, to which goodwill in connection with other acquisitions of SEK 1.5bn should be added. It is classified as a fixed asset and valued at amortised acquisition value.

Further information is found in Note 29.

Deposits and borrowing

The financing of the Group consists of deposits from the public (households, companies, etc.), loans from Swedish, German and other foreign financial institutions and issues of money market instruments, bonds and subordinated debt. The Group primarily funds itself on the Swedish and German money and capital markets.

Deposits and borrowing from the public increased by SEK 23.5bn to SEK 517.5 (494.0). Liabilities to credit institutions increased by SEK 110,3bn to SEK 357.2bn (246.9), thereby financing much of the increased holdings of securities and trading related assets.

Securitisation

During 2000, SEB BoLån carried out a securitisation of single family house loans for a total of SEK 8bn. These loans were sold to a special purpose entity, Osprey Mortgage Securities (No.10) Limited, and the sale was recognised as a true sale. The administration of the loans is handled by SEB in the same way as before the securitisation took place. However, SEB BoLån still has certain claims on the company that purchased the loans. These claims should be regarded as credit support of the special purpose company. When calculating the capital adequacy ratio, the value of the claims is deducted from the capital base. At year-end 2004 the effect of the securitisation on the SEB Group's capital adequacy ratio was marginal.

Three Crowns Funding

SEB administers a special purpose entity, Three Crowns Funding LLC, for the purpose of issuing certificates under an asset-backed commercial paper programme. Top-rated bonds have been purchased as collateral for these certificates. Any possible surplus generated goes to SEB, whereas the investors in Three Crowns Funding LLC take the risk in case the issuers of the bonds should go bankrupt. SEB has undertaken to guarantee Three Crowns Funding LLC some liquidity support. At year-end, the outstanding volume of certificates was approximately USD 1.9bn and the programme is maximised to USD 2bn.

Covered Bonds

In certain countries, banks and credit institutions are permitted to issue covered bonds for the funding of public administration, residential mortgage and commercial real estate lending. This funding method gives investors in such bonds a preferential right in a bankruptcy situation. Within the Group, SEB Hypothekenbank AG regularly finances assets by issuing so-called Pfandbriefe on the German market, with an outstanding amount at year end equivalent to SEK 125.3bn.

Effective from 1 July 2004, a new law allows Swedish banks and credit institutions to issue covered bonds. They will thus be able to offer investors debt instruments with very low risk and to compete on equal terms with countries where this funding method is already established. The Swedish mortgage subsidiary SEB BoLån currently prepares to utilise the new possibility in its operations.

Liabilities in insurance operations

At year end, liabilities in insurance operations amounted to SEK 147.8bn (60.6) as detailed in Note 36. The increase was mainly due to the acquisition of Codan Pension.

Shareholders' equity

Shareholders' equity amounted to SEK 48.5bn (45.7) at the opening of 2004, of which SEK 2,818m (2,818) was used for dividend purposes in accordance with the resolution of the Annual General Meeting of April 2004.

Repurchases of own shares are detailed on page 49. In compliance with regulations, the value of the acquired shares has been eliminated against shareholders' equity. At year-end 2004, shareholders' equity amounted to SEK 51.0bn.

Capital adequacy

The SEB Group is a financial group that comprises bank, finance, securities and insurance companies. The capital adequacy rules apply to each individual Group company that has a licence to carry on banking, finance or securities operations. In addition, the capital adequacy requirements must be met by the financial group of undertakings. This means all the consolidated Group companies that do not carry on insurance operations, as the latter are subject to their own supervision and not to the capital adequacy rules.

Composition of capital base

The capital base of the financial group of undertakings was SEK 58.7bn (54.7) at year-end 2004, while the core capital amounted to SEK 44.3bn (42.6).

Core capital consists of shareholders' equity plus minority interests, after deduction for intangible assets (mainly acquisition goodwill), deferred tax claims and the dividend proposed by the Board. In addition, the Bank's so-called core capital contribution of USD 500 M, or SEK 3.3bn, has been included. Such contributions may be included up to maximum 15 per cent of core capital.

In addition to core capital, the capital base may include subordinated debt up to maximum 100 per cent of core capital. Deductions from the supplementary capital shall be made for investments in companies that are not consolidated with the financial group of undertakings, including insurance companies. As regards SEB, the deduction of SEK 11.9bn (8.9) was in all essentials due to the acquisition of the Trygg-Hansa group in 1997 and to the acquisition of Codan Pension in 2004.

Risk-weighted assets

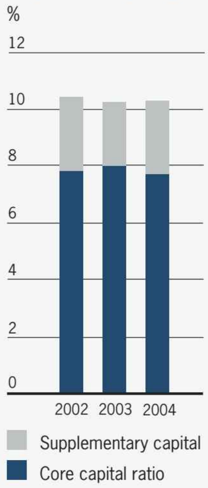
The combined risk-weighted volume of assets, off-balance-sheet commitments and market risk positions totalled SEK 570bn (535). The 35bn increase was mainly due to increased credit volumes within mortgage lending and corporate and real estate financing.

Capital adequacy ratio

The total capital ratio was 10.3 per cent (10.2) and the core capital ratio 7.8 per cent (8.0). SEB's long-term objective is to maintain a core capital ratio of 7 per cent and a total capital ratio of 10.5 per cent, which reflects SEB's ambitions in the international money and capital market. Considering that the lowest permissible total capital ratio and core capital ratio is 8 and 4 per cent, respectively, both statutory requirements were met by a good margin.

According to Swedish rules deductions for investments in insurance operations, including goodwill, may be made in full from the total capital base when calculating these ratios. A more restrictive treatment of this goodwill in line with other goodwill, i.e. with a deduction from the core capital, would lead to a core capital ratio of 6.8 per cent and an unchanged total capital ratio. Some analysts and rating agencies prefer this way of calculation. Further information about capital adequacy and capital base are found in Note 53.

Capital adequacy



Rating

SEB continuously focuses on improving the Group's rating. The efforts to control costs, increase sales and enhance risk management processes continue to pay off in this area.

In February 2004, Moody's upgraded its long-term rating for SEB to Aa3 from A1. The positive trend is important, since a high rating over time implies lower funding costs and more business opportunities in the international capital markets.

The following table shows the current rating of SEB (February 2005).

Rating

Moody's		Standard & Poor's		Fitch	
Short	Long	Short	Long	Short	Long
P-1	Aaa	A-1+	AAA	F1+	AAA
P-2	Aa1	A-1	AA+	F1	AA+
P-3	Aa2	A-2	AA	F2	AA
	Aa3	A-3	AA-	F3	AA-
	A1		A+		A+
	A2		A		A
	A3		A-		A-
	Baa1		BBB+		BBB+
	Baa2		BBB		BBB
	Baa3		BBB-		BBB-

Risk and Capital Management

In providing its customers with financial solutions and products SEB assumes various risks that must be managed. The Group's profitability is directly dependent on its ability to evaluate, manage and price these risks, while maintaining an adequate capitalisation to meet unforeseen events.

As a consequence, risk management is always a prioritised area for the Group, continuously under development. Board supervision, an explicit decision-making structure with a high level of risk awareness among the staff, common definitions and principles, controlled risk-taking within decided limits and a high degree of transparency in external disclosures are the cornerstones of the Group's risk and capital management. Professional risk management lays the foundation for the risk based control model, which the Group applies to all its business activities in evaluating profitability and uses for assessing customer proposals.

During 2004, the main development focus has been the alignment of credit and operational risk methods and applications to the requirements of the future capital adequacy rules, Basel II. Building on the strengths of the economic capital framework introduced over the last decade as well as the Group's early involvement in industry evaluation of the evolutionary proposals, SEB will be ready to benefit from the more risk-sensitive capital adequacy framework. Another area in focus during the year has been the prevailing low yield environment's overall impact upon business volumes and interest income. As an integral part of the long term strategic planning and the operational business planning process which all parts of the Group perform, risk- and capital-related issues are early identified, monitored and managed to secure the financial stability of the Group at all times.

Regulatory developments

The industry is now meeting with several parallel regulatory changes concerning capital adequacy, transparency, insurance, financial conglomerates, and (in Sweden) a new banking legislation. SEB's response to these changes is not solely driven by regulatory compliance, but also by using the changes as opportunities to secure business benefits and create value. In addition, the Group sees implementation synergies between the respective framework changes in the areas of executive responsibility, internal control systems, data integrity and accounting processes, for example.

From 2005, changes in the valuation, accounting and disclosure rules according to the IFRS will affect the Group's business. Changed rules for the classification of financial instruments and hedge accounting, in particular, will affect risk management since earnings volatility may increase unless documentation requirements for hedges are met.

Basel II

New capital adequacy rules ("Basel II") are now being finalised by the EU and national authorities. Capital requirements for credit risk will reflect the actual risk better than the present rules. In addition, capital requirements for operational risk will be introduced, and the risk management and internal capital assessment of banks will be subject to stricter scrutiny by the supervisors.

For Basel II implementation, the Group uses a de-centralised project approach to ensure local commitment and accountability. The central project management, including an operative Executive Steering Committee, gives support and ensures co-ordination and alignment with the set timetable. Processes are developed and fine-tuned to meet regulatory standards, and risk models are enhanced to receive formal approval for capital adequacy purposes. Supervisory recognition of SEB's market risk model constitutes a valuable experience.

The Group's early adoption of an economic capital framework in the mid-90s has provided an excellent base for meeting the Basel II requirements. The Group's business model is largely built on the same concepts as the new capital adequacy rules, which will limit the changes required in customer contacts and market offerings. SEB analyses costs and benefits relating to Basel II, e.g. by regularly assessing risk-weighted assets (RWA) levels under the new framework. Findings are factored into the Group's long-term business and capital planning. The high quality of the Group's credit portfolio and the internal risk management culture translate into substantial RWA reductions under the first pillar of Basel II. SEB also prepares with confidence for the review by the supervisory authorities of the capital assessment process within Basel II's second pillar.

Risk organisation and responsibility

The Board of Directors has the ultimate responsibility for the activities of the Group and for the maintenance of satisfactory internal control. It issues central policy documents and receives an overview risk report at each meeting. *The President* manages the operations in accordance with the Group-wide risk policy of the Board.

Subordinated to the Board of Directors and the President there are committees, with various mandates to make decisions depending upon the type of risk. The Group *Asset & Liability Committee* (ALCO), chaired by the President, deals with issues relating to the overall risk level of the Group and the various divisions, decides on risk limits and risk-measuring methods, capital allocation, etc. Within the framework of the Group-wide risk policy of the Board, ALCO has established policy documents for risk management, which define the various risk types of the Group, the relationship between risk and capital, and responsibilities for the management and follow-up of risk. *The Treasury Committee* monitors the development of market and liquidity risks.

The Group Credit Committee (GCC) is the highest credit-granting body within the Bank. However, there are a few exceptions which are handled by the Board of Directors or the Credit Committee of the Board. The GCC prepares credit instructions and credit policy recommendations to the Board and to its Credit Committee. *The credit organisation* has an independent position, as illustrated by the fact that the Group Credit Officer reports directly to the President, and that the Chairman of each credit committee has the right to veto credit decisions. The credit organisation is kept separate from the business units and consists of staff that handles credit matters exclusively. Significant exceptions to the credit policy of the Group must be referred to a higher level in the decision-making hierarchy.

Group Risk Control (GRC) carries out the Group-level independent risk control and ensures the existence and quality of risk control in the divisions. GRC reports to the Group ALCO. Other important functions in the risk organisation – existing both at central level and decentralised within the organisation – are *Accounting and Financial Control*, that perform analyses and reports of result and financial position, independently from the business operations, and *Internal Audit*, an independent unit reporting directly to the Board of Directors, which reviews and evaluates the efficiency and integrity of the risk management referred to above.

Responsibility for *operative risk management* in the Group rests with the divisions (and similarly with Group Treasury). Thus, each division and division head is responsible for ensuring that the risks are managed and controlled in a satisfactory way on a daily basis, within established Group guidelines. It is a fundamental principle that all control functions shall be independent of the business operations.

The Group's policies in the areas of risk, capital and liquidity are reviewed and updated every year.

Risks, risk management and risk control

SEB defines *risk* as *the possibility of a negative deviation from an expected financial outcome*.

Risk management includes all activities relating to risk-taking, i.e. the processes and systems that the Group has at its disposal in order to identify, measure, analyse, monitor and report defined risks at an early stage. The foundation of risk management is the internal control system, which consists of rules, systems and routines, including the follow-up of compliance therewith, in order to make sure that the business is carried out under safe, efficient and controlled forms.

Risk control comprises all activities involving measuring, reporting and following up of risks, independently from the risk-taking functions.

Shareholders' equity, capital requirements and economic capital

Good risk management notwithstanding, the Group must keep capital buffers against unexpected losses. The regulatory capital requirements serve as one measure of the necessary capital buffer to meet these risks. Requiring a more precise and risk-sensitive measure for internal evaluation of capital utilisation and performance, SEB also works with so-called economic capital.

Economic capital – CAR

The control model of the Group assesses how much capital is needed to carry out various business activities. The greater the risk – granted that all business is pursued within strong internal control procedures – the larger risk buffer is needed. SEB calls this capital need, the economic capital, Capital at Risk (CAR). In Basel II terms, CAR provides the foundation for the overall capital assessment process described under the framework's second pillar.

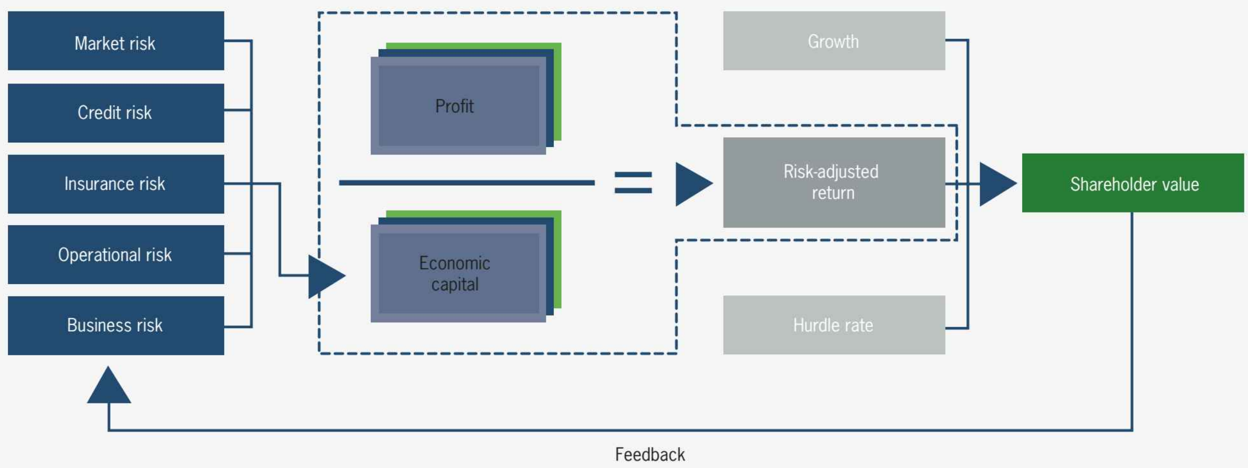
Average and reasonably expected losses are regarded as an operational expense, which mainly should be covered through a correct pricing of transactions. The estimation of risk capital requirements is focused on unexpected losses. The quantification is based on statistical probability calculations for various types of risk on the basis of historical data and a probability level of 99.97 per cent, which mirrors the capital requirements for a AA-rating.

Due to diversification effects when aggregating risks across divisions, the Group's total CAR becomes considerably lower than if the divisions were independent. The Group's total, diversified CAR was SEK 44.3bn (39.6) at the end of 2004. Increases during 2004 were mainly credit related, and in line with the decided business plan.

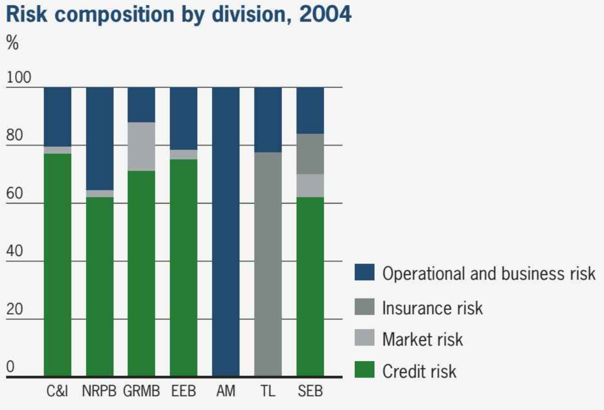
The following table shows the size of the risk components according to the CAR model at the end of 2004, and the diversification effect.

Risk type	SEKm
Credit risk	38,800
Market risk	5,000
Insurance risk	9,100
Operational + Business risk	8,900
Diversification	–17,500
Total CAR	**44,300**

The Group's risk-based control model



The following diagram shows the composition of the economic capital, and thus the risk profile, of each division.



Risk-based management and control model

Allocation of capital to divisions is an integral part of the regular planning process. The analysis is based upon planned business volumes; both CAR and the statutory capital requirements (including forthcoming regulatory changes) are important elements of the analysis. The following table shows the capital allocated to each division as well as risk-weighted assets at year-end.

	Alllocated capital, SEKm	Risk-weighted assets, SEKbn
Corporate & Institutions	15,700	226
Nordic Retail & Private Banking	11,000	143
German Retail & Mortgage Banking	9,500	133
Eastern European Banking	4,000	59
SEB Asset Management	1,800	
SEB Trygg Liv	5,200	
Other		9
Total	**47,200**	**570**

Profitability is measured by relating the reported result to the allocated capital, which makes it possible to compare the risk-adjusted return of the Group and its divisions. Risk-adjusted measurements are also used as a basis for pricing certain transactions and services.

Credit risk

Credit risk is the risk of a loss due to failure on the part of a counter-party to fulfil its obligations towards the Group.

Credit risk, representing approximately 63 per cent of the Group's total risk level, refers to all claims on companies, banks, public institutions and private individuals. The exposures consist mainly of loans, but also of contingent liabilities

Credit exposure by industry, SEKbn
(before provisions for possible credit losses)

	Total				Loans and leasing		Contingent Liabilities and Commitments		Derivatives[4]	
	2004	%	2003	%	2004	2003	2004	2003	2004	2003
Banks[1]	**205.9**	**18.2**	**194.2**	**18.7**	**123.3**	**129.1**	**47.9**	**32.1**	**34.7**	**33.0**
Corporate	**346.0**	**30.4**	**328.5**	**31.5**	**183.3**	**180.3**	**151.4**	**134.6**	**11.3**	**13.6**
Finance and insurance	42.3	3.7	38.2	3.7	15.4	12.3	19.7	17.4	7.2	8.4
Trade, hotels and restaurants	42.1	3.7	36.7	3.5	25.4	23.4	16.3	12.7	0.3	0.6
Transportation	30.7	2.7	26.8	2.6	23.2	20.7	7.3	5.9	0.2	0.2
Other service sectors	52.9	4.7	45.5	4.4	32.8	29.3	19.4	15.1	0.7	1.2
Construction	10.7	0.9	10.9	1.0	5.6	5.5	5.0	5.2	0.2	0.1
Manufacturing	78.4	6.9	73.2	7.0	30.6	30.6	46.5	41.0	1.3	1.5
Other	88.9	7.8	97.2	9.3	50.3	58.4	37.2	37.2	1.4	1.6
Property Management	**146.2**	**12.9**	**123.3**	**11.9**	**128.1**	**111.8**	**16.4**	**9.8**	**1.7**	**1.6**
Public Sector[2]	**164.2**	**14.5**	**144.6**	**13.9**	**137.1**	**126.2**	**25.2**	**16.6**	**1.9**	**1.7**
Households	**272.0**	**24.0**	**249.1**	**24.0**	**253.6**	**228.6**	**18.4**	**20.5**	**0.0**	**0.0**
Housing loans[3]	206.6	18.2	184.1	17.7	206.6	184.1	0.0	0.0	0.0	0.0
Other	65.4	5.8	65.0	6.3	47.0	44.5	18.4	20.5	0.0	0.0
Total credit portfolio	**1,134.3**	**100.0**	**1,039.7**	**100.0**	**825.4**	**775.9**	**259.3**	**213.6**	**49.6**	**49.9**
Repos	**172.6**		**119.0**							
Credit institutions	93.8		59.5							
General public	78.8		59.5							
Bonds and other interest bearing securities	**259.8**		**189.3**							

1) Including National Debt Office
2) Including state- and municipality-owned companies
3) Excluding housing loans through the Baltic subsidiaries of the Bank which are shown under Other loans
4) Derivatives are reported after netting agreements have been taken into account. The exposure is calculated according to the market value method, i.e. positive market value and estimated amount for possible change in risk.

such as credit commitments, letters of credit, guarantees, securities lending and counter-party risks arising through derivatives and foreign exchange contracts.

The credit policy of the Group is founded on the principle that all lending shall be based on credit analysis and be proportionate to the repayment capacity of the customer. The customer shall be known to the Group in order to evaluate both capacity and character. Depending upon the customer's creditworthiness and the nature and complexity of the transaction, collateral and netting agreements are used to a varying extent.

All counter-parties (excluding private individuals) on whom the Group has credit exposure are assigned an internal risk class that reflects the risk of default on payment obligations. The risk classification scale has 16 classes, with 1 being the best possible risk class. Risk classes 1-7 are considered Investment grade, while classes 13-16 are classified as "watch list".

In order to manage the credit risk on each individual customer or group of customers, a total limit is decided. The limit represents the maximum exposure that the Group can accept, based on the customer's financial status and existing business relations. Limits are also established for the total exposure on various countries and for settlement risks in trading operations.

All total limits and risk classes are subject to a minimum of one review annually by a credit authority. High-risk engagements (risk classes 13-16) are subject to more frequent reviews in order to identify potential problems at an early stage, thereby increasing the chances of finding constructive solutions.

Credit portfolio monitoring

The aggregate credit portfolio is reviewed regularly, e.g. by industry, geography, risk class, product type, size, etc. In addition, specific analyses are made when market developments require a more careful examination of certain sectors.

Total credit exposure, including contingent liabilities and derivatives contracts, amounted to SEK 1,134bn (1,040), of which loans and leasing excluding repos amounted to SEK 825bn (776). The volume growth was related to all sectors and home markets. Corporate and real estate lending, as well as Swedish mortgage lending and the German public sector, represented the main areas of growth. The Nordic corporate sector growth was especially strong in the last quarter. The volume increase was even more pronounced in local currency terms considering the strengthening of the Swedish krona.

The geographical distribution of the credit portfolio remained stable, with credit volumes concentrated in SEB's home markets: the Nordic area 47 per cent (45), Germany 33 per cent (34) and the Baltic countries 5 per cent (4).

On 31 December, *doubtful loans*, gross, amounted to SEK 8,831m (10,877), of which SEK 8,086m (8,632) were non-performing loans (loans where interest and amortisation are not paid) and SEK 745m (2,245) performing loans. The reserve ratio was 72 per cent (66).

The volume of assets taken over was SEK 80m (117).

Credit risk quantification

The Group also uses the economic capital framework in its credit risk management. Credit risk CAR evaluates the unexpected losses for which risk capital must be kept and represents yet another dimension of the follow-up of the portfolio. The methodology is based upon the following three components, well aligned with the Basel II framework for credit risk:

1. *Probability of default*. The risk classification scale is mapped onto probabilities of payment default; the mapping is calibrated against the scales of international rating agencies.
2. *Size of exposure in the event of a default*. Exposure is measured both in nominal terms (e.g. in the case of loans, leasing, letters of credit and guarantees) and through estimated market values, plus an increase for possible future exposure (derivatives and foreign exchange contracts) and is applicable to both on- and off-balance-sheet items.
3. *Loss in the event of a default*. Evaluation of how much the Group could lose of an outstanding claim in case of default, considering collateral provided, etc. Evaluations are based upon internal and external historical experience and upon the specific details of the relevant transaction.

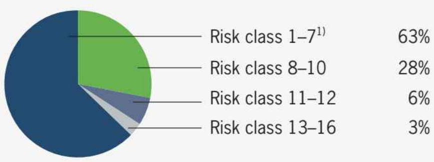
These components are combined and used in a portfolio model. Calculations are made both at divisional and Group level, taking into account diversification effects when the credit risks are aggregated. The model is validated with the help of studies of actual outcome within selected parts of the portfolio as regards probability of default and loss in the event of a default.

Credit portfolio, Geographical distribution

In total SEK 1,134bn

Credit Exposure by Risk Class

SEK 862bn (excluding households)



1) Investment grade

Credit Exposure[1], Emerging Markets, SEKbn

	31 Dec 2004	31 Dec 2003
Asia	**6.9**	**7.1**
Hong Kong	2.0	2.0
Korea	1.4	1.3
China	1.3	2.1
Latin Amerika	**1.6**	**1.9**
Brazil	0.9	0.8
Eastern and Central Europe	**2.2**	**1.1**
Russia	0.7	0.2
Africa and Middle East	**3.5**	**2.5**
Iran	1.4	1.3
Turkey	0.4	0.3
Total – gross	**14.2**	**12.7**
Reserve	0.7	0.9
Total – net	**13.5**	**11.8**

1) Exposure on the domestic market for the Baltic subsidiary banks has been excluded from the table

Market risk

Market risk is the risk of a loss following changes in interest rates, foreign exchange and equity prices, including price risk in connection with the sale of assets or closing of positions.

SEKm	Min	Max	31 Dec 2004	Average 2004	Average 2003
Interest risk	25	100	41	60	105
Currency risk	3	37	16	16	23
Equity risk	2	68	5	16	10
Diversification			–18	–28	–32
Total	**28**	**108**	**44**	**64**	**106**

Market risk in the trading portfolio arises because the Group is a market maker for trading in the international foreign exchange, money and capital markets. Trading portfolio risk arises both in customer transactions and through conservative risk-taking. In addition, market risk arises throughout the Group due to structural differences in assets and liabilities, for instance as regards maturity or currency.

The Group ALCO allocates the market risk mandate of the Board to each division which, in turn, allocates the limits obtained among those business units which possess special competence within the relevant area. Nearly all of these market risk limits are followed up on a daily basis.

The Group uses a Value at Risk (VaR) method to measure its overall market risk. This statistical method expresses the maximum potential loss that can arise with a certain degree of probability during a certain period of time. SEB has chosen a probability level of 99 per cent and a ten-day time horizon. SEB holds an approval from the Financial Supervisory Authority to use its internal VaR model for calculating capital requirements for a major part of the Bank's market risks.

The following table summarises ten-day trading VaR for SEB during the year. The lower VaR compared to 2003 was due to lower volatility on the interest rate markets and to lowered positions in the trading book.

The accuracy of the model is checked through daily backtesting. At the chosen 99 per cent level, actual profit & loss should typically come out lower than the VaR measure 1–3 times per year. The graph below shows backtesting results (using a one-day instead of a ten-day, framework) within the Merchant Banking trading business during the year.

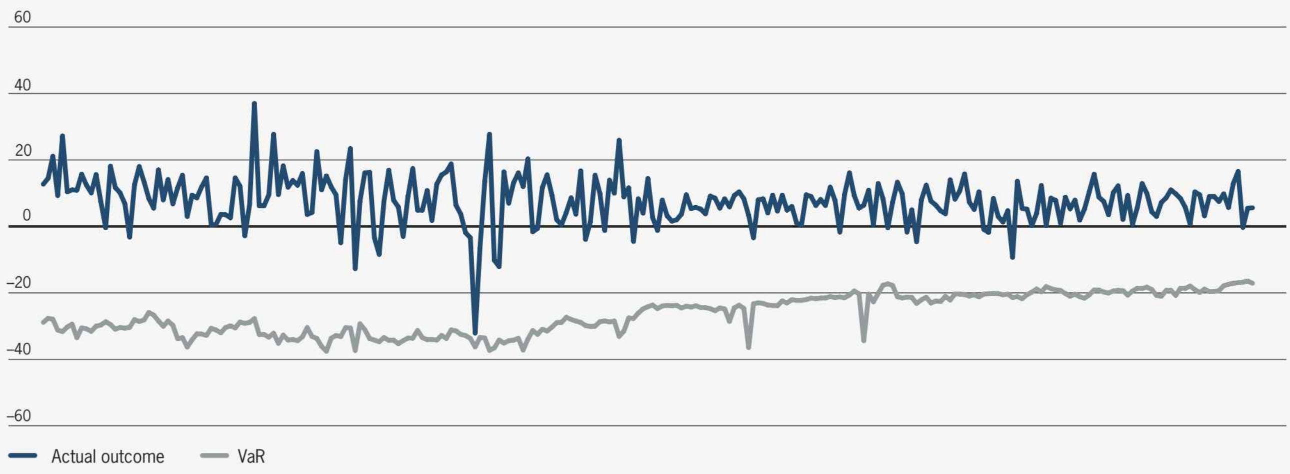
The use of VaR is supplemented with techniques such as stop-loss limits, and with measures of interest rate sensitivity, foreign exchange exposure and option activities. Various types of scenario analyses and stress tests are made on a regular basis. For example, existing positions are analysed in historical market crisis scenarios and risk levels in the portfolio are assessed without diversification effects.

Interest rate risk accounts for some 65 per cent of the total market risk of the Group. It arises because of mismatches in repricing periods between assets, liabilities and derivatives. Interest rate risk is measured with the help of VaR, but positions are also analysed versus various types of shifts in the yield curve and through scenario analyses. A one per cent increase in market rates would have led to a SEK 2,800m (2,800) decrease in value of the Group's interest-bearing assets and liabilities, including derivatives, at year-end.

Foreign exchange risk arises both through the Bank's foreign exchange trading in international market places and because the Group's activities are carried out in various currencies. In addition to VaR limits and measures, the risk measurements that the Financial Supervisory Authority has previously defined are used both for limits and follow-up. A five per cent change in the value of the Swedish krona against other currencies would have affected the Group's result by SEK 270m at year-end.

VaR, SEKm

Backtesting 2004



The upper curve displays each day's trading profit (or loss). The lower VaR curve expresses each day's maximum potential loss based on positions and market conditions. SEB performs backtesting to verify that actual outcome goes below the VaR level not more than one per cent of the trading days.

Equity risk arises mainly within the subsidiary Enskilda Securities' trading in equities and equity-related instruments. VaR is the most important risk and limit measurement for equity risks. In addition, equity risk measurements defined by the Swedish capital adequacy rules are used both for limits and follow-up. A ten per cent change in the price of the Group's equity positions would have affected the Group's result by SEK 2m at year-end.

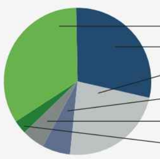
Insurance risk

Life insurance risk is the risk of a loss due to the fact that estimated surplus values (i.e. present value of future gains from existing insurance contracts) cannot be realised due to slower than expected capital growth, cancellations or unfavourable price/cost development.

Furthermore, life insurance operations are exposed to the risk of shifts in mortality rates. Lower rates lead to more long-term pension commitments, whereas higher rates result in higher death claims. However, these risks are only applicable to the unit-linked insurance business. The mutual character of traditional life insurance means that the risks are borne by the policyholder collective.

The surplus value analysis regularly reported by the division forms the basis of risk measurement. The risk level is closely associated with the aggregate savings volume. The following chart shows the components of the Group's life insurance risk:

Components of life insurance risk in SEB
Excluding Codan Pension



Life insurance risks are controlled with the help of so-called actuarial analysis and stress tests of the existing insurance portfolio. Mortality and morbidity risks are reinsured against unexpectedly large individual claims or against several claims caused by the same event. The risks inherent in a limited volume of guaranteed-return products (through SEB's acquisition of Codan) are mitigated through standard market-risk techniques.

Operational and business risk

Operational risk is the risk of losses due to external events (natural disasters, external crime, etc.) or internal factors (e.g. breakdown of IT systems, fraud, non-compliance with laws and internal directives, other deficiencies in internal control, etc.).

Group Risk Control and Group Security together with the risk managers of the divisions have developed policy documents, instructions and contingency plans to minimise operational risks in business processes.

SEB has developed several Group-wide techniques to identify, analyse, report and reduce operational risk. Key indicators serve as early warning signals about changes in risk level and business efficiency. The divisions perform self-assessment of the operational risk on a regular basis. Methods for registering and classifying operational incidents have been developed as well as a process for the divisions to perform a formal operational risk self-assessment.

Operational risks include legal risks, which the Group strives to reduce, e.g. when establishing the terms and conditions that apply to various products and services.

SEB uses statistical methods to quantify the economic capital required for *operational risk*. The calculation is based on operational losses of a considerable size that have actually occurred in the global financial sector, supplemented with internal loss statistics. The quality of the risk management of the divisions, based upon their self-assessment, is taken into account. Effective operational risk management means less need for capital. The processes and quantification methodology used put SEB in a favourable position to apply for an early approval of the Advanced Measurement Approaches of Basel II.

Furthermore, SEB measures the Group's business risk defined as the risk of lower revenues due to an unexpected decline in normal income, usually caused by reduced business volumes, price pressure or competition. Business risk also includes reputational risk, the risk that revenues are lowered due to external rumours about either the Group or the industry in general. Business risk is measured as the variability in income and cost that is not directly attributable to other types of risk. Business risk is mainly caused by external and non-controllable factors. The risk can be partially managed through good strategic planning.

Asset and liability management

The Group's Treasury function is responsible for proactive analysis and management of the profit and loss account and balance sheet of the Group. This includes the following:

- Management of the structural interest and foreign exchange risks
- Cost-effective funding of balance sheet assets, including an on-going analysis of net interest income earned
- Analysis, measurement and planning to ensure Group liquidity
- Capital management, including supporting analysis and long-term planning

Repricing periods

SEKm	<3 m	3–6 m	6–12 m	1–3 years	3–5 years	>5 years	**Total**
Lending to credit institutions	189,769	2,159	5,274	5,219	2,783	2,520	207,724
Lending to the public	453,240	47,175	40,238	98,530	75,533	68,303	783,019
Interest-bearing securities	156,507	10,571	7,835	32,734	26,340	25,835	259,822
Other assets	242,368	42,406	12,118	22,718	185	20,958	340,753
Total assets	**1,041,884**	**102,311**	**65,465**	**159,201**	**104,841**	**117,616**	**1,591,318**
Liabilities to credit institutions	332,407	10,974	7,382	1,891	3,608	926	357,188
Deposits/borrowing from the public	440,991	16,032	9,512	16,006	14,000	20,979	517,520
Securities issued	108,390	40,556	16,982	58,932	23,048	18,785	266,693
Sub-ordinated liabilities	10,798	238	346	6,088	2,347	10,987	30,804
Other liabilities	222,173	10,383	27,803	23,176	33,647	50,923	368,105
Shareholders' equity						51,008	51,008
Total liabilities and shareholders' equity	**1,114,759**	**78,183**	**62,025**	**106,093**	**76,650**	**153,608**	**1,591,318**
Interest rate sensitivity, net	72,875	–24,128	–3,440	–53,108	–28,191	35,992	0
Cumulative interest rate sensitivity	72,875	48,747	45,307	–7,801	–35,992	0	0

Interest and foreign exchange exposure

Interest rate risk outside the trading operations is managed centrally by Group Treasury through the application of an internal funds transfer pricing system. The centralised operations create a cost-efficient matching of liquidity and interest rate risk in all non-trading related business entered into by the divisions.

In addition, Group Treasury manages the structural foreign exchange positions that arise on the balance sheet of the Group. Examples are equity investments in subsidiaries outside Sweden when the corresponding financing is not made in the currency of the share capital and the translation risk of accrued income in foreign currencies.

Analysis of net interest income

Net interest income (NII) is exposed to external factors such as yield curve movements and competitive pressure. Internally, the NII risk is derived from the overall business profile, especially mismatches between interest-bearing assets and liabilities as regards volumes and repricing periods. The NII is also exposed to a "floor" risk. Asymmetries in pricing of products (deposit rates cannot really go below zero) create a margin squeeze in times of low interest rates, making it relevant to analyse both "up" and "down" changes.

The Group measures the NII risk as the potential change in income, over a pre-defined period, from a standardised shift in the yield curve.

The monitoring and management of the NII risk gives a result-oriented view and supplements the value-based perspective given e.g. by the VaR and the delta-1 measures described above.

Liquidity risk and financing

Liquidity risk is the risk of a loss or the risk of higher than expected costs due to inability on the part of the Group to meet its payment obligations on time.

The Group maintains sufficient liquidity to meet current payment obligations and yet have extra capacity for unforeseen events. Deposits from households and corporates constitute the most important funding source of the Group. Furthermore, the Group has access to the international money and capital markets for financing over a range of maturities. In order to reduce the liquidity risk, the Group has diversified its financing by using various instruments and currencies, and tapping several geographical areas. As a complement, payment capacity is ensured through holding a sufficiently large volume of liquid assets, e.g. in the form of bonds that can be pledged in the central banks and thus transformed into liquid funds with immediate effect.

Liquidity is measured and reported with the help of a number of techniques, such as short-term pledging capacity, analysis of future cash flows, scenario analyses and key ratios within the balance sheet. The Group also uses liquidity limits for its operational control.

By setting targets for its short-, medium- and long-term borrowing in relation to its lending, the Group creates balance sheet stability. Liabilities due within three months should be fully funded with assets that are available within the same time horizon. The relation between stable liabilities (including equity) and illiquid assets should always be above 70 per cent and was 96 per cent at year-end. Liquidity management also includes an emergency plan, which ensures that even very strained liquidity situations can be handled in a satisfactory manner. The Group's presence in the international markets via its own international network is an important part of the emergency plan.

Capital management

The Group's capital policy defines how capital management should support the business goals. Shareholders' return requirements shall be balanced against the capital requirements of the regulators, the expectations of debt investors and other counter-parties as regards SEB's rating, and the economic capital that represents the total risk of the Group. A buffer ensuring capability for strategic action could be added as well as an extra safety margin over and above the formal capital model requirements – covering e.g. the potential of a sharp decline in the macro-economic environment.

The economic capital model of the Group comprises these components, which in essence build up the "Capital Adequacy Assessment Process" of Basel II. Capital is managed centrally, while meeting local requirements as regards statutory capital. Dividends, securitisation, credit derivatives, investments, new issues, repurchases, etc. are important measures that affect the capital level and relevant ratios. The alternatives are regularly evaluated under various scenarios and form the basis for Group ALCO recommendations to the Board.

Streamlining of capital structure

SEB continuously investigates possibilities for rendering the capital structure of the Group more effective. On several occasions, for example, the Bank has examined the possibility of merging the Bank's Series A and Series C shares. Such a measure is justified for several reasons. The Series C share is not very liquid, among other things. It was introduced at the end of the 1980s, when SEB became the owner of a number of Nordic banks. According to the investigations, however, there are large, if not insurmountable, difficulties to implement such a merger.

The Swedish Companies Act requires that the Board's proposed resolution to the AGM be supported by shareholders representing at least 2/3 of the votes cast and shares represented at the AGM as well as by 9/10 of the Series A shares represented at the AGM. Furthermore it is required that an approval from a majority of all outstanding Series A-shareholders is received. The reason for this statutory majority requirement is that a merger would lead to a certain dilution for the holders of Series A shares.

Since the number of shareholders in SEB is very large, obtaining such approval would be a very drawn-out and complicated process.

Repurchase of own shares

The 2004 Annual General Meeting authorised the Board of Directors to decide to repurchase own shares in order to hedge employee stock option programmes in the stock market. On 2 April 2004, 6,200,000 Series A-shares were purchased at the average price of SEK 108.50 (exercise price: SEK 120). The shares will be used for delivery to those employee stock option-holders who exercise their stock options under the 2004 programme. Shares that are not used for that purpose may be sold in the stock market.

The number of own shares for employee stock option programmes held by the Bank appears in the table below.

Repurchase of own shares

	No. of shares	Price[1]	Date of purchase	Share of total number of shares in the Bank
	7,000,000	103	2002-05-07	approx. 1%
	6,200,000	79.50	2003-05-08	approx. 1%
	6,200,000	108.50	2004-04-02	approx. 1%
Total	**19,400,000**			

1) Average price at time of purchase

The 2004 Annual General Meeting furthermore authorised the Board of Directors to decide to repurchase own shares during the period up to the 2005 Annual General Meeting in order to create opportunities for improving the Bank's capital structure. The authorisation comprised 20,000,000 Series A and/or Series C shares for a maximum total purchase amount of SEK 2.3bn. Purchases may only be made via the stock market at a price within the price interval registered on the Stockholm Stock Exchange at each time, which means the interval between the highest bid price and the lowest asked price. Repurchases according to this authorisation have been made on a regular basis. On 31 December 2004, the Bank held 11.8 million Series A shares and 4.9 million Series C shares.

The number of shares held at each time within the framework of the Bank's securities business should be added to the above number of repurchased shares.

The repurchased shares are accommodated within the limit of 10 per cent of the total number of shares in SEB that is permitted under applicable law.

Corporate Governance

The Swedish Code of Corporate Governance

The Swedish Code of Corporate Governance takes effect as from 1 July 2005. However, SEB already applies the rules of the Code in principle.

Clear distribution of responsibilities

The ability to maintain confidence among customers, depositors, lenders, shareholders and others is of vital importance for SEB. An essential factor in this connection is a clear and effective structure for responsibility distribution and governance. Avoiding conflicts of interest is another purpose of such a structure. SEB therefore attaches great importance to the creation of clearly defined roles for employees and decision-making bodies within credit-granting, corporate finance activities, asset management and insurance operations, for example.

The structure for responsibility distribution and governance comprises

- the Board of Directors
- the President
- Internal Audit, Compliance and Risk Control.

Both the Board and the President perform their governing and controlling roles through several policies and instructions, the purpose of which is to clearly define the distribution of responsibilities and to convey the importance of an ethical attitude throughout the Group. The Group's credit instruction, instruction for the handling of conflicts of interest, ethics policy, instruction concerning measures against money laundering, etc. and the Corporate Social Responsibility policy are of special importance.

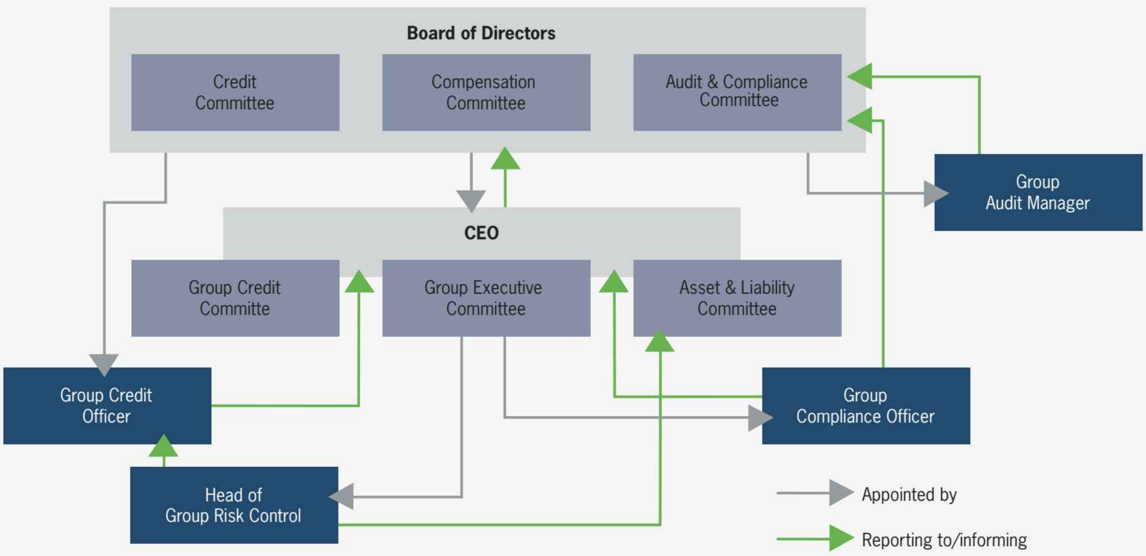
Board of Directors

The Board members are appointed by the shareholders at the Annual General Meeting for a term of office that lasts until the next Annual General Meeting.

According to the articles of association, the Board of Directors shall consist of not less than six and not more than twelve members, with a maximum of six deputies. In addition, there shall be directors appointed by the employees. During 2004, the Board of Directors had ten members, without deputies, elected by the Annual General Meeting and two members and two deputies appointed by the employees. In order for the Board to form a quorum, at least half of the members must be present. The President is the only Board member appointed by the Annual General Meeting, who is equally an SEB employee. All other Board members are independent in relation to the Bank and its Management. With the exception of Jacob Wallenberg and Marcus Wallenberg, being Deputy Chairman of the Board of Directors respectively President and Group Chief Executive of the shareholder Investor AB, all Board members are independent in relation to major owners. Independent Board members are defined as those who have no essential connections with the Bank, its Management or major shareholders (holding 10 per cent or more of the shares or votes) besides being Board members. The composition of the Board of Directors as from the Annual General Meeting in 2004 appears in the table on page 52.

The Board of Directors has adopted rules of procedure that regulate the role and working forms of the Board as well as special instructions for the committees of the Board. According to the rules of procedure, the Board has the overall responsibility for the activities of the Group and decides their nature as well as strategies and goals for the operations. The Board ensures that the activities are organised in such a way that the

Corporate Governance Structure



SEB's activities are managed, controlled and followed up in accordance with policies and instructions established by the Board and the President.

accounts, management of assets and financial conditions otherwise are controlled in a satisfactory way and that the risks are identified, defined, measured, followed up and controlled in accordance with external and internal rules, including the articles of association of the Bank. The Board furthermore monitors and controls the activities.

The Board has appointed the Chairman of the Board as well as the President and his Deputy. It has furthermore appointed the Executive Vice Presidents, the Group Head of Credits, the members of the Group Executive Committee and the Group Audit Manager.

The Chairman of the Board organises and manages the work of the Board by i.a. convening Board meetings, deciding on the agenda and preparing the matters to be discussed at the meetings, after consulting the President.

The Board members receive regular information about, and if necessary training in, i.a. changes in rules concerning the activities of the Bank and listed company directors' responsibilities. They are regularly offered the opportunity of discussing with the Chairman of the Board, the President and the Company Secretary.

The President takes part in all Board meetings except when the work of the President is evaluated. Other members of the Group Executive Committee participate whenever required for purposes of informing the Board or upon request by the Board or the President. The General Legal Counsel of the Bank acts as Secretary at the Board meetings.

During 2004, eleven Board meetings were held. External audit representatives were present at the meeting that adopted the annual accounts. Essential matters dealt with during the year included the following:

- Strategic direction of Group activities (nature and scope)
- Overall long-term goals for the activities
- Group organisation
- Policies and instructions
- Business plans, budgets and forecasts
- Capital, risk and financing issues, including risk limits
- Succession planning, management supply, compensation and other personnel matters
- Issues concerning customer and staff satisfaction
- Major investments and business acquisitions
- Interim reports and annual report
- Development of credit portfolio
- Board committee reports
- Follow-up of strategic and financial goals
- Follow-up of external and internal audit activities and the Group's compliance activities
- Follow-up of risks inherent in Group activities
- Evaluation of the work of the Board of Directors, the President and the Group Executive Committee

For many years, the Board has organised committees in order to distribute certain tasks among its members. At present, there are three committees within the Board of Directors: *the Credit Committee, the Audit and Compliance Committee* and *the Compensation Committee*. Minutes are kept of each committee meeting and the committees submit regular reports to the Board. Committee members are appointed for a period of one year at a time. Although the Chairman of the Board is a member of all three committees, he is only chairing the Compensation Committee. Neither the President nor any other officer of the Bank is a member of the Audit and Compliance Committee or the Compensation Committee. The President is a member of the Credit Committee. The work of the Board committees is regulated through instructions adopted by the Board. Apart from the committee work, no work distribution is applied by the Board.

The task of the *Credit Committee* of the Board is to follow up the credit portfolio and the credit process within the Bank and the Group on a continuous basis. This work includes among other things to initiate analysis and follow-up of high risk sectors and separate risk exposures. The Committee also examines proposed changes in the credit risk strategy of the Group, issues credit policies and decides on minor changes in the Credit Instruction of the Board. Furthermore, the Committee makes decisions on certain individual credit matters of principal or major importance. The Committee consists of five members, including the President, and forms a quorum whenever a minimum of three members are present including the Chairman or Deputy Chairman of the Committee. The members of the Credit Committee are Urban Jansson, Chairman, Jacob Wallenberg, Deputy Chairman, Carl Wilhelm Ros, Lars H. Thunell and Gösta Wiking. The Group Credit Officer is the presenter of reports in the Credit Committee. The Credit Committee held nine meetings during the year, of which four were ordinary meetings.

The Audit and Compliance Committee of the Board is responsible for preparing the work of the Board in terms of quality control of the Bank's financial reports and maintains regular contact with the external and internal auditors of the Bank. It discusses co-ordination between external and internal auditors and the Bank's views on risks. It makes sure that observations and remarks from the auditors are attended to and deals with the accounts and interim reports, including any changes in the accounting rules. The Committee furthermore decides on guidelines for which services other than auditing services that may be procured by the Bank and the Group from the external auditors. It assesses the external auditors' independence and prepares proposals for new auditors prior to the Annual General Meeting's election of auditor. The Committee establishes an overall audit plan for the internal audit function and an overall plan for the work of the compliance function. The internal audit activities and the compliance activities are monitored on a continuous basis. The Committee consists of three members, none of which is in the employ of the Group, and forms a quorum whenever a minimum of two members are present, including the Chairman of the Committee. The members of the Audit and Compliance Committee are Gösta Wiking, Chairman, Jacob Wallenberg and Carl Wilhelm Ros. The Group Audit Manager and the Group Compliance Officer are the presenters of reports in the Committee. The Audit and Compliance Committee held five meetings during the year. The external auditors attended all of these meetings.

The Compensation Committee of the Board prepares, for decision by the Annual General Meeting and the Board, respectively, a proposal for compensation principles applicable to certain senior officers as well as a proposal for compensation to the President and the Group Audit Manager. The Compensation Committee decides on issues concerning compensation to the Deputy Group Chief Executive and to other members of the Group Executive Committee according to the principles established. The Committee furthermore prepares matters regarding incentive programmes and pension plans. It discusses personnel matters of strategic importance, such as succession planning for strategically important positions and monitors the overall pension liability of the Group. During 2004 the

Board of Directors as from the 2004 Annual General Meeting

Name	Elected	Position	Credit Committee	Audit and Compliance Committee	Compensation Committee	Remuneration
Jacob Wallenberg	1997	Chariman	Deputy Chairman	Director	Chairman	1,400,000
Marcus Wallenberg	2002	Deputy Chairman				425,000
Gösta Wiking	1997	Deputy Chairman	Director	Chairman	Director	825,000
Penny Hughes	2000	Director			Director	450,000
Urban Jansson	1996	Director	Chairman			650,000
Tuve Johannesson	1997	Director				350,000
Hans-Joachim Körber	2000	Director				350,000
Jesper Ovesen	2004	Director				350,000
Carl Wilhelm Ros	1999	Director	Director	Director		650,000
Lars H Thunell	1997	Director, President and Group Chief Executive	Director			–
Ulf Jensen	1997	Director appointed by the employees				–
Ingrid Tegvald	2002	Director appointed by the employees				–
Göran Arrius	2002	Deputy Director appointed by the employees				–
Magdalena Olofsson	2003	Deputy Director appointed by the employees				–
						5,450,000

● Chairman ● Deputy Chairman ● Director

Attendance:

Board meetings (in total 11 meetings):	91%
Credit Committee (in total 9 meetings):	95%[1]
Audit- and Compliance comittee (in total 5 meetings):	93%
Compensation committé (in total 6 meetings):	100%

1) Attendance calculated on the four ordinary meetings

Total Employee Stock Option Programme

	Original number of holders	No. of options issued	No. of options outstanding	A-share/ Option	Redemption price[2]	Validity	First date of exercise
1999	12	953,997	581,665	1.12[1]	82.40[1]	1999–2006	2002-02-15
2000	368	4,816,456	3,097,551	1	91.50	2000–2007	2003-03-01
2001	874	6,613,791	5,581,417	1	118.00	2001–2008	2004-03-05
2002	1,029	6,790,613	6,397,863	1	106.20	2002–2009	2005-03-07
2003	792	6,200,000	5,905,065	1	81.30	2003–2010	2006-02-27
2004	799	6,200,000	6,060,662	1	120.00	2004–2011	2007-04-02
Total		**31,574,857**	**27,624,223**				

1) After recalculation for SEB´s rights issue in 1999.

2) Calculated as 110 per cent of the average latest price paid for SEB´s Series A share on the Stockholm Stock Exchange during a period of ten banking days in connection with the decision and publication of the Bank´s annual accounts.

Committee has been advised by external consultants. The Committee consists of three members, including the Chairman of the Board as Committee Chairman. None of the members is in the employ of the Group. The Committee forms a quorum whenever minimum two members are present, including the Chairman of the Committee.

The members of the Compensation Committee are Jacob Wallenberg, Chairman, Penny Hughes and Gösta Wiking. The President attends the meetings of the Committee and is the presenter of reports on all issues where there are no risks for conflict of interest. The Compensation Committee held six meetings during 2004.

The table above shows the average attendance of all Board and Committee meetings during 2004.

Evaluation of the Board of Directors, the President and the Group Executive Committee

In order to improve the work of the Board, an annual self-assessment method has been developed through which the activities and working methods of the Board and each respective committee are evaluated. During 2004, also external consultants have been involved in the process. Among the things examined through this assessment are the following: how to improve the work of the Board, whether or not each individual Board member takes an active part in the discussions of the Board and the committees; whether they contribute independent opinions and whether the meeting atmosphere facilitates open discussions. The outcome of the evaluation has been presented to and discussed by the Board and in the nomination committee. The Chairman of the Board evaluates each individual member's work on a continuous basis and formally once a year.

The Board evaluates the work of the President and the Group Executive Committee on a continuous basis without attendance by the President or any other member of the Group Executive Committee.

The President

The Board of Directors has adopted an instruction for *the President's* work and role. The President is responsible for the day-to-day management of the activities of the Group in accordance with the guidelines and established policies and instructions of the Board. The Board has regulated the activities of the Group and decided how the divisions of the Group, including the non-Swedish activities carried out within branches and subsidiaries, shall be governed and organised. The President reports to the Board.

Lars H. Thunell is the President and Group Chief Executive. His Deputy during 2004 has been Annika Falkengren, Head of the Corporate & Institutions division, Executive Vice President and a member of the Group Executive Committee. As announced in 2004, Lars H Thunell will retire on a pension in 2006. On 15 December 2004, the Board appointed Annika Falkengren new President and Group Chief Executive as from 1 January, 2006.

The President is the chairman of three different committees, which have been set up for the purpose of focusing on different areas; *Group Executive Committee* for business issues, *Group Credit Committee* for credit issues and *Asset and Liability Committee* for capital and risk issues.

In order to protect the best possible interests of the Group, the President consults with the *Group Executive Committee* (GEC) and its *IT-Committee* on matters of major or principal importance. GEC deals with matters of common concern to several divisions, strategic issues, business plans, financial forecasts, financial reporting et cetera. During 2004, the GEC and the IT-Committee included the following members – in addition to Lars H Thunell as Chairman: Annika Falkengren, Deputy Group Chief Executive and Head of division, Fleming Carlborg, Harry Klagsbrun and Anders Mossberg, Heads of division, Lars Lundquist, Chief Financial Officer, Nils-Fredrik Nyblæus, Head of Group Staff, Liselotte Hjorth up to and including 14 September 2004, and Mats Kjaer, Head of division, as from 15 September 2004, all of whom are Executive Vice Presidents. The GEC held 31 meetings during 2004.

The *Group Credit Committee* (GCC) is the highest credit-granting body of the Group, excepting those issues which are reserved for the Credit Committee of the Board. The GCC is furthermore responsible for reviewing the credit-granting rules on a regular basis and for presenting proposals for changes to the Credit Committee of the Board, if necessary. The GCC held 29 meetings during 2004.

The *Asset and Liability Committee* (ALCO) is a Group-wide body responsible for the long- and short-term financial stability of the Group. ALCO decides on the structure and management of the Bank's balance sheet, co-ordinates risk-, capital- and liquidity matters and allocates capital and risk. ALCO furthermore prepares proposals for the overall financial goals of the Group and for the Group-wide risk policy to be decided by the Board of Directors. ALCO held six meetings during 2004.

The *Management Advisory Group* (MAG) is a special forum for information exchange at Group level, which consists of senior officers representing the whole Group. The members of the MAG are appointed by the President in consultation with the GEC.

Internal audit, compliance and risk control

The Group has three control functions, which are independent from the business operations: Internal Audit, Compliance and Risk control.

The Internal Audit function of the Group is an independent examining function, directly subordinated to the Board of Directors, which ensures that the evaluation of the internal control is satisfactory and efficient, that external and internal reporting is satisfactory and that the activities of the Group are conducted in accordance with the intentions of the Board and the President. The Group Audit Manager reports regularly to the Audit and Compliance Committee of the Board and keeps the President and the GEC regularly informed.

The *compliance officers* throughout the Group assist the business units on compliance matters. The task of the Group Compliance Officer is to assist the Board and the President on compliance matters and to co-ordinate the handling of such matters within the Group. The Group Compliance Officer reports regularly to the President and the GEC and to the Audit and Compliance Committee of the Board about major compliance events that concern the whole Group.

The *risk control function* of the Group monitors the risks of the Group, primarily credit risk, market risk, operational risk and liquidity risk. (See further on page 42).

The Group's internal audit and compliance activities shall be in line with the instructions adopted by the Board and with the plans for internal audit and compliance activities respectively that the Audit and Compliance Committee of the Board has drawn up.

Nomination committee

According to a decision at the Annual General Meeting (AGM) in 2004, a nomination committee for the 2005 AGM was formed during autumn 2004. The representatives appointed by the four largest shareholders, who together with the Chairman of the Board has formed the committee, are: Adine Grate Axén, Investor, Chairman of the committee, Hans Mertzig, Trygg Stiftelsen, Torgny Wännström, AFA Försäkring and Conny Karlsson, SEB Fonder. The composition of the nomination committee was announced on 18 October 2004. The task of the committee is to prepare proposals for the number of Board members and deputies, for remuneration to the Board and the auditors as well as for the election of Board members and deputies, to be presented to the AGM for decision. According to the Swedish Code of Corporate Governance the task is furthermore to prepare proposals for Chairman of the AGM, Chairman of the Board and distribution of Board remuneration between the Chairman on the one hand and the other Board members on the other hand as well as for committee work. The nomination committee has held three meetings.

Compensation to the Board of Directors, President and other Senior Officers

The Board of Directors

The 2004 Annual General Meeting decided on the total compensation amount for the members of the Board. This compensation has then been distributed by the Board among those Board members who are not officers of the Bank. A higher amount is paid to the Chairman and the Deputy Chairmen as well as to those members who form part of the Committees of the Board. The distribution of the directors' remuneration for 2004 appears from the table on page 52. The compensation is paid out on a running basis during the mandate period.

The President and the Group Executive Committee

The Board of Directors has decided on the compensation to the President following a proposal from the Compensation Committee of the Board, which furthermore decided on the compensation to the rest of the members of the Group Executive Committee in accordance with principles laid down by the Board.

For the President and other Senior Officers in SEB the following principles for remuneration are applied. The compensation system is based upon four main components, base salary, variable salary, long-term incentive programmes and pension. These components shall form a total remuneration competitive in the market where the officer is active. In addition hereto, customary benefits such as company car may be offered. Variable salary is paid out after the end of the year based on achievement of certain predetermined goals, individual and general, qualitative and quantitative, agreed in writing with the officer at the beginning of the year. Examples of general goals are operating result, volume growth and customer satisfaction. The variable salary is maximised to either a certain percentage of the base salary or a certain amount. Long-term incentive programmes shall be share based. The estimated value at allotment, which shall be performance-based, shall amount to a maximum of 50 per cent of the yearly base salary. The pension plan may be defined benefit-based or defined contribution-based and shall be inviolable. The size of the pensionable salary is maximised. At termination of employment by the Bank, severance pay of between 12 and 24 months' salary will be paid.

The base and variable salaries and other benefits of the President and the members of the Group Executive Committee appear from Note 9.

Long-term incentive programmes

During the years 1999–2003, the Board of Directors decided to launch employee stock option programmes as part of the total compensation package offered to senior officers, key individuals and certain specialists (in total about 5 per cent of all employees). The 2004 Annual General Meeting decided to launch a stock option programme for the year 2004, too. The purpose of long-term incentive programmes is to give a stimulus to employees to take the same kind of long-term interest in SEB as the shareholders through an equity-related programme. SEB's long-term incentive programmes also constitute a way of keeping other salary costs down.

All programmes run according to similar conditions and principles. The programmes are running for a seven-year period and the options can only be exercised after an initial three-year waiting period, provided the relevant individual is still in the employ of the Bank. Regarding the 2004 programme, a new principle has been introduced through a ceiling, which means that the stock options have a maximum value of SEK 100 per option; if the ceiling is reached, the Bank shall prematurely close the programme with a right for the option-holders to receive the corresponding, recalculated number of shares. Furthermore the final allotment was resultbased for the 50 highest managers included in SEB's Management Advisory Group. The operating result for 2004 is above the maximum amount for full allotment under the Programme.

Allotment under all programmes is subject to a freezing or reduction of the cash salary (base and/or variable salary). The scope of the programmes appears from table on page 52, while the number of stock options allotted to the President and the Group Executive Committee appears from Note 9.

The President and the Group Executive Committee were allotted approximately 14 per cent of the total number of options under the 2004 programme and other senior officers, key individuals and specialists about 86 per cent. Apart from the President, no other Board members received any allotment under the programmes.

Information on hedging of the employee stock option programmes is available on page 49 and in Note 9.

Since spring 2004, the Compensation Committee of the Board has worked on a proposal for a new, long-term incentive programme to be applied from 2005 and onwards. This proposal has been prepared in consultation with sixteen of the Bank's Swedish major shareholders, but remained unfinished at the time of printing this annual report. For further information about the proposal, reference is made to the notice convening the 2005 Annual General Meeting and to the Board's final proposal, which will be available on the Bank's home page when the notice is announced.

Information about the auditors

According to its articles of association the Bank shall have at least one and not more than two auditors with at the most an equal number of deputies. Also a registered accounting firm may be appointed auditor. The auditors are appointed for a period of four years.

PricewaterhouseCoopers AB has been the Bank's auditor since 2000 and was re-elected 2004 for the period up to and including the Annual General Meeting 2008. Chief responsible has been Göran Jacobsson, Authorised Public Accountant. In addition, Authorised Public Accountant Ulf Davéus, auditor appointed by the Financial Supervisory Authority, has been an auditor since the 2004 Annual General Meeting.

The fees charged by the auditors including those expected for the auditing of the Bank's 2004 annual accounts and for other assignments invoiced up to and including 31 December 2004 are as follows:

SEKm	2004	2003	2002
Audit fees	48	33	29
Other assignments	7	8	52
Total	**55**	**41**	**81**

Transition to IFRS/IAS

All listed companies within the EU are required, according to the EU IAS regulation, to apply IFRS in their consolidated accounts from 2005. Before any International Financial Reporting Standard enters into force the European Commission must endorse it. The EU has endorsed all standards published by the International Accounting Standards Board except part of the standard about Financial Instruments (IAS 39) where two so called carve-outs have been made. In connection with the implementation 1 January 2005, the consolidated figures for 2004 must be restated for comparison and reformatted. The new accounting principles will change the result and the opening equity 2004 and the opening equity 2005 (due to the later application of IAS 39).

In summary, implementation of IFRS in the Group's accounts will have the following main consequences:

- Goodwill amortization will be removed according to Business Combinations (IFRS 3) which is expected to have a positive effect on the profit and loss account of approximately SEK 800m a year. The value of the Goodwill will instead be tested yearly for impairment. The impairment test is already implemented in Swedish GAAP when there is an indication of an impairment need.
- IAS 39 is expected to create some volatility in the profit and loss account, equity and balance sheet but this is not expected to have a major effect. The opening balance of equity in the 2005 accounts is expected to be reduced by approximately SEK 1,500m due to hedge accounting and the deduction of notional amounts of swaps hedging employee stock options programmes as equity instruments. The negative effect does not change the economic value of the business and will over time be met by a positive effect on equity and result.
- The accounting treatment of the employee stock option programme is governed by share based payments (IFRS 2). The calculated costs for the Group's two programmes concerned are SEK 70m in 2004. The yearly cost for one programme is SEK 35m during the vesting period (three years).
- The new accounting principles for insurance contracts (IFRS 4) will mainly change the classification of contracts and have a small effect on the profit and loss account. There will also be a minor negative effect on the opening balance of equity due to the valuation of deferred acquisitions costs.
- The profit and loss account and the balance sheet will be reformatted in accordance with the new accounting rules. Insurance operations must be consolidated on several lines and can no longer only be consolidated on one line. The new statement of changes in equity will become more important due to the fact that some items will be booked directly through equity according to the new accounting rules.

Background

The impact of the switch to IFRS accounting will differ between countries and is not expected to be very significant for Swedish companies, since many of the standards have already been implemented under Swedish GAAP by Redovisningsrådet (the Swedish standard-setter).

However, there are some important standards which have not previously been implemented under Swedish GAAP and some which have been changed since they were implemented. The following standards can be expected to have a more significant impact on the SEB Group:

- IAS 1 Presentation of Financial Statements
- IAS 30 Disclosures in the Financial Statements of Banks and similar Financial institutions
- IAS 39 Financial Instruments: Recognition and Measurement (endorsed with carve-outs)
- IFRS 2 Share-based payments
- IFRS 3 Business Combinations
- IFRS 4 Insurance Contracts

The effects described only refer to accounting treatment and not the effect on capital adequacy.

IAS 1 and IAS 30 Presentation of Financial Statements

The objective of these standards is to prescribe the basis for presentation and disclosure of the financial statements, to ensure comparability both with the entity's statements of previous periods and with the statements of other entities.

The way in which the Group presents its profit and loss account and balance sheet will have to be changed to comply with the above standards. This will be reflected in a slight change to the order in which items are presented and in new groupings of costs and income. Valuation of the different line items is not expected to differ significantly. It will not be possible to continue to present the results of the insurance operations in one line in the income statement, due to the full consolidation requirement in IFRS 3. Insurance business income will be recorded in total income and expenses in operating expenses. The change to the balance sheet will primarily be the classification and presentation of insurance assets and liabilities that will be shown on several lines depending on the classification of the contracts as investment contracts or insurance contracts. The assets will be classified according to IAS 39 and will be presented accordingly.

IAS 39 Financial Instruments: Recognition and Measurement

IAS 39 requires certain financial instruments, including all derivatives, to be measured at fair value in the balance sheet and for changes in fair value to be recorded in the income statement. The general view is therefore that volatility in the income statement will increase. A way for entities to overcome this problem is afforded by the hedge accounting rules set out in the standard.

A degree of increased volatility in the profit and loss account is expected to result from the application of IAS 39. The Group will use hedge accounting with the aim of reducing this volatility. So-called cash-flow hedges will be shown directly in equity which will cause some volatility. However, current hedges, which will not qualify for hedge accounting under IAS 39 will also have an effect on equity.

The standard requires that all financial assets shall be classified at inception in four different portfolios that receive different accounting treatment. The primary difference from the current accounting treatment relates to the available for sale portfolio where the fair value should be accounted for as equity until realisation, whereupon it is accounted for in the profit and loss account.

IFRS 2 Share-based Payments

IFRS 2 requires that entities charge as an expense the fair value of stock options granted to employees. The application of IFRS 2 will result in an annual negative impact on the operating result of approximately SEK 70m for the two outstanding programmes concerned plus a maximum of SEK 35m per year for a possible new programme compared with currently applied accounting rules.

The Group hedges its employee stock option programmes by entering into equity swaps in relation to the shares under the options programmes and the social costs arising from the programmes. These hedges must be treated as equity instruments according to IAS 32 (which deals with classification and disclosure of financial instruments). This is expected to have a negative effect on equity in the sum of approximately SEK 1,500m (being the notional amount of the swaps hedging the stock option programmes) due to the reclassification as equity instruments of the swaps referred to above. The negative effect does not change the economic value of the business and will over time be met by a positive effect on equity and result.

IFRS 3 Business Combinations

IFRS 3 broadens the scope of consolidation (which will be decided by control and not by ownership). Under IFRS 3, all business combinations will be accounted for using the purchase method and goodwill will no longer be amortised.

Goodwill will instead be tested for impairment at least annually. In years when no impairment has been identified the removal of goodwill amortisation is expected to have a positive effect on the Group's income statement of approximately SEK 800m.

Other entities, such as special purpose entities ("SPEs"), must be consolidated if the Group has a decisive influence on the entity. Two such SPEs (Osprey and Three Crowns) have been identified within the Group. The effect of the consolidation, is expected to be a slight increase in total assets and a minor effect on the operating result. Equity will not be affected.

In connection with acquisitions a more detailed acquisition analysis and allocation of the purchase amount on immaterial assets such as customer lists must be made. The SEB Group has already applied the new rules on the acquisitions made during 2004 (Eurocard in Denmark and Codan Pension).

IFRS 4 Insurance Contracts

This is the first International Accounting Standard to deal with insurance contracts. It will mainly effect the classification of insurance contracts and the presentation of insurance operations (see above) but not the operating result. The classification of the insurance liability is based on the insurance component of the relevant contracts. Significant insurance risk means classification as an insurance contract and no change to the current accounting treatment afforded it. Insignificant insurance risk means classification as an investment contract and accounting treatment as a financial instrument according to IAS 39.

All assets must be accounted for according to IAS 39 independent of the classification of the contracts. Classification as an investment contract changes the deferred acquisition costs for such a contract. This is expected to have a minor negative impact on the opening balance of equity at 1 January, 2004.

Expected effects of the removal of goodwill amortisation and added costs relating to the employee stock option programmes

Expected annual effects

Goodwill amortisation	SEK 822m
Employee stock option programme	SEK –70m

	Jan–Dec 2004 Current	Jan–Dec 2004 Recalculated
Operating profit	9,273	10,025
Net profit after tax	6,590	7,342
Cost/income ratio	0.67	0.65
Return on equity	13.2	14.7
Earnings per share	9.69	10.80

Accounting principles

This Annual Report has been prepared in accordance with the Act (1995:1559) on annual accounts of credit institutions and securities companies ("AACS"), the recommendations of the Swedish Financial Accounting Standards Council ("SFASC") and the accounting regulations of the Swedish Financial Supervisory Authority ("FSA").

As from 1 January 2004, new rules were introduced in the AACS concerning the reporting and valuation of financial instruments. According to the transitional rules of this Act, the application of the older rules in this area is allowed during the financial year of 2004, which has been the case in this annual report. The FSA prescribes that in such cases, the old accounting regulations shall be applied, too (FSA 2002:22).

In certain respects, the recommendations of the SFASC differ from those of the FSA, in which cases those of the FSA take precedence. The items on the balance sheet and in the profit and loss account have been classified in accordance with the AACS and the FSA. The classification according to the recommendation RR2 of the SFASC regarding the design of financial reports differs from this. Furthermore, the FSA states that insurance companies shall be consolidated in a simplified way in certain cases, whereas the corresponding rule is missing in the SFASC 1:00, Group Accounts. The recommendation RR 27 of the SFASC, Financial instruments: Information and Classification, is not applicable to credit institutions according to the FSA. Institutions that applies RR29 in the Group accounts can deviate from FSA. This annual report has not been affected in any other respect by the differences between the two sets of rules and regulations.

New accounting principles

The new accounting principles of the SFASC, effective as from 2004, have been taken into consideration. Employee benefits, RR 29, have affected the reporting of pensions, primarily because assets and liabilities for defined benefit plans are consolidated since 1 January 2004. The increase in the opening balance of shareholders' equity after deferred tax amounted to SEK 1.4bn. The accounting principles are further described below.

Consolidated accounts

The SEB Group includes Skandinaviska Enskilda Banken and each of those companies in which the Bank has a decisive influence, directly or indirectly holding more than 50 per cent of the voting power of the shares. The Bank does not consolidate companies it has taken over in connection with loan foreclosures, if they are engaged in deviating activities or if it is planned to sell them within the short term. Mutual life insurance companies are not included in the consolidated accounts.

Acquisition accounting is applied to the consolidated accounts of the Group. This means that the book values of shares in subsidiaries are eliminated against the equity existing within each subsidiary at the time of acquisition. Thus, each subsidiary's contribution to consolidated shareholders' equity consists only of the equity capital that has been created after the acquisition. Deferred tax liabilities have been recorded under Untaxed reserves, using 28 per cent for Swedish corporate acquisitions and the tax rate prevailing in each respective country for non-Swedish acquisitions.

The consolidated accounts include also associated companies, i.e. companies in which the Bank has a considerable influence, directly or indirectly holding more than 20 per cent of the voting power of the shares and where the ownership constitutes part of a lasting relationship between the Bank and the relevant company. Associated companies are consolidated in accordance with the equity method.

Untaxed reserves created in the subsidiary after the acquisition or in the parent company are divided into deferred taxes and restricted equity. Changes in deferred taxes due to changes in untaxed reserves are reported separately under "Deferred taxes" in the consolidated profit and loss account.

Surplus values arising in connection with the purchase of shares in subsidiaries are distributed among the assets of each respective company. The residue thereafter is recorded as goodwill. The depreciation period is adjusted to the estimated economic useful life of the goodwill, maximum 20 years, however. Undervalues arising in connection with the purchase of shares in subsidiaries are allocated to the established restructuring reserve if announced at the time of acquisition or is taken up as income according to a special plan.

The results of subsidiaries that have been sold or purchased during the year are consolidated only for the period that the SEB Group has had a decisive influence and owned, directly or indirectly, more than 50 per cent of the voting rights of the shares. The same applies to associated companies that have been sold or purchased during the year.

The profit and loss accounts and balance sheets of foreign subsidiaries, which have been prepared according to the accounting principles prevailing in each respective country, have been adjusted to the accounting principles of the parent company when consolidated with the SEB Group.

The current rate method is used for translating the financial statements of foreign subsidiaries to Swedish kronor. Since this means that various items in the profit and loss accounts and balance sheets are translated at different exchange rates, translation differences arise, which are not recorded in the consolidated profit and loss accounts but are instead recorded directly in shareholders' equity, distributed between statutory and free reserves. Exchange rate effects on subsidiaries' equity in foreign currency are also recorded as translation differences to such extent as it is exposed to currency risk.

Insurance companies whose assets do not exceed 20 per cent of Group assets are consolidated in a simplified manner. Briefly, this means that the assets and liabilities of the insurance company are recorded separately in the consolidated accounts and that the operating result is recorded net on one line in the consolidated profit and loss account. Due to the nature of line of business accounting, internal costs and income are not eliminated between bank and insurance companies.

Foreign currency valuation

Assets and liabilities in foreign currencies are valued at market (closing rate on balance sheet date).

The shareholdings of the parent company in foreign subsidiaries and associated companies are valued at the historical rate of exchange. The parent company's foreign currency liabilities that are related to the hedging of shares in subsidiaries are also valued at the historical rate of exchange. This is adjusted against the arising translation difference in the consolidated accounts (see above under Consolidated accounts).

Classification of financial assets

Loan claims and securities purported to be held until maturity or for the long term, according to documented intent and ability, are classified as financial fixed assets. Other financial claims, including assets taken over for the protection of claims, securities which are not intended to be held for the long term and derivatives instruments are classified as financial current assets.

Valuation rules

Normally, financial fixed assets are valued at acquisition value and current assets at the lower of cost or market.

However, transferable securities and derivatives, as current assets, may be valued at market. The SEB Group has chosen the market value principle for derivatives instruments and securities in the trading portfolios.

Loans are reported on the balance sheet at acquisition value as long as they are not considered doubtful. Doubtful loans are reported net after deduction for incurred and probable credit losses, i.e. to the estimated recovery value of the loan.

Loans are classified as doubtful if it is probable that the contractual payments will not be fulfilled and the value of the collateral does not cover the credit amount. Such a situation exists if interest/principal is more than 60 days past due or the respective legal entity has determined that the counter-party is unlikely to fulfil its contractual payments. Information about doubtful loans is provided in a Note. From the time a loan is classified as doubtful the interest is accounted for on cash basis.

For doubtful loans, specific provisions are made for probable credit losses. Provisioning is made on the difference between the outstanding amount and the estimated recovery value of the loan, which is arrived at by one of the following valuation methods:

- The total net present value of expected future cash flows.
- Net realisable value of the collateral, if such exists and utilisation thereof is deemed probable
- Market value of the loan, if this is a reliable estimate of the loan's recovery value.

The entire outstanding amount of each loan specifically provided for is included in doubtful loans, i.e. including the portion covered by collateral. Provisions for transfer risks are made by such amounts as are considered necessary according to the valuation of the claim per country and any transfer obstacles that may exist. Possible market value, type of claim and other relevant information are taken into account in the valuation of such claims.

When it is deemed probable that losses have occurred in groups of loans to be individually appraised, but which cannot yet be ascribed to individual loans, collective provisions are made. Collective provisions are related to the part of the credit portfolio that does not meet the Group's normal credit quality standards but is not classified as doubtful. The Group's internal risk classification system is one of the components that determine the size of the provision. Loans are individually valued except for certain homogeneous groups of loans with limited value and similar credit risks, which are valued on a group basis. The appraisal methods to value these groups of loans are based on historical credit losses and assessed future developments.

An incurred credit loss refers to a loan, or that part of a loan, which the Bank deems impossible to collect from the borrower or cannot be recovered from a sale of the collateral. In such a case, the loan is written off completely or written down to its recovery value. Simultaneously, any previously established specific reserve for probable credit losses is reversed.

Assets taken over are valued as current assets at estimated market value at the time of the take-over, after which valuation is made at the lower of cost or market.

External expertise is used for property valuations. If the asset is listed on the Stock Exchange, this value is normally used as market value. In other cases, e.g. in the case of unlisted shares taken over, analogue calculations have to be made. Assets taken over are reported according to the nature of the asset and the main assets are shares and properties.

Interest-bearing securities that have been purchased at a premium or a discount are accounted for using accrual accounting over the life of the instrument. Thus, the effective rate of interest will be equal to such rate as makes the discounted present value of the future cash flow under the instrument equal to the historical cost, which means that the book acquisition value is altered on a continuous basis, representing a so-called accrued acquisition value.

Transferable securities (interest-bearing securities and others) included in the trading portfolio are valued at market.

The market value is equal to the public share price on the balance sheet date. Resulting unrealised gains, recorded in the profit and loss account, are transferred to the reserve for unrealised gains within restricted shareholders' equity, net of deferred tax, as these gains are not available for distribution.

The Bank's holding of its own shares as a result of its dealings as market maker are reported as a deduction item from shareholders' equity. The result from sales of own shares is not reported in the profit and loss account but as a change in shareholders' equity.

The hedging of employee stock option programmes with the help of a so-called total return swap is reported in accordance with its economic implications so that when the daily price drops below the contract price, the difference is charged to unrestricted shareholders' equity. Dividends received through the swap are credited to shareholders' equity, while interest paid is charged to the profit and loss account. When the daily price exceeds the contract price, the profit and loss account is charged with the relevant social security contributions.

Derivatives contracts, which also include currency futures, are valued at market. Positive closing results are classified as other assets while negative closing results are classified as other liabilities.

Market values are obtained by using the same valuation methods as the market uses for each respective instrument in calculating the respective closing values. For linear instruments, this means that future flows under the instruments are discounted to the balance sheet date according to the relevant yield curve.

Hedge accounting of financial assets and liabilities implies that the hedge instrument is valued according to the same valuation principle as the hedged position.

Hedge accounting is subject to the following conditions: the position is exposed to an interest rate/equity price/commodity price or currency rate risk.

The hedged positions have been identified on an individual or collective basis.

Repurchase transactions

In the case of a real repurchase transaction, a so-called repo, the asset continues to be recorded on the selling party's balance sheet and the settlement received among deposits or borrowing. The security that has been sold is reported as pledged assets under memorandum items. The buying party reports the settlement paid as a loan claim on the selling party. Accrual accounting is applied to the difference between the spot and forward payment over the life of the transaction as interest.

Security loans

Securities lent remain on the balance sheet as securities, reported as pledged assets under memorandum items. Valuations are made in the customary way. Borrowed securities are not reported as assets. In those cases where the borrowed securities are sold (short sale), such amount as corresponds to the real value of the securities is reported as a liability.

Tangible fixed assets

Office equipment is reported at acquisition value and depreciated according to plan. The difference between scheduled depreciation and depreciation for tax purposes is reported as additional depreciation within legal entities.

Equipment leased to clients is reported at acquisition value and depreciation is made on an annuity basis, based on a conservatively estimated residual value at the end of the contract period. For leased equipment that cannot be sold under normal market conditions, the scheduled residual value is set at zero. Financial leasing is reclassified in the consolidated accounts as lending, which means that leasing income in this respect is reported as interest income and amortisation in accordance with the principle that economic risks and advantages are essentially transferred to the lessee.

Investments in properties held for the purpose of generating rental income or value increase are reported according to SFASC RR 24. The property holdings are valued at market.

Intangible fixed assets

Development expenditures are capitalised since two years only if resulting in an identifiable and by the Group controlled asset, and if future economic benefits can be estimated reliably. The Group interprets these criteria very strictly. Intangible fixed assets are valued at acquisition value after depreciation according to plan. When it is deemed probable that the value of an asset has decreased, the replacement value will be determined. If the carrying amount exceeds the replacement value, a write-down will be made.

Financial liabilities

Accrual accounting is applied to financing costs for financial liabilities. The calculation is based upon an original liability equal to the amount obtained net of essential costs attributable to the creation of the liability. Accrual accounting is then applied to the difference between this acquisition value and the redemption value, together with interest and any fees over the life of the liability by analogy with the method applicable to fixed-interest assets.

Deferred taxes

Differences between tax base and book value of assets and liabilities lead to deferred tax claims and tax liabilities. Deficit deductions lead to deferred tax claims to the extent it is deemed possible to use them. The Group's deferred tax claim and tax liability have been calculated using a tax rate of 28 per cent in Sweden and the tax rates prevailing in each respective country for companies abroad. A deferred tax claim that cannot be offset against a deferred tax liability is reported under other assets. Deferred tax liabilities are reported under provisions.

Provisions

A provision is made whenever an obligation has arisen as the result of an event that has occurred. Such provision is subject to the condition that it can be calculated in a reliable way and that it is probable that the obligation will be settled within a fixed period of time. The provisions are examined every closing date and adjusted, if necessary.

Pension commitments

Depending upon local conditions, there are both defined benefit and defined contribution pension plans within the Group.

The pension commitments of the Group with respect to defined benefit pensions are covered by the pension funds of the Group, through insurance or through allocations on the balance sheet. Pensions are valued and reported in accordance with RR 29 Employee benefits. Previously, pensions were reported according to local rules in each respective country. As from 1 January 2004, defined benefit pension plans are calculated at present value according to the actuarial, so-called Projected Unit Credit Method. The assumptions upon which the calculations have been made are found in Note 9 b. In those cases in which the net of accumulated actuarial gains and losses deviates by more than 10 per cent from that which is greater of the pension comitment and plan asset, the excess amount is reported as income, alternatively as a cost. The excess amount is written off during the expected remaining period of service. Pension commitments and any special plan assets are consolidated on a net basis per unit on the balance sheet. The estimated pension costs of the defined benefit plans are reported under staff costs.

The pension costs of the defined contribution pension plans are carried as an expense on a continuous basis in line with the pension rights earned by the individual concerned.

According to prevailing regulations (FSA), calculated pension costs are reported as staff costs in the profit and loss account of the Swedish parent company, the commitments of which are covered by pension funds. This calculated pension cost is reversed under appropriations.

The parent company recompenses itself for pensions paid from the pension funds, provided their position so permits. Pensions paid and compensations from the pension funds are reported under appropriations.

Profit and loss account

Commission income

Depending on which service that generates them, commissions and fees are reported in different ways. Fees directly corresponding to a service, e.g. loan arrangement fees, are reported as commission income when the relevant service is rendered. Management and advisory commissions and fees are reported as income according to applicable agreements. In contrast, fees forming part of a financial instrument are included in the compound interest.

Commission payable

Commission payable is defined as costs for purchased services relating to commission receivable. Such costs must be associated with the corresponding income, without necessarily falling in the same accounting period, and be based upon transactions.

Net result of financial transactions

Net result of financial transactions is defined as realised and unrealised effects on the result as regards financial current assets, excluding assets taken over for the protection of claims. The corresponding effects on the result on financial fixed assets are reported under other income or under write-down of financial fixed assets. The result effects for current assets outside the trading portfolio are reported as Other income and Other costs.

Write-down of fixed assets

Fixed assets are written down whenever their value falls below their book value and the deterioration is deemed to last.

Taxes

Taxes payable or receivable with respect to the current year are reported in the profit and loss account as current tax. The change in deferred tax claim and tax liability during the year is reported as deferred tax. Taxes relating to previous years are reported separately. Property tax and a special payroll tax are reported among operating costs, whenever applicable.

Group contributions

Group contributions paid or received for the purpose of minimising the tax of the Group are reported for each respective legal person as a decrease/increase, respectively, in non-restricted equity, after adjustment for estimated tax.

Operational profit and loss account

Operating result

The operational profit and loss account of the SEB Group shows its activities in the way in which the Group as a whole is recorded. The operational profit and loss account comprises the same legal companies and follows the same accounting principles as the legal one.

The operational profit and loss account ends up in an operating result which, in contrast to the legal one, includes pension compensation as a deduction from staff costs in the comparative figures from 2003. Otherwise, the profit and loss accounts are identical. The operational profit and loss account is presented together with the legal one in the Report of the Directors.

Segment reporting

The divisions of the SEB Group are reported in accordance with the internal organisation, which mirrors the differences in the risks and opportunities of the various lines of business and constitutes the primary basis of classification in accordance with the recommendation 25 of the SFASC, effective as from 2003. The various lines of business are mainly classified according to customer segment (private individuals, small companies, institutions, medium-sized and large companies). Depending on customer segment, different products are offered, while geographical area forms a secondary basis of classification, depending on the location of the relevant business unit. Market principles are applied to transactions between segments and the accounting principles of the Group are used.

Definitions

Return on equity
Net profit for the year as a percentage of average equity, defined as the average of taxed shareholders' equity at the opening of the year and at the close of March, June, September and December, respectively, adjusted for dividends paid during the year, repurchase of own shares and rights issues.

Return on allocated capital
Operating result reduced by 28 per cent standard tax, divided by allocated capital.

Return on total assets
Net profit for the year as a percentage of average assets, defined as the average of total assets at the opening of the year and at the close of March, June, September and December.

Return on risk-weighted assets
Net profit for the year as a percentage of average risk-weighted assets, defined as the average of risk-weighted assets at the opening of the year and at the close of March, June, September and December.

Cost/Income-ratio
Total costs (Operational profit and loss account) divided by total income.

Earnings per share
Net profit for the year divided by the average number of shares.

Adjusted shareholders' equity per share
Shareholders' equity as per the balance sheet plus the equity portion of any surplus values in the holdings of interest-bearing securities and surplus value in life insurance operations divided by the number of shares at year-end.

Risk-weighted volume
The book value of the assets as per the balance sheet and the off balance-sheet commitments are valued in accordance with the capital adequacy rules.

Core capital ratio
Core capital as a percentage of the risk-weighted volume. Core capital consists of shareholders' equity, adjusted according to the capital adequacy rules.

Total capital ratio
The capital of the financial group of undertakings adjusted according to the capital adequacy rules as a percentage of the risk-weighted volume. Total capital consists of core capital and supplementary capital minus holdings of shares in unconsolidated companies and proposed dividend as well as deferred tax and intangibles. Supplementary capital includes subordinated debenture loans plus reserves and capital contributions, after approval by the Financial Supervisory Authority. Supplementary capital must not exceed the amount of core capital.

Lending loss level
The lending loss level is defined as lending losses and value changes in assets taken over divided by lending to the general public and credit institutions (excluding banks), assets taken over and loan guarantees at the opening of the year.

Reserve ratio for doubtful loans
Reserve for probable lending losses as a percentage of doubtful loans, gross.

Level of doubtful loans
Doubtful loans (net) divided by lending to the general public and credit institutions (excluding banks) and equipment leased to clients (net).

All figures within brackets refer to 2003 unless otherwise stated. Percentage changes refer to comparisons with 2003 unless otherwise stated. Re-classification of the figures for 2003 has been made in relation to the 2004 form of presentation.

Exchange rates for SEB's home markets

	Profit and loss account			Balance sheet		
	2004	2003	Change, %	2004	2003	Change, %
DKK	1.227	1.228	0	1.213	1.219	0
EEK	0.583	0.583	0	0.576	0.580	–1
EUR	9.127	9.124	0	9.024	9.072	–1
NOK	1.090	1.142	–5	1.093	1.077	1
LTL	2.643	2.643	0	2.610	2.627	–1
LVL	13.729	14.252	–4	12.928	13.562	–5
SEK	1.000	1.000	0	1.000	1.000	0

Operational Profit and Loss Account

Group

SEKm	2004	2003	Change, %
Net interest income	13,521	13,782	-2
Net commission income	11,299	10,218	11
Net result of financial transactions	2,176	2,084	4
Other operating income	1,229	987	25
Total income	**28,225**	**27,071**	**4**
Staff costs	-10,912	-10,499	4
Other operating costs	-6,318	-6,191	2
Amortisation of goodwill	-655	-616	6
Depreciation and write-downs	-753	-829	-9
Restructuring costs	-163		
Total costs	**-18,801**	**-18,135**	**4**
Net credit losses etc*	-701	-1,006	-30
Write-downs of financial fixed assets	-31	-64	-52
Net result from associated companies	21	19	11
Operating result from insurance operations**	560	78	
Operating result	**9,273**	**7,963**	**16**
Taxes	-2,666	-2,247	19
Minority interests	-17	-12	42
Net profit for the year	**6,590**	**5,704**	**16**
* Including change in value of seized assets			
** Result from SEB Trygg Liv, non-life and pertaining goodwill amortisation			
whereof SEB Trygg Liv	508	149	
Change in surplus values, net	1,470	1,739	-15
Business result	**1,978**	**1,888**	**5**

Operational Profit and Loss Account by division

2004, SEKm	Corporate & Institutions	Nordic Retail & Private Banking	German Retail & Mortgage Banking	Eastern European Banking	SEB Asset Management	SEB Trygg Liv	Other incl eliminations	**SEB Group**
Net interest income	4,560	4,374	3,146	1,560	77		-196	13,521
Net commission income	3,888	3,780	1,337	760	1,516		18	11,299
Net result of financial transactions	1,779	165	83	209	9		-69	2,176
Other operating income	287	172	211	51	22		486	1,229
Total income	**10,514**	**8,491**	**4,777**	**2,580**	**1,624**		**239**	**28,225**
Staff costs	-3,556	-2,841	-2,029	-706	-471		-1,309	-10,912
Other operating costs	-2,309	-2,429	-1,311	-514	-358		603	-6,318
Amortisation of goodwill	-54	-48		-49	-3		-501	-655
Depreciation and write-downs	-91	-47	-211	-196	-19		-189	-753
Restructuring costs			-163					-163
Total costs	**-6,010**	**-5,365**	**-3,714**	**-1,465**	**-851**		**-1,396**	**-18,801**
Net credit losses etc*	-16	-194	-445	-85			39	-701
Write-downs of financial fixed assets				-2			-29	-31
Net result from associated companies				48			-27	21
Operating result from insurance operations**				31		508	21	560
Operating result	**4,488**	**2,932**	**618**	**1,107**	**773**	**508** **	**-1,153**	**9,273**

* Including change in value of seized assets
** Business result in SEB Trygg Liv amounted to SEK 1,978m (1,888), of which change in surplus values was net 1,470m (1,739).

Statutory Profit and Loss Accounts

SEKm	Note	Group 2004	Group 2003	Group Change, %	Parent Company 2004	Parent Company 2003	Parent Company Change, %
Income							
Interest income	1	41,197	43,671	-6	17,935	20,027	-10
Leasing income	2				732	781	-6
Interest costs	3	-27,676	-29,889	-7	-13,620	-15,018	-9
Dividends received	4	116	126	-8	1,301	1,337	-3
Commission income	5	13,777	12,356	12	5,619	5,091	10
Commission costs	6	-2,478	-2,138	16	-806	-875	-8
Net result of financial transactions	7	2,176	2,084	4	1,778	1,570	13
Other operating income	8	1,113	861	29	934	897	4
Income from banking operations		**28,225**	**27,071**	**4**	**13,873**	**13,810**	**0**
Costs							
Administrative costs	9	-17,230	-17,348	-1	-9,736	-9,271	5
Depreciation and write-downs of tangible and intangible fixed assets	10	-1,408	-1,445	-3	-310	-340	-9
Restructuring costs	11	-163					
Costs from banking operations		**-18,801**	**-18,793**	**0**	**-10,046**	**-9,611**	**5**
Profit from banking operations, before credit losses		**9,424**	**8,278**	**14**	**3,827**	**4,199**	**-9**
Net credit losses	12	-743	-981	-24	-89	-121	-26
Change in value of seized assets	13	42	-25		47		
Write-down of financial fixed assets	14	-31	-64	-52	-392	-416	-6
Net result from associated companies	15	21	19	11			
Operating profit from banking operations		**8,713**	**7,227**	**21**	**3,393**	**3,662**	**-7**
Operating result from insurance operations	16	560	78				
Operating profit		**9,273**	**7,305**	**27**	**3,393**	**3,662**	**-7**
Pension compensation	17		658	-100	283	590	-52
Profit before appropriations, tax and minority interests		**9,273**	**7,963**	**16**	**3,676**	**4,252**	**-14**
Appropriations	17				3,371	-1,533	
Tax for the year	18	-2,365	-2,163	9	-1,626	-355	
Other taxes	18	-301	-84		-352	-80	
Minority interests	19	-17	-12	42			
Net profit for the year		**6,590**	**5,704**	**16**	**5,069**	**2,284**	**122**
Earnings per share, SEK*		9.69	8.22				
Weighted number of shares, million		680	694				

* Earnings per share after full dilution, calculated in accordance with the recommendations of the Swedish Financial Accounting Standards Council, was 9.56 (8.19).

Balance Sheets

31 December

SEKm	Note	GROUP 2004	GROUP 2003	GROUP Change, %	PARENT COMPANY 2004	PARENT COMPANY 2003	PARENT COMPANY Change, %
Assets							
Cash and deposits with central banks	20	12,979	9,707	34	2,310	2,099	10
Eligible Treasury Bills etc.	21	117,464	76,409	54	31,862	28,680	11
Lending to credit institutions	22	207,724	179,308	16	290,448	228,077	27
Lending to the public	23	783,019	707,459	11	251,857	219,643	15
Bonds and other interest-bearing securities	24	142,358	112,860	26	154,833	130,022	19
Shares and participations	25	19,312	11,297	71	14,139	7,478	89
Shares and participations in associated companies	26	1,323	1,254	6	1,024	1,048	-2
Shares and participations in Group companies	27				59,575	47,580	25
Assets in insurance operations	28	155,021	62,742	147			
Intangible fixed assets	29	10,145	10,486	-3	18		
Tangible assets	30	3,461	3,889	-11	13,502	12,687	6
Other assets	31	127,139	96,032	32	120,253	92,934	29
Prepaid expenses and accrued income	32	11,373	7,950	43	6,384	3,658	75
Total		**1,591,318**	**1,279,393**	**24**	**946,205**	**773,906**	**22**
Liabilities, provisions and shareholders' equity							
Liabilities to credit institutions	33	357,188	246,852	45	290,247	197,619	47
Deposits and borrowing from the public	34	517,520	494,036	5	310,145	302,822	2
Securities issued, etc.	35	266,693	218,507	22	81,264	48,047	69
Liabilities in insurance operations	36	147,753	60,641	144			
Other liabilities	37	199,252	166,652	20	191,377	159,966	20
Accrued expenses and prepaid income	38	13,424	11,696	15	4,653	2,967	57
Provisions	39	7,587	8,211	-8	70	167	-58
Total liabilities and provisions		**1,509,417**	**1,206,595**	**25**	**877,756**	**711,588**	**23**
Subordinated liabilities	40	**30,804**	**24,261**	**27**	**29,296**	**21,567**	**36**
Minority interests	41	**89**	**73**	**22**			
Untaxed reserves	42				**10,059**	**13,430**	**-25**
Share capital		7,046	7,046		7,046	7,046	
Restricted reserves		28,318	29,512	-4	12,364	12,345	0
Retained earnings		9,054	6,202	46	4,615	5,646	-18
Net profit for the year		6,590	5,704	16	5,069	2,284	122
Total shareholders' equity	43	**51,008**	**48,464**	**5**	**29,094**	**27,321**	**6**
Total		**1,591,318**	**1,279,393**	**24**	**946,205**	**773,906**	**22**

Memorandum items	Note	GROUP 2004	GROUP 2003	GROUP Change, %	PARENT COMPANY 2004	PARENT COMPANY 2003	PARENT COMPANY Change, %
Collateral and comparable security pledged for own liabilities	44	272,326	89,464		139,873	68,839	103
Other pledged assets and comparable collateral	45	111,773	78,902	42	43,980	29,591	49
Contingent liabilities	46	43,082	41,022	5	39,344	39,601	-1
Commitments	47	221,815	179,514	24	157,052	125,710	25

Cash flow analysis

SEKm	GROUP 2004	GROUP 2003	GROUP Change, %	PARENT COMPANY 2004	PARENT COMPANY 2003	PARENT COMPANY Change, %
Interest received	37,809	46,526	-19	15,496	22,818	-32
Interest paid	-25,634	-32,295	-21	-11,608	-17,091	-32
Commission received	13,777	12,356	12	5,919	5,042	17
Commission paid	-2,478	-2,138	16	-820	-755	9
Net received from financial transactions	2,195	2,605	-16	1,829	2,183	-16
Other income	1,844	2,424	-24	646	1,328	-51
Paid expenses	-17,776	-16,767	6	-9,279	-7,865	18
Taxes paid	-1,929	-1,964	-2	-1,442	-940	53
Cash flow from the profit and loss statement	7,808	10,747	-27	741	4,720	-84
Increase (-)/decrease (+) in trading portfolios	-78,920	2,891		-35,261	-6,028	
Increase (+)/decrease (-) in issued short term securities	23,411	3,959		-2,104	-8,608	-76
Increase (-)/decrease (+) in lending to credit institutions	-28,321	-28,872	-2	-62,371	-1,395	
Increase (-)/decrease (+) in lending to the public	-76,846	-28,817	167	-32,312	11,334	
Increase (+)/decrease (-) in liabilities to credit institutions	110,336	12,563		92,626	-37,053	
Increase (+)/decrease (-) in deposits and borrowings from the public	23,484	-5,506		7,323	7,765	-6
Change in other balance sheet items	-5,856	23,354	-125	177	21,751	-99
Cash flow, current operations	**-24,904**	**-9,681**	**157**	**-31,181**	**-7,514**	
Sale of shares and bonds	252	1,854	-86	633	207	
Sales of intangible and tangible fixed assets	292	212	38			
Dividends and Group contributions	4	16	-75	3,902	2,882	35
Investments in subsidiaries				-12,388	-2,252	
Investments in shares and bonds					-293	-100
Investments in intangible and tangible assets	-931	-972	-4	-1,143	-1,039	10
Cash flow, investment activities	**-383**	**1,110**	**-135**	**-8,996**	**-495**	
Issue of securities and new borrowings	65,689	65,913	0	46,256	13,098	
Repayment of securities	-34,371	-57,586	-40	-3,205	-6,106	-48
Dividend paid	-2,666	-2,694	-1	-2,666	-2,694	-1
Cash flow, financing activities	**28,652**	**5,633**		**40,385**	**4,298**	
Cash flow for the period	**3,365**	**-2,938**		**208**	**-3,711**	**-106**
Liquid funds at beginning of year	9,707	13,469	-28	2,099	6,460	-68
Exchange rate differences in liquid funds	-93	-824	-89	3	-650	-100
Cash flow for the period	3,365	-2,938		208	-3,711	-106
Liquid funds at end of period [1]	**12,979**	**9,707**	**34**	**2,310**	**2,099**	**10**

Only liquid funds have been adjusted for exchange rate differencies. Comparative amounts have been restated.

1) Liquid funds at end of period see note 20.

The cash flow analysis reflects the positive contribution to liquid funds from the operating result as well as the changes to liquid funds from changes in the on-balance sheet items during the year. However, SEB's operative liquidity management is based on cash-flow mapping of all on- and off-balance sheet items with applicable assumptions regarding stability and marketability of each item in accordance with the recommendations from the Swedish Financial Supervisory Authority. Liquidity limits established by the Board limits the Group's liquidity risk.

Notes to the financial statements

Currency codes

BRL	Brazilian reales	EUR	Euro	ISK	Icelandic kronor	NOK	Norwegian kroner	THB	Thai baht
CHF	Swiss francs	GBP	British pounds	JPY	Japanese yen	PLN	Polish zloty	USD	U.S. dollars
DKK	Danish kroner	HKD	Hong Kong dollar	LVL	Latvian lats	SEK	Swedish kronor		
EEK	Estonian kroon	INR	Indian rupees	LTL	Lithuanian litas	SGD	Singapore dollars		

SEKm, unless otherwise stated.

1 Interest income

	Group		Parent company	
	2004	2003	2004	2003
Lending to credit institutions	4,420	4,133	5,502	5,772
Lending to the general public	31,139	32,816	7,382	8,796
Interest-bearing securities [1]	6,362	7,210	3,874	5,055
Other interest income	-724	-488	1,177	404
Total	**41,197**	**43,671**	**17,935**	**20,027**
1) of which, classified as current assets	2,985	5,431	3,794	4,965
Interest income from Group companies			3,631	4,059
Average rate of interest on lending to the general public	4.01%	4.99%	3.22%	4.05%

2 Leasing income[1]

	Parent company	
	2004	2003
Leasing income	732	781
Leasing depreciation according to plan	-268	-281
Total	**464**	**500**

1) For the group leasing income is reclassified to interest income. In the parent company leasing depreciation is shown under Depreciation and write-downs of tangible and intangible fixed assets.

3 Interest costs

	Group		Parent company	
	2004	2003	2004	2003
Liabilities to credit institutions	-7,597	-5,502	-6,504	-5,311
Deposits and borrowing from the general public	-9,270	-12,493	-3,543	-6,202
Interest-bearing securities	-8,210	-8,283	-1,439	-1,041
Subordinated liabilities	-1,421	-1,429	-1,248	-1,114
Other interest costs	-1,178	-2,182	-886	-1,350
Total	**-27,676**	**-29,889**	**-13,620**	**-15,018**
Interest payable relating to Group companies			-1,261	-1,531
Average rate of interest on deposits from the general public	2.18%	2.67%	1.33%	2.36%

Net interest earnings

Interest income	41,197	43,671	17,935	20,027
Leasing income			732	781
Interest costs	-27,676	-29,889	-13,620	-15,018
Leasing depreciation according to plan			-268	-281
Total	**13,521**	**13,782**	**4,779**	**5,509**

4 Dividends received

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
On Shares/participations (Note 25)	76	101	25	21
On Shares/participations from associated companies (Note 26) [1)]	40	25	4	3
On Shares/participations from Group companies (Note 27)			1,272	1,313
Total	**116**	**126**	**1,301**	**1,337**

1) Refers to holdings in the Group not reported in accordance with the equity method.

5 Commission income

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Payment commissions	4,534	4,156	1,117	1,110
Lending commissions	965	940	653	640
Deposit commissions	153	170	67	67
Guarantee commissions	216	198	140	122
Securities commissions	6,089	5,183	2,581	2,155
Other commissions	1,820	1,709	1,061	997
Total	**13,777**	**12,356**	**5,619**	**5,091**

6 Commission costs

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Payment commissions	-1,525	-1,279	-442	-488
Securities commissions	-312	-198	-85	-61
Other commissions	-641	-661	-279	-326
Total	**-2,478**	**-2,138**	**-806**	**-875**

7 Net result of financial transactions

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Shares/participations	848	494	81	92
Interest-bearing securities	1,078	804	1,075	883
Other financial instruments	-1,546	-340	-815	-138
Realised result	**380**	**958**	**341**	**837**
Shares/participations	116	507	-8	10
Interest-bearing securities	35	-337	23	-331
Other financial instruments	-333	-946	-187	-540
Unrealised changes in value	**-182**	**-776**	**-172**	**-861**
Exchange rate fluctuations	**1,975**	**1,896**	**1,609**	**1,594**
Debt redemption	**3**	**6**		
Total	**2,176**	**2,084**	**1,778**	**1,570**

8 Other operating income

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Capital gains on fixed assets	580	297	425	106
Other income	533	564	509	791
Total	**1,113**	**861**	**934**	**897**

9 a Administrative costs

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Staff costs	-10,912	-11,157	-5,608	-5,239
Other costs	-6,318	-6,191	-4,128	-4,032
Total	**-17,230**	**-17,348**	**-9,736**	**-9,271**

Staff costs

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Salaries and remuneration	-7,944	-7,798	-3,620	-3,544
Imputed pension costs		-319	-294	-272
Pension premiums paid		-485	-258	-65
Benefit retirement plans	240			
Contribution retirement plans	-497			
Payroll overhead	-2,073	-1,993	-1,172	-1,111
Other staff costs	-638	-562	-264	-247
Total	**-10,912**	**-11,157**	**-5,608**	**-5,239**

Pension costs in the Group 2004 are accounted for according to RR 29, Employee benefits. For 2003 they are accounted for according to local regulations. Pension costs in Skandinaviska Enskilda Banken have been calculated in accordance with the directives of the Financial Supervisory Authority, implying an actuarial calculation of imputed pension costs. Non-recurring costs of SEK 48m (235) for early retirement have been charged to the pension funds of the Bank.

Other operating costs

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Costs for premises	-1,737	-1,697	-921	-922
Data costs	-1,655	-1,508	-1,682	-1,672
Stationery	-271	-307	-149	-160
Travel and entertainment	-367	-331	-182	-164
Postage and telecommunications	-434	-386	-158	-177
Consultants	-516	-405	-295	-223
Marketing	-450	-436	-191	-144
Information services	-252	-250	-132	-117
Other operating costs	-636	-871	-418	-453
Total	**-6,318**	**-6,191**	**-4,128**	**-4,032**

Fees and expense allowances to appointed auditors and audit firms [1) 2)]

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
PricewaterhouseCoopers	-47	-32	-8	-6
BDO Feinstein	-1	-1	-1	-1
Audit assignments	**-48**	**-33**	**-9**	**-7**
PricewaterhouseCoopers	-7	-8	-2	-2
Other assignments	**-7**	**-8**	**-2**	**-2**

1) The audit has been performed in a mutual process with the internal audit team of SEB. The cost for internal audit is SEK 106m (99).
2) The parent company includes the foreign branches.

9 b Salaries and remuneration per category

Salaries and remunerations, loans and pensions to the boards, Managing Directors and Deputy Managing Directors in all companies in the Group are specified below.

	Group		Parent company	
	2004	2003	2004	2003
Boards of Directors, Managing Directors and deputy CEO[1)]	-363	-374	-16	–11
Other employees in Sweden	-4,351	-4,409	-3,018	–2 876
Other employees outside Sweden[2)]	-3,616	-3,334	-586	–657
Charged to insurance operations	386	319		
Total	**-7,944**	**-7,798**	**-3 620**	**–3 544**

1) The number of persons concerned year 2004 was 66.
2) Of which SEK 886m (481) refers to employees in Rest of Nordic region, SEK 2,635m (2,567) in Rest of Europe and SEK 95m (286) in Rest of world.

Loans to Executives

Managing Directors and Deputy Managing Directors[1)]	141	110	8	17
Boards of Directors[1)]	198	181	18	20
Total	**339**	**291**	**26**	**37**

1) The number of Managing Directors and Deputy Managing Directors concerned 2004 was 66 and the number of Board members was 205.

Pension commitments to Executives

	Group		Parent company	
	2004	2003	2004	2003
Pension disbursements made	73	66	34	26
Change in commitments	18	27	27	22
Commitments at year-end	1,318	1,120	600	541

The above commitments are covered by the Bank's pension funds.
The Pension costs defined as Service costs and Interest costs for the Group according to RR 29 for 2004.

Pension funds

	Pension commitments		Market value of asset	
	2004	2003	2004	2003
SB-stiftelsen, Skandinaviska Enskilda Bankens pensionsstiftelse	4,882	4,812	5,845	5,715
EB-stiftelsen, Skandinaviska Enskilda Bankens pensionsstiftelse	5,407	5,263	7,326	6,886
SEB Kort AB:s pensionsstiftelse	183	161	187	174
SEB IT AB:s pensionsstiftelse[1)]	478	410	478	438
Total	**10,950**	**10,646**	**13,836**	**13,213**

1) SEB IT Partner AB and SEB IT Service AB pension funds merged during 2004. The amounts shown are according to Swedish regulations.

9 c Retirement benefit obligation

The Group has established a number of pension schemes in the countries where business is performed. There are both defined benefit plans and defined contribution plans. The major pension schemes are final salary defined benefit plans and are funded. The defined contribution plans follow the local regulations in each country.

Defined benefit plans

The major defined benefit plans exist in Sweden and Germany and covers substantially all employees in these countries. Independent actuarial calculations according to the Projected Credit Unit Method (PUCM) are performed each year as per 31 December to decide the value of the defined benefit obligation. The benefits covered include retirement benefits, disability, death and survivor pensions according to the respective countries collective agreements.

The plan assets are kept separate in specific pension funds. The assets are market valued each year at the same date as the obligation. The asset allocation is determined to meet the various risk in the pension obligations and are decided by the board/trustees in the pension funds. The pension costs and the return on plan assets are accounted for among Staff costs.

Defined contribution plans

Defined contribution plans exist both in Sweden and abroad. In Sweden a smaller part of the retirement collective agreement is defined contribution plans. Over a certain salary level the employees can also choose to leave the defined benefit plan and replace it by a defined contribution plan. Most other countries have full defined contribution plans except for the baltic countries where the company to a very limited extent contribute to the employees retirement. The defined contribution plans are accounted for as an expense among Staff costs.

Defined benefit plans

	Sweden 2004	Foreign plans 2004	Group 2004
Defined benefit obligation at the beginning of the year	10,393	3,819	
Service costs	219	60	
Interest costs	502	188	
Benefits paid	-759	-178	
Exchange differences		-26	
Not recognised actuarial gain/losses	986	262	
Defined benefit obligation at the end of the year	**11,341**	**4,125**	
Fair value of plan assets at the beginning of the year	13,214	3,781	
Calculated return on plan assets	991	218	
Benefits paid	-748	-178	
Exchange differences		-22	
Actuarial gains/losses	379	18	
Fair value of plan assets at the end of the year	**13,836**	**3,817**	
Funded status	**-2,495**	**308**	
Unrecognised net actuarial gain/losses	-986	-262	
Unrecognised assets	379	18	
Amount recognised in the Balance sheet	**-3,102**	**64**	
Whereof Net assets	-3,125		-3,125
Whereof Net liability	23	64	87

Movements in the net liability or asset	Sweden 2004	Foreign plans 2004	Group 2004
Defined benefit obligation at the beginning of the year	-2,821	38	
Total expense as below	-270	30	
Employeers contribution	-11		
Exchange difference		-4	
Amounts recognised in Balance sheet	**-3,102**	**64**	

The actual return on plan assets was SEK 1,381m in Sweden and SEK 236m in foreign plans.
The pension plan assets include SEB shares with a fair value of SEK 1,064m and buildings occupied by the company with a value of SEK 780m.

Amounts recognised in the Profit and loss			
Service costs	-219	-60	-279
Interest costs	-502	-188	-690
Return on plan assets	991	218	1,209
Actuarial gains/losses			
Total included in staff costs	**270**	**-30**	**240**

Prinicipal actuarial assumption used,%	Sweden 2004	Foreign plans 2004
Discount rate	5.0%	5.0%
Inflation rate	2.0%	1.5%
Expected rate of salary increase	3.5%	2.5%
Expected rate of increase in the income basis amount	3.0%	
Expected rate of return on plan assets	7.5%	6.0%

Defined contribution plans	Sweden 2004	Foreign plans 2004	
Expense in Staff costs	-255	242	-497

9 d Salaries, remunerations and benefits of the top management and the members of the Group Executive Committe

Salaries, remunerations and benefits to the top management (Chariman of the Board, other Board members who have received fees over and above decided remuneration and the President) appear from the table below.

Salaries, remunerations and other compensation to the top mangement carried as an expense, SEK

	Base Salary		Variable salary		Remunerations		Benefits		**Total**	
	2004	2003	2004	2003	2004	2003	2004	2003	**2004**	**2003**
Chairman of the Board										
Jacob Wallenberg					1,400,000[1]	1,400,000	51,105	38,659	**1,451,105**	**1,438,659**
Director										
Tuve Johannesson					350,652	350,000		10,000[2]	**350,652**	**360,000**
President										
Lars H Thunell	6,153,051	5,315,634	2,602,200	2,300,000			281,048	214,908	**9,036,299**	**7,830,542**
	6,153,051	**5,315,634**	**2,602,200**	**2,300,000**	**1,750,652**	**1,750,000**	**332,153**	**263,567**	**10,838,056**	**9,629,201**

1) Including remuneration for participation in committees.
2) Congratulatory donation

Remuneration to the President and the other members of the Group Executive Committee consists of four main parts: base salary, variable salary dependent upon fulfilment of annual pre-set targets, long term incentives and pension benefits. The four parts constitute a whole which shall be competitive within the market where the officer is active. In addition hereto, customary benefits such as company car may be offered.

Long Term Incentive programme

As a principle, the calculated value of Long Term Incentive shall not exceed 50 per cent of the yearly fixed salary for the President and for the other members of the Group Executive Committee. From 1999 to 2004, employee stock options have been used as the vehicle for SEB's Long Term Incentive programmes.

Employee stock options cannot be sold nor pledged, which means that they do not have any market value. However, the calculated value for the 2004 programme according to widely accepted market theories at the time for the allotment was SEK 17 per employee stock option. When calculating the value, the exercise period and the fact that the options cannot be exercised during the first three years have to be considered. The calculated value of the employee stock options allotted to the President for 2004 amounted to SEK 2,999,990 and the corresponding calculated value of the stock options allotted to the Group Executive Committee excluding the President amounted to SEK 10,708,895.

Pension and severance pay

Under the pension agreement of the President, pension is payable from the age of 58. The pension plan is defined benefit-based and inviolable. The size of the pension is maximised to the following levels of pensionable salary. The pension agreement is expected to yield 65 per cent of the pensionable income up to the age of 65 and 55 per cent thereafter. Pensionable income consists of base salary plus 50 per cent of the average variable salary during the last three years. Termination of employment by the Bank is subject to a 12-month period of notice and entitles to a severance pay of 12 months' salary. The Bank has the right to make deductions from such severance pay of any cash payments that the President may receive from another employer or through his/her own business.

As regards pension benefits and severance pay the following is applicable to the members of the Group Executive Committee excluding the President. The pension plans are inviolable and mainly defined benefit-based except for one that is defined contribution-based. Retirement pension is payable from the age of 60 (except for one member that had a retirement age of 57 and who left at year-end) at the rate of maximum 70 per cent of pensionable income up to the age of 65 and at 65 per cent thereafter. Pensionable income consists of base salary plus 50 per cent of the average variable salaries during the last three years. Termination of employment by the Bank is subject to a 12-month period of notice and entitles to a severance pay of between 12 and 24 months' salary. The Bank has the right to make deductions from such severance pay of any cash payments that the Executive may receive from another employer or through his/her own business.

The pension costs according to RR 29 Employee benefits (introduced January 2004) are SEK 6,861,287 to the President and SEK 26,787,454 to the other members of the Group Executive Committee.

Compensation to the Group Executive Committe carried as an expense, SEK

2004	Base Salary	Variable salary	Benefits	Employee stock option (calculated value)	Pension costs**	**Total**
President						
Lars H Thunell	6,153,051	2,602,200	281,048	2,999,990	6,861,287	**18,897,576**
Group Executive Committee* (in total eight persons during the year, but the composition has changed)	25,804,513	16,799,891	1,272,311	10,708,895	26,787,454	**81,373,064**

* The number and persons partly differ from 2003.
** The pension costs defined as Service costs and Interest costs according to RR 29 for the year 2004.

Compensation to the Group Executive Committe carried as an expense, SEK

2003	Base Salary	Variable salary	Benefits	Employee stock option (calculated value)	Pension costs**	**Total**
President						
Lars H Thunell	5,315,634	2,300,000	214,908	3,474,270	10,093,025	**21,397,837**
Group Executive Committee* (in total eight persons during the year, but the composition has changed)	23,605,085	17,919,600	1,064,406	10,696,980	24,416,280	**77,702,351**

* The number and persons partly differ from 2004.
**The pension costs year 2003 show the change in committment according to Tryggandelagen.

Employee stock options allotted to the President and the Group Executive Committee

	1999	2000	2001	2002	2003	2004	**Total**
President							
Lars H Thunell	158,333	262,500	231,618	231,618	231,618	176,470	**1,292,157**
Other members of the Group Executive Committee (7 persons)	249,999	366,666	396,743	635,485	576,661	629,935	**2,855,489**

9 e Average number of employees

	Group		Parent company	
	2004	2003	2004	2003
Parent company	6,616	6,658	6,616	6,658
Swedish subsidiaries	2,318	2,291		
Non-Swedish subsidiaries	8,838	9,118		
Total	**17,772**	**18,067**	**6,616**	**6,658**
Number of hours worked			**11,524,080**	**11,410,480**

Average number of employees 2004

	Group		Parent company	
	Men	Women	Men	Women
Brazil	1	1	1	1
China	1	2	1	2
Denmark	314	278	65	41
Estonia	372	1,058		
Great Britain	1,893	1,885		
Germany	135	76	95	58
Finland	141	147	44	47
France	6	18	4	17
Ireland	7	8		
Latvia	390	856		
Lithuania	455	1,020		
Luxembourg	91	78		
Norway	252	207	73	52
Poland	16	14		
Switzerland	7	1		
Singapore	27	46	27	46
Spain	1	2		
Sweden	4,154	5,083	2,816	3,902
USA	46	19		
Group	**8,309**	**10,799**	**3,126**	**4,166**

Detailed information about the average number of employees, salaries and remuneration will be provided by the Bank upon request.

10 Depreciation and write-downs of tangible and intangible fixed assets

	Group		Parent company	
	2004	2003	2004	2003
Amortisation of goodwill	-597	-616		
Write-down of goodwill	-58			
Other intangible fixed assets	-95	-98		
Office equipment	-658	-673	-42	-59
Equipment leased to clients			-268	-281
Properties for own operations		-55		
Investment properties		-3		
Total	**-1,408**	**-1,445**	**-310**	**-340**

Office equipment is depreciated according to plan, which specifies that personal computers and similar equipment are written off over three years and other office equipment over five years. Properties are written off according to plan by the highest permissible capital allowance.

11 Restructuring costs

	Group		Parent company	
	2004	2003	2004	2003
Restructuring costs	39			
Provision to restructuring reserve [1]	124			
Total	**163**			
1) Provision to restructuring reserve				
Salaries and remuneration				
Costs for premises				
Other costs	124			
Total	**124**			

12 Net credit losses

	Group		Parent company	
	2004	2003	2004	2003
Write-downs and provisions for loans				
to credit institutions	-16		-2	
to the general public	-1,715	-2,576	-189	-358
Write-downs and provisions	**-1,731**	**-2,576**	**-191**	**-358**
Reversals and recoveries of loans				
to credit institutions	6			
to the general public	982	1,595	102	237
Reversals and recoveries	**988**	**1,595**	**102**	**237**
Total	**-743**	**-981**	**-89**	**-121**
Specific provision for individually appraised loans:				
Reported write-down, incurred losses	-1,828	-1,845	-646	-317
Reversal of previous provisions for probable losses, reported as incurred losses in current years accounts	1,043	1,257	365	246
Reported provision for probable losses	-1,010	-1,741	-191	-288
Recovered from losses incurred in previous years	304	330	59	51
Reversal of previous provisions for probable losses	467	577	43	69
Net cost	-1,024	-1,422	-370	-239
Collective provision for individually appraised loans:				
Allocation to/withdrawal from reserve	270	456	235	118
Provisions for homogenous groups of loans:				
Reported write-down, incurred losses	-143	-183		
Reported provision for possible losses, net	-85	6		
Recovered from losses incurred in previous years	64	53		
Net cost	-164	-124		
Transfer risk reserve:				
Allocation to/withdrawal from reserve	95	56	46	
Contingent liabilities:				
Allocation to/withdrawal from reserve	80	53		
Net credit losses	**-743**	**-981**	**-89**	**-121**

13 Change in value of seized assets

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Properties taken over	4	1		
Other assets taken over	47	1	47	
Realised change in value	**51**	**2**	**47**	
Properties taken over		-20		
Other assets taken over	-9	-7		
Unrealised change in value	**-9**	**-27**		
Total	**42**	**-25**	**47**	

14 Write-down of financial fixed assets

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
b-business Partners b.v.		-27		-27
Frontville AB		-14		-14
Repono Holding AB (formerly Trygg Hansa AB)			-309	-328
SEB Asset Management America Inc			-58	
SEB Fondholding AB				-31
Other	-31	-23	-25	-16
Total	**-31**	**-64**	**-392**	**-416**

15 Net result from associated companies [1)]

	Group 2004	Group 2003
Bank Ochrony Środowiska (BOŚ)	3	14
VPC	16	36
Other	2	-31
Total	**21**	**19**

1) Including goodwill amortisation of SEK 50m (51).

16 Operating result from insurance operations

	Group 2004	Group 2003
Non-life operations	201	102
Life operations	359	-24
Total	**560**	**78**

Profit and loss account for the insurance operations drawn up in accordance with the Annual Account Act for Insurance Conpanies (AAIC) as shown in note 56.

17 Appropriations incl pension compensation

	Group 2004 [1)]	Group 2003	Parent company 2004	Parent company 2003
Recovery of imputed pension premiums		319	293	272
Compensation from pension funds, social charges and paid pension premiums		339		318
Compensation from pension funds, pension disbursements		1,000	748	1,000
Pension disbursements		-1,000	-758	-1,000
Pension compensation		658	283	590
Appropriations to/utilisation of untaxed reserves			4,500	-282
Difference between book and scheduled depreciation			-1,129	-1,251
Appropriations			3,371	-1,533
Total		**658**	**3,654**	**-943**

1) Pension costs in the Group 2004 are accounted for according to RR 29, Employee benefits see further note 9c. For 2003 they are accounted for according to local regulations.

18 Taxes

	Group		Parent company	
	2004	2003	2004	2003
Major components of tax costs:				
Current tax	-3,034	-1,402	-1,757	-508
Deferred tax	669	-761	131	153
Tax for the year	**-2,365**	**-2,163**	**-1,626**	**-355**
Current tax for previous years	-301	-84	-352	-80
Other taxes	**-301**	**-84**	**-352**	**-80**
Total	**-2,666**	**-2,247**	**-1,978**	**-435**
Relationship between tax costs for the year and accounting profit before tax:				
Net profit for the year	6,590	5,704	5,069	2,284
Taxes and minority [1]	2,683	2,259	1,978	435
Accounting profit before tax	**9,273**	**7,963**	**7,047**	**2,719**
Tax at the applicable rate of parent company	-2,596	-2,230	-1,973	-761
Tax effect of local tax rates for subsidiaries	24	98		
Tax effect of costs that are not tax deductible	-402	-329	-110	-163
Tax effect of revenue that are not taxable	609	298	457	569
Tax for the year	**-2,365**	**-2,163**	**-1,626**	**-355**
Disclosure of temporary differences [2]				
Deferred tax liabilities	6,099	6,513	88	101
Deferred tax assets	1,254	1,490	138	21
Deferred tax liabilities, net	**4,845**	**5,023**	**-50**	**80**

1) Temporary differences are differences between the carrying amount of an asset or liability in the balance sheet and its tax base. All taxable temporary differences give rise to deferred tax assets and liabilities.
2) See note 31 and 39.

19 Minority interests

	Group	
	2004	2003
Minority's shares of subsidiaries result	-17	-12
Total	**-17**	**-12**

20 Cash and deposits with central banks

	Group		Parent company	
	2004	2003	2004	2003
Cash	3,835	4,239	1,551	1,719
Balances with foreign Central Banks	9,144	5,468	759	380
Total	**12,979**	**9,707**	**2,310**	**2,099**

21 Eligible Treasury Bills etc.[1]

	Group		Parent company	
	2004	2003	2004	2003
Eligible Treasury Bills	58,233	52,261	31,110	28,007
Other eligible securities	59,231	24,148	752	673
Total	**117,464**	**76,409**	**31,862**	**28,680**
Remaining maturity				
– maximum 1 year	32,450	19,320	13,253	4,835
– 1–5 years	43,373	36,043	5,671	16,210
– 5–10 years	24,802	15,375	3,950	3,864
– more than 10 years	16,839	5,671	8,988	3,771
Total	**117,464**	**76,409**	**31,862**	**28,680**
Average remaining maturity (years)	4.98	3.56	5.90	4.61
Positive difference between book values and nominal amounts	2,187	1,690	1,679	1,354
Negative difference between book values and nominal amounts	-1,362	-488	-50	-29

Note 21 ctd. Eligible Treasury Bills etc.[1]

Issuers	Group 2004 Accrued acquisition value	Group 2004 Book value	Group 2004 Market value	Group 2003 Accrued acquisition value	Group 2003 Book value	Group 2003 Market value
Swedish State						
Swedish municipalities						
Foreign States	70	70	70			
Other foreign issuers	3	3	3	4	4	4
Fixed assets	**73**	**73**	**73**	**4**	**4**	**4**
Swedish State	13,590	13,882	13,882	8,533	8,146	8,146
Swedish municipalities	743	752	752	670	673	673
Foreign States	44,114	44,282	45,265	44,302	44,114	44,754
Other foreign issuers	58,394	58,475	58,828	23,489	23,472	23,652
Current assets	**116,841**	**117,391**	**118,727**	**76,994**	**76,405**	**77,225**
Total	**116,914**	**117,464**	**118,800**	**76,998**	**76,409**	**77,229**

Issuers	Parent company 2004 Accrued acquisition value	Parent company 2004 Book value	Parent company 2004 Market value	Parent company 2003 Accrued acquisition value	Parent company 2003 Book value	Parent company 2003 Market value
Swedish State						
Swedish municipalities						
Foreign States						
Other foreign issuers						
Fixed assets						
Swedish State	13,463	13,753	13,753	8,533	8,146	8,146
Swedish municipalities	743	752	752	670	673	673
Foreign States	17,189	17,357	17,357	20,068	19,861	19,861
Other foreign issuers						
Current assets	**31,395**	**31,862**	**31,862**	**29,271**	**28,680**	**28,680**
Total	**31,395**	**31,862**	**31,862**	**29,271**	**28,680**	**28,680**

1) Detailed information about the criteria used to classify these securities is provided under Accounting principles.

22 Lending to credit institutions

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Remaining maturity				
– payable on demand	21,771	96,162	15,907	90,303
– maximum 3 months	136,206	39,083	163,144	80,244
– 3 months–1 year	11,117	15,156	25,342	18,385
– 1–5 years	31,333	21,330	81,710	31,531
– more than 5 years	7,297	7,577	4,345	7,614
Total	**207,724**	**179,308**	**290,448**	**228,077**
of which repos	93,752	59,530	86,494	60,891
Average remaining maturity (years)	0.92	0.86	1.12	0.84

23 Lending to the public

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Remaining maturity				
– payable on demand	66,706	64,840	33,347	39,589
– maximum 3 months	140,656	119,253	98,369	72,093
– 3 months–1 year	94,835	88,451	25,756	28,266
– 1–5 years	281,362	250,469	64,487	58,556
– more than 5 years	199,460	184,446	29,898	21,139
Total	**783,019**	**707,459**	**251,857**	**219,643**
of which repos	78,770	59,514	78,392	59,117
Average remaining maturity (years)	3.72	3.77	2.07	1.88

24 Bonds and other interest-bearing securities [1)]

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Issued by public agencies	1,468	1,102		
Issued by other borrowers	140,890	111,758	154,833	130,022
Total	**142,358**	**112,860**	**154,833**	**130,022**

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Listed securities	142,049	109,965	154,833	130,022
Unlisted securities	309	2,895		
Total	**142,358**	**112,860**	**154,833**	**130,022**

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Remaining maturity				
– maximum 1 year	37,885	28,813	39,598	40,783
– 1–5 years	64,195	51,065	76,008	57,605
– 5–10 years	8,652	8,186	8,320	7,289
– more than 10 years	31,626	24,796	30,907	24,345
Total	**142,358**	**112,860**	**154,833**	**130,022**
Average remaining maturity (years)	5.27	4.00	5.00	4.55
Positive difference between book values and nominal amounts	6,366	1,571	5,844	1,527
Negative difference between book values and nominal amounts	-2,285	-1,610	-1,801	-1,440

	Group 2004			Group 2003		
Issuers	Accrued acquisition value	Book value	Market value	Accrued acquisition value	Book value	Market value
Swedish mortgage institutions						
Other Swedish issuers;						
– non-financial companies						
– other financial companies				2	2	2
Other foreign issuers	2,322	2,354	2,364	2,452	2,525	2,524
Fixed assets	**2,322**	**2,354**	**2,364**	**2,454**	**2,527**	**2,526**
of which subordinated (debentures)	144	144	144	254	254	254
Swedish mortagage institutions	34,410	34,522	34,522	41,627	41,497	41,497
Other Swedish issuers;						
– non-financial companies	2,290	2,311	2,311	2,653	2,648	2,648
– other financial companies	2,297	2,301	2,301	2,221	2,219	2,219
Foreign States	1,356	1,357	1,515	1,122	1,088	1,134
Other foreign issuers	101,636	99,513	99,514	62,948	62,881	62,884
Current assets	**141,989**	**140,004**	**140,163**	**110,571**	**110,333**	**110,382**
of which subordinated (debentures)				2	2	2
Total	**144,311**	**142,358**	**142,527**	**113,025**	**112,860**	**112,908**

	Parent company 2004			Parent company 2003		
Issuers	Accrued acquisition value	Book value	Market value	Accrued acquisition value	Book value	Market value
Swedish mortgage institutions						
Other Swedish issuers;						
– non-financial companies						
– other financial companies				2	2	2
Other foreign issuers	226	226	236	343	343	343
Fixed assets	**226**	**226**	**236**	**345**	**345**	**345**
of which subordinated (debentures)	144	144	144	254	254	254
Swedish mortgage institutions	41,870	41,967	41,967	53,887	53,757	53,757
Other Swedish issuers;						
– non-financial companies	2,290	2,311	2,311	2,526	2,519	2,519
– other financial companies	2,297	2,301	2,301	2,221	2,219	2,219
Other foreign issuers	107,888	108,028	108,028	71,248	71,182	71,182
Current assets	**154,345**	**154,607**	**154,607**	**129,882**	**129,677**	**129,677**
of which subordinated (debentures)				2	2	2
Total	**154,571**	**154,833**	**154,843**	**130,227**	**130,022**	**130,022**

1) Detailed information about criteria used to classify these securities is provided under Accounting principles.

25 Shares and participations[1)]

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Listed securities	17,309	9,393	12,587	6,066
Unlisted securities	2,003	1,904	1,552	1,412
Total	**19,312**	**11,297**	**14,139**	**7,478**
A. Trading portfolio and other shares, current assets	18,663	10,085	13,849	6,642
B. Shares and participations taken over for protection of claims, current assets	40	72	13	42
C. Other shares and participations, fixed assets	609	1,140	277	794
Total	**19,312**	**11,297**	**14,139**	**7,478**

A. Trading portfolio and other shares, current assets

	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Trading portfolio shares			12,881.3		
Arexis AB, Mölndal	SEK	0.2	55.6		29
Ascade Holding AB, Stockholm	SEK	0.1	21.5		31
Biotage AB, Uppsala	SEK	2.7	27.9		4
Capres A/S, Copenhagen	DKK	0.4	18.2		22
Carmen Systems AB, Gothenburg	SEK	0.0	1.9		1
Chinsay AB, Stockholm	SEK	0.2	0.0		2
Cobolt AB, Stockholm	SEK	0.3	26.2		34
Cresco TI Systems N.V. Curacao	EUR	2.6	43.1		27
Crossroad Loyalty Solutions AB, Gothenburg	SEK	0.1	13.0		30
Datainnovation i Lund AB (Dilab), Lund	SEK	0.1	8.6		23
EAC Investco Ltd, Guernsey	GBP	0.0	30.5	0.6	
EQT I Limited, Guernsey	GBP	0.0	3.0		5
Fält Communications AB, Kalix	SEK	0.5	21.7		39
IBX Integrated Business Exchange, Stockholm	SEK	3.7	66.1		22
InDex Pharmaceuticals AB, Stockholm	SEK	0.2	20.0		17
Information Mosaic Ltd, Dublin	EUR	2.5	46.1		20
InnKap 1 Gothenburg	SEK		0.4		
InnKap 2 Partners KB, Gothenburg	SEK		1.9		
InnKap 3 Sweden KB, Gothenburg	EUR		15.4		3
Interpeak AB, Stockholm	SEK	0.0	17.8		26
Kreatel Communication AB, Linköping	SEK	1.2	58.2		32
KTH Seed Capital KB, Stockholm	SEK		2.7		
LightUp Technologies AB, Huddinge	SEK	0.2	28.0		35
Mamma Mia! International Tour, London	GBP		2.4		
Modul 1 Data AB, Solna	SEK	0.1	0.7		1
Neoventa Medical AB, Gothenburg	SEK	6.5	44.9		39
Novator AB, Stockholm	SEK	1.4	36.4		44
NuEvolution A/S, Copenhagen	DKK	1.1	36.6		20
Phaseln AB, Stockholm	SEK	0.2	23.9		39
Prodacapo AB, Örnsköldsvik	SEK	0.1	24.8		15
ProstaLund AB, Lund	SEK	0.1	35.1		8
Quiatech AB, Uppsala	SEK	0.1	16.5		19
Radians Innova AB, Gothenburg	SEK		0.0		
Robolux AB, Lidingö	SEK	1.9	13.9		45
Sanos Bioscience A/S, Herlev	DKK	0.2	12.4		17
SBL Holding AB, Solna	SEK	2.0	10.0		39
Spotfire Inc, Cambridge, USA	USD	0.0	1.1		0
Time Care AB, Stockholm	SEK	1.2	19.9		36
Wavium AB, Stockholm	SEK	1.5	29.0		49
Vitrolife AB, Gothenburg	SEK	0.2	4.6		1
XCounter AB, Danderyd	SEK	1.2	42.0		10
Other			85.4		
Parent company holdings			**13,848.7**	**0.6**	
Holdings of subsidiaries			**4,813.9**	**21.2**	
Group holdings			**18,662.6**	**21.8**	

Note 25 ctd. Shares and participations[1)]

B. Shares and participations taken over for the protection of claims*, current assets

	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Birma Holding B.V. Amsterdam	EUR	0.0	0.0		100
Raffles Holding, Cayman Islands	GBP	1.0	12.8		
IFA Ship AB, Stockholm	SEK	0.1	0.1		100
Parent company holdings			**12.9**		
Holdings of subsidiaries			**27.0**	**4.4**	
Group holdings			**39.9**	**4.4**	

* Holdings in these companies have been reported as shares and participations taken over in connection with loan foreclosures, even when they amount to at least 20 percent, since the holdings are not long term. Pledges taken over are valued at the lower of cost or market, which means that a consolidation, using the equity method, does not theoretically have any impact on the Group's shareholders' equity as long as there are no surplus values in the holdings.

C. Other shares and participations, fixed assets

	Currency	Nominal amount	Book value	Dividend	Voting rights, %
ABB Participation AB, Västerås	SEK	0.0	0.0		
Adela Investment Company S. A. Luxemburg	USD	2.8	0.0		3
Amagerbanken A/S, Copenhagen	DKK		0.0	16.3	
Ankar Asia Partners L.P., Cayman Island	USD		0.0		8
Ankar Capital Asian Partners Ltd, Cayman Island	USD	0.0	0.0		
Arcot Systems Inc, San Francisco	USD		47.0		9
Askembla Growth Fund KB, Stockholm	SEK		35.9		25
Banco Finasa de Investimento SA, Sao Paulo	BRL			0.2	
b-business partners b.v., Amsterdam	EUR	0.4	22.4		5
Brf Falken, Malmö	SEK		11.2		
Brf Fältprästen 3, Stockholm	SEK		1.7		
Brf Karl den XV:s Port, Stockholm	SEK		0.3		
Brf Mellanheden, Malmö	SEK		0.1		
Brf Munklägret, Stockholm	SEK		1.2		
Brf Oxen Mindre, Stockholm	SEK		2.5		
Brf Riksbyggen Götenehus Nr 1, Lidköping	SEK		0.2		
Brf Räfsan 13, Stockholm	SEK		0.4		
Brf Sälgen 7, Stockholm	SEK		1.4		
Brf Tellusborg, Stockholm	SEK		0.4		
Chicago Board of Trade, Chicago	USD		7.3		
Chicago Metal Exchange, Chicago	USD		28.9		
CLS Group Holdings AG, Zurich	CHF	3.4	38.3		2
DebiTech AB, Stockholm	SEK	0.2	10.7		18
eAF PTE Ltd, Singapore	USD	0.0	0.0		17
EBA Clearing Company, Paris	EUR	0.0	0.0		0
Euroclear Clearance System S. C., Brussels	USD	0.0	0.0		0
Euroclear plc, Zurich	EUR	0.1	5.7	5.9	3
Exchange System Technology Ltd, London	GBP		6.7		12
Fastighets AB Inedal, Stockholm	SEK	0.8	1.7		6
Frontville AB, Stockholm	SEK	0.3	0.0		15
ICICI Bank Limited, Bombay	INR	0.3	0.0	0.1	0
Intercontinental Exchange Inc, Atlanta	GBP		0.8		
Köbenhavn Fondbörs, Copenhagen	DKK	0.1	0.1	0.2	
London Clearing House Ltd, London	GBP	0.3	3.8		
Norsk Tillitsmann AS, Oslo	NOK	0.5	0.6	0.2	5
OM Gruppen AB, Stockholm	SEK	0.0	0.2		0
S.W.I.F.T., Brussels	EUR	0.1	0.8		1
SSI Serach Ltd, Sutton	GBP		15.4		50
Swedish American Chamber of Commerce, New York	USD		0.3		
Tradeplex Limited, London	GBP	0.0	6.8		25
Verdipapirsentralen Holding ASA (VPS), Oslo	NOK	2.9	24.1	0.9	6
Parent company holdings			**276.7**	**23.9**	
Holdings of subsidiaries			**332.3**	**25.4**	
Group holdings			**609.0**	**49.3**	

1) Detailed information about criteria used to classify these securities is provided under Accounting principles. Detailed information for subsidiaries holdings will be provided by the Bank upon request.

26 Shares and participations in associated companies [1]

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Listed securities	936	862	785	785
Unlisted securities	387	392	239	263
Total	**1,323**	**1,254**	**1,024**	**1,048**
of which, holdings in credit institutions	915	871	785	814

	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Bank Ochrony Środowiska Spólka Akcyjna, Warsaw	PLN	28.9	785.1	0.2	22
Bankomatcentralen AB, Stockholm	SEK	0.1	0.2		22
BGC Holding AB, Stockholm	SEK	0.0	3.7	3.8	33
Haugerud Regnskap A/S, Hönefoss	NOK	0.1	17.3		49
Privatgirot AB, Stockholm	SEK	0.2	0.1		24
Upplysningscentralen UC AB, Stockholm	SEK	0.3	0.3	0.0	27
VPX matching AB, Stockholm	SEK	6.3	11.4		25
Värdepapperscentralen VPC AB, Stockholm	SEK	14.8	206.2		25
Parent company holdings			**1,024.4**	**4.0**	
Holdings of subsidiaries			**391.0**	**37.3**	
Group adjustment			-92.5	-0.8	
Group holdings			**1,322.9**	**40.5**	

1) Detailed information about criteria used to classify these securities is provided under Accounting principles.
Detailed information for subsidiaries holdings will be provided by the Bank upon request.

27 Shares and participations in Group companies [1]

	Parent company 2004	Parent company 2003
A. Swedish subsidiaries	27,528	21,111
B. Foreign subsidiaries	32,047	26,469
Total	**59,575**	**47,580**
of which holdings in credit institutions	43,772	32,843

A. Swedish subsidiaries

	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Aktiv Placering AB, Stockholm	SEK	0.1	0.1		100
Enskilda Juridik AB, Stockholm	SEK	0.1	0.1		100
Enskilda Kapitalförvaltning SEB AB, Stockholm	SEK	0.3	0.3		100
Enskilda Securities AB, Stockholm	SEK	45.0	1,180.4		90
Försäkringsaktiebolaget S E Captive, Stockholm	SEK	100.0	100.0		100
Repono Holding AB, Stockholm	SEK	695.1	6,587.7		100
SEB AB, Stockholm	SEK	1,176.5	5,845.8		100
SEB Asset Management Aktiebolag, Stockholm	SEK	0.0	1.3		100
SEB Baltic Holding AB, Stockholm	SEK	14.0	13.3		100
SEB BoLån AB, Stockholm	SEK	200.0	7,781.0		100
SEB BoLån AB, Stockholm (debenture loan)	SEK	1,725.0	1,725.0		
SEB Fastigheter Region Väst AB, Stockholm	SEK	2.0	2.0		100
SEB Fastighetsservice AB, Stockholm	SEK	0.1	0.1		100
SEB Finans AB, Stockholm	SEK	2.5	145.0		100
SEB Fondholding AB, Stockholm	SEK	21.0	642.0		100
SEB Förvaltnings AB, Stockholm	SEK	5.0	5.0		100
SEB Internal Supplier AB, Stockholm	SEK	10.0	12.0		100
SEB IT AB, Stockholm	SEK	8.0	10.0		100
SEB Kort AB, Stockholm	SEK	50.0	2,260.0	422.7	100
SEB Kort AB, Stockholm (debenture loan)	SEK	100.0	100.0		
SEB Portföljförvaltnings AB, Gothenburg	SEK	21.2	1,115.4		100
SEB Strategic Investments AB, Stockholm	SEK	1.0	1.2		100
Skandinaviska Kreditaktiebolaget, Stockholm	SEK	0.1	0.1		100
Team SEB AB, Stockholm	SEK	0.5	0.5		100
Total			**27,528.4**	**422.7**	

Note 27 ctd. Shares and participations in Group companies [1)]

B. Foreign subsidiaries

	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Ane Gyllenberg AB, Helsingfors	EUR	0.5	465.4		100
Eesti Ühispank, Tallin	EEK	665.6	1,365.2		100
Eesti Ühispank, Tallin (debenture loan)	EUR	17.0	153,4		
FinansSkandic Leasing (SEA) Pte Ltd, Singapore	SGD	0.1	0.4		100
Interscan Servicos de Consultoria Ltda, Sao Paulo	BRL	2.3	0.0		100
Latvijas Unibanka, Riga	LVL	37.1	946.4		100[2)]
Latvijas Unibanka, Riga (debenture loan)	EUR	14.0	126.3		
Latvijas Unibanka, Riga (convertible debenture loan)	USD	16.0	106.1		
Scandinavian Finance BV, Amsterdam	EUR	1.0	8.4		100
SEB AG, Frankfurt	EUR	775.2	18,670.1	586.5	100
SEB AG, Frankfurt (debenture loan)	EUR	8.0	26.8		
SEB Asset Management America Inc, Stamford	USD	0.0	37.9		100
SEB Asset Management Fondmaeglerselskab A/S, Copenhagen	DKK	9.0	136.1		100
SEB Fund Service S.A., Luxembourg	EUR		10.7		100
SEB Hong Kong Trade Services Ltd, Hong Kong	HKD	0.0	0.0		99
SEB NET S.L., Barcelona	EUR	0.0	0.0		100
SEB Private Bank S.A., Luxembourg	EUR		1,198.7	262.9	100
SEB TFI SA, Warsaw (Towarzystwo Funduszy Inwestycyjnych)	PLN	34.9	17.1		100
Skandinaviska Ensk Banken South East Asia Ltd, Singapore	SGD	40.0	191.3		100
Skandinaviska Enskilda Banken A/S, Copenhagen	DKK	1,000.0	5,667.9		100
Skandinaviska Enskilda Banken AG, Frankfurt (debenture loan)	EUR	25.6	232.2		
Skandinaviska Enskilda Banken Corporation, New York	USD	10.0	140.1		100
Skandinaviska Enskilda Banken e-invest B.V. Amsterdam	EUR	0.0	31.2		100
Skandinaviska Enskilda Ltd, London	GBP	49.3	751.1		100
Skandinaviska Enskilda Reinsurance, Luxembourg	EUR	1.2	8.2		100
Vilniaus Bankas, Vilnius	LTL	154.4	1,620.6		100[2)]
Vilniaus Bankas, Vilnius (debenture loan)	EUR	15.0	135.4		
Total			**32,046.9**	**849.4**	
Parent company holdings			**59,575.2**	**1,272.1**	

Information about the corporate registration numbers of the subsidiaries is available upon request.

1) Detailed information about criteria used to classify these securities is provided under Accounting principles.
2) In 2002 SEB made a mandatory cash offer for remaining shares. Still outstanding shares represents approximately 1 per cent in respective bank.

28 Assets in insurance operations

	Group	
	2004	2003
Investments	79,875	1,577
Investments for account of policyholders	67,189	57,458
Other claims and assets	7,957	3,707
Total	**155,021**	**62,742**

29 Intangible fixed assets

	Group		Parent company	
	2004	2003	2004	2003
Goodwill	9,650	10,265		
Other intangible fixed assets	495	221	18	
Total	**10,145**	**10,486**	**18**	

Goodwill

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Opening balance	15,025	14,715		
Acquisitions during the year	260	569		
Group adjustment		37		
Sales during the year	-75			
Exchange differences	8	-296		
Acquisition value	**15,218**	**15,025**		
Opening balance	-4,760	-4,016		
Current year's depreciations [1]	-744	-763		
Current year's write-off	-58			
Accumulated depreciations on current year's sales	9			
Exchange rate differences	-15	19		
Accumulated depreciations	**-5,568**	**-4,760**		
Book value	**9,650**	**10,265**		
1) Of which reported as Operating result from insurance operations	-147	-147		

Other intangible assets

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Opening balance	949	356	87	87
Acquisitions during the year	315	97	18	
Group adjustment		12		
Reclassification [1]	185	566		
Sales during the year	-97	-60		
Exchange differences	-12	-22		
Acquisition value	**1,340**	**949**	**105**	**87**
Opening balance	-728	-226	-87	-87
Current year's depreciations [2]	-116	-98		
Group adjustment		-5		
Reclassification [1]	-92	-464		
Accumulated depreciations on current year's sales	85	54		
Exchange rate differences	6	11		
Accumulated depreciations	**-845**	**-728**	**-87**	**-87**
Book value	**495**	**221**	**18**	
1) Computer programs have been reclassified from tangible assets with SEK 93m in SEB AG.				
2) Of which reported against reserve	-21			

30 Tangible assets

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Office equipment	1,646	2,019	93	114
Equipment leased to clients [1]			13,400	12,570
Properties for own operations	1,584	1,707	8	2
Investment properties	191	118		
Properties taken over for protection of claims	40	45	1	1
Total	**3,461**	**3,889**	**13,502**	**12,687**

1) Equipment leased to clients are reclassified to lending in the Group.

Office equipment

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Opening balance	7,242	7,767	1,962	2,045
Acquisitions during the year	422	689	31	19
Group adjustment		23		
Reclassification [2]	-185	-566		
Sales during the year	-303	-586	-10	-102
Exchange rate differences	-34	-85		
Acquisition value	**7,142**	**7,242**	**1,983**	**1,962**
Opening balance	-5,223	-5,430	-1,848	-1,891
Current year's depreciations [1]	-645	-755	-42	-59
Current year's write-downs	-1	-15		
Group adjustment		-23		
Reclassification [2]	92	464		
Accumulated depreciations on current year's sales	254	492		102
Exchange rate differences	27	44		
Accumulated depreciations	**-5,496**	**-5,223**	**-1,890**	**-1,848**
Book value	**1,646**	**2,019**	**93**	**114**
1) Of which reported against reserve	-33	-97		

2) Computer programs have been reclassified to intangible assets with SEK 93m in SEB AG.

Equipment leased to clients

	Parent company 2004	Parent company 2003
Opening balance	13,623	12,600
Acquisitions during the year	1,098	1,023
Acquisition value	**14,721**	**13,623**
Opening balance	-1,053	-772
Current year's depreciations	-268	-281
Accumulated depreciations	**-1,321**	**-1,053**
Book value	**13,400**	**12,570**

1) Equipment leased to clients is depreciated in annuities, based on a conservatively estimated residual value at the end of the contract period. For leased equipment that cannot be sold in a functioning market, the scheduled residual value is zero at the end of the contract period. Any surplus resulting from the sale of leased equipment is reported under Other income.

Note 30 ctd. Tangible assets

Properties for own operations	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Opening balance	2,221	2,335	2	6
Acquisitions during the year	127	160	7	
Group adjustment [1]	-75			
Sales during the year	-152	-236		-4
Exchange rate differences	-14	-38		
Acquisition value	**2,107**	**2,221**	**9**	**2**
Opening balance	-514	-624		
Current year's depreciations	-41	-42	-1	
Current year's write-downs		-13		
Group adjustment [1]	32			
Accumulated depreciations on current year's sales	5	158		
Exchange rate differences	-5	7		
Accumulated depreciations	**-523**	**-514**	**-1**	
Book value	**1,584**	**1,707**	**8**	**2**
Tax value, real properties	5	2	5	2
of which, buildings	4	2	4	2

Tax value refers only to properties in Sweden.

1) Reclassification has been done to investment properties with SEK 43m in SEB AG.

Investment properties	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Opening balance	135	147		
Acquisitions during the year	42	1		
Group adjustment [1]	75			
Sales during the year	-10	-11		
Exchange rate differences	-1	-2		
Acquisition value	**241**	**135**		
Opening balance	-17	-16		
Current year's depreciations	-4	-3		
Group adjustment [1]	-32			
Accumulated depreciations on current year's sales	3	2		
Accumulated depreciations	**-50**	**-17**		
Book value	**191**	**118**		

1) Reclassification has been done from properties for own operations with SEK 43m in SEB AG.

Net operating earnings from investment properties	Group 2004	Group 2003	Parent company 2004	Parent company 2003
External income	22	7		
Operating costs	-6	-2		
Total	**16**	**5**		

In case of an inactive market, the fair value is appraised analytically on basis of annual cash flows. The book value do not differ materially from the fair value.

Properties taken over for protection of claims	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Opening balance	45	50	1	1
Acquisitions during the year	7	20		
Sales during the year	-12	-25		
Acquisition value	**40**	**45**	**1**	**1**
Book value	**40**	**45**	**1**	**1**

Net operating earnings from properties taken over for protection of claims	Group 2004	Group 2003	Parent company 2004	Parent company 2003
External income	2	2		
Operating costs	-2	-2		
Total				

Assets taken over for protection of claims	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Buildings and land	40	45	1	1
Shares and participations	40	72	13	42
Total	**80**	**117**	**14**	**43**

1) Equipment leased to clients is depreciated in annuities, based on a conservatively estimated residual value at the end of the contract period. For leased equipment that cannot be sold in a functioning market, the scheduled residual value is zero at the end of the contract period. Any surplus resulting from the sale of leased equipment is reported under Other income.

31 Other assets

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Current tax assets	478	661		328
Deferred tax assets [1]	1,254	1,490	50	
Claims on securities settlement proceeds	19,274	6,967	19,217	6,788
Market value, derivatives	95,245	84,366	90,709	78,988
Pension plan assets, net	3,125			
Other	7,763	2,548	10,277	6,830
Total	**127,139**	**96,032**	**120,253**	**92,934**

1) Deferred tax assets comprise nearly SEK 0.9bn (1.2) of calculated deferred tax regarding SEB AG. The expected development of taxable income, the foreseeable future and known German tax laws have then been considered. Maximum amount is SEK 1.6 bn (1.7).

32 Prepaid expenses and accrued income

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Prepaid expenses/accrued other income	2,647	2,612	412	854
Accrued interest	8,726	5,338	5,972	2,804
Total	**11,373**	**7,950**	**6,384**	**3,658**

33 Liabilities to credit institutions

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Remaining maturity				
– on demand	162,744	111,991	130,731	95,270
– maximum 3 months	160,660	104,615	133,436	84,675
– 3 months–1 year	14,656	13,981	23,507	14,644
– 1–5 years	9,306	5,094		179
– more than 5 years	9,822	11,171	2,573	2,851
Total	**357,188**	**246,852**	**290,247**	**197,619**
of which repos	38,240	17,920	37,663	18,683
Average remaining maturity (years)	0.44	0.60	0.20	0.25

34 Deposits and borrowing from the public

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Deposits	471,000	441,891	261,873	248,595
Borrowing	46,520	52,145	48,272	54,227
Total	**517,520**	**494,036**	**310,145**	**302,822**
Remaining maturity				
– repayable on demand	351,729	289,098	261,873	248,595
– maximum 3 months	56,923	93,617		
– 3 months–1 year	15,607	11,016		
– 1–5 years	28,531	24,565		
– more than 5 years	18,210	23,595		
Deposits [1]	**471,000**	**441,891**	**261,873**	**248,595**
Average remaining maturity (years)	0.60	0.74		
Remaining maturity				
– repayable on demand	763	13,516		15,478
– maximum 3 months	32,911	22,556	33,576	22,610
– 3 months–1 year	3,821	5,426	4,196	5,709
– 1–5 years	1,532	3,230	3,007	3,044
– more than 5 years	7,493	7,417	7,493	7,386
Borrowing	**46,520**	**52,145**	**48,272**	**54,227**
of which repos	39,429	27,509	39,429	27,480
Average remaining maturity (years)	1.85	1.73	1.88	1.65
Total	**517,520**	**494,036**	**310,145**	**302,822**

1) Only account balances covered by the Deposit Guarantee are reported as deposits.
The amount refers to the total account balance without considering the limitation in terms of amount that is applicable to the Deposit Guarantee and fee bases.

35 Securities issued, etc

	Group		Parent company	
	2004	2003	2004	2003
Bond loans	187,062	162,287	25,318	17,107
Certificates of deposit	79,631	56,220	55,946	30,940
Total	**266,693**	**218,507**	**81,264**	**48,047**
Remaining maturity				
– maximum 1 year	75,054	34,371	12,612	3,205
– 1–5 years	96,137	116,047	11,565	13,440
– 5–10 years	14,668	11,754	259	347
– more than 10 years	1,203	115	882	115
Bond loans	**187,062**	**162,287**	**25,318**	**17,107**
Average remaining maturity (years)	2.43	2.44	1.19	1.56
Remaining maturity				
– on demand	1,850	1,929	1,850	1,852
– maximum 3 months	60,942	46,088	41,003	21,052
– 3 months–1 year	12,707	7,914	10,973	7,747
– 1–5 years	3,187	289	2,120	289
– more than 5 years	945			
Other debt instruments issued	**79,631**	**56,220**	**55,946**	**30,940**
Average remaining maturity (years)	0.37	0.21	0.35	0.30
Total	**266,693**	**218,507**	**81,264**	**48,047**

36 Liabilities in insurance operations

	Group	
	2004	2003
Technical provisions	79,344	3,085
Provisions for account of policyholders	66,334	56,530
Other provisions and liabilities	2,075	1,026
Total	**147,753**	**60,641**

37 Other liabilities

	Group		Parent company	
	2004	2003	2004	2003
Current tax liabilities	1,652	429	1,124	
Securities settlement proceeds, liabilities	73,644	56,871	73,112	6,755
Market value, derivatives	101,366	90,912	94,947	83,679
Pension plan obligations, net	87			
Other liabilities	22,503	18,440	22,194	69,532
Total	**199,252**	**166,652**	**191,377**	**159,966**

38 Accrued expenses and prepaid income

	Group		Parent company	
	2004	2003	2004	2003
Accrued interest	9,014	6,972	3,839	1,827
Prepaid income/accrued other expense	4,410	4,724	814	1,140
Total	**13,424**	**11,696**	**4,653**	**2,967**

39 Provisions

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Deferred tax liabilites	6,099	6,513		80
Reserve for off-balance-sheet items	255	333	8	7
Restructuring reserve [1]	635	778	62	80
Other provisions	598	587		
Total	**7,587**	**8,211**	**70**	**167**

1) The restructuring reserves are presumed to be utilised mainly during 2005.

40 Subordinated liabilities

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Debenture loans	22,070	16,716	20,605	14,064
Debenture loans, perpetual	8,734	7,545	8,691	7,503
Total	**30,804**	**24,261**	**29,296**	**21,567**

Parent company

Debenture loans	Currency	Original nom. amount	Book value	Rate of interest, %
1994/2009	USD	200	1,307	6,875
2000/2010	EUR	345	3,113	[1]
2000/2010	SGD	100	405	4,600
2002/2012	EUR	500	4,513	5,625
2003/2015	EUR	500	4,512	4,125
2004/2014	EUR	750	6,755	[1]
Total			**20,605**	
Debenture loans, perpetual				
1990	EUR	52	471	[1]
1990	USD	100	398	[1]
1995	JPY	10,000	640	4,400
1996	GBP	100	1,273	9,040
1996	USD	150	720	8,125
1996	USD	50	165	[1]
1997	JPY	15,000	960	5,000
1997	USD	150	737	7,500
2000	USD	100	13	0,380
2004	USD	500	3,314	4,958
Total			**8,691**	
Debenture loans issued by the parent company			**29,296**	
Debenture loans issued by SEB AG			1,698	
Debenture loans issued by SEB BoLån AB			1,725	
Debenture loans issued by other subsidiaries			689	
Intra-group holdings			-2,604	
Total			**30,804**	

1) FRN, Floating Rate Note.

41 Minority interests

	Group 2004	Group 2003
Minority interests in subsidiaries	89	73
Total	**89**	**73**

42 Untaxed reserves[1)]

	Parent company 2004	Parent company 2003
Accrual fund		4,499
Excess depreciation of office equipment/leased assets	10,055	8,926
Other untaxed reserves	4	5
Total	**10,059**	**13,430**

1) In the balance sheet of the Group untaxed reserves are reclassified partly as deferred tax liability and partly as restricted equity.

The change in untaxed reserves in the parent company during the year is shown in the following table:

Parent company

	Accrual fund	Excess depreciation	Other untaxed reserves	**Total**
Opening balance	4,217	7,675	5	**11,897**
Appropriations	282	1,251		**1,533**
Closing balance 2003	**4,499**	**8,926**	**5**	**13,430**
Appropriations		1,129		**1,129**
Reversals	-4,499			**-4,499**
Exchange rate differences			-1	**-1**
Closing balance 2004		**10,055**	**4**	**10,059**

43 Shareholders' equity

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Share capital	7,046	7,046	7,046	7,046
673 784 123 Series A shares, nom. value SEK 10 each				
30 773 557 Series C shares, nom. value SEK 10 each				
Reserve fund and other restricted reserves	25,828	28,466	12,086	12,086
Equity fund[1)]	41	32		
Pension reserve	1,524			
Translation differences	468	569		
Reserve for unrealised gains	457	445	278	259
Restricted equity	**35,364**	**36,558**	**19,410**	**19,391**
Group contributions[2)]			2,626	1,566
Tax on Group contributions[2)]			-735	-439
Result holding of own shares	12	15		
Swap hedging of employee stock option programme[3)]	26	63	26	63
Eliminations of repurchased shares for stock option programme[4)]	-1,829	-1,155	-1,829	-1,155
Eliminations of repurchased shares for improvement of the capital structure[5)]	-1,804		-1,804	
Translation differences	72	87	-66	-60
Other non-restricted equity	12,577	7,192	6,397	5,671
Net profit for the year	6,590	5,704	5,069	2,284
Non-restricted equity	**15,644**	**11,906**	**9,684**	**7,930**
Total	**51,008**	**48,464**	**29,094**	**27,321**

1) Non-distributed profit share in associated companies is accounted for as restricted equity, as it, from the Group's point of view, is not available for dividend distribution.

2) In accordance with the opinion of the emergency group of the Swedish Financial Accounting Standards Council, Group contributions are reported in the parent company directly under Shareholders' equity.

3) Including dividends received.

4) As of 31 December 2004, SEB has repurchased 7.0, 6.2 and 6.2 million Series A shares for the employee stock option programme as decided at the Annual General Meetings in 2002, 2003 and 2004 respectively. The acquisition cost for these shares are deducted from shareholders equity but the market value as of 31 December 2004 was SEK 2,493m (1,399).

5) Repurchased 16.7 million shares in order to create possibilities for the improvement of the capital structure of the Bank as decided at the 2004 Annual General Meeting. The acquisition cost for these shares are deducted from shareholders equity but the market value as of 31 December 2004 was SEK 2,146m.

Reserve for unrealised gains

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Shares and participations	179	185		
Interest-bearing securities	101	90	101	90
Other	177	170	177	169
Total	**457**	**445**	**278**	**259**

Note 43 ctd. Shareholders' equity

Change in shareholders' equity

	Group		Parent company	
	Restricted equity	Non-restricted equity	Restricted equity	Non-restricted equity
Opening balance	34,868	10,828	19,840	6,775
Equity fund	17	-17		
Reserve for unrealised gains	-451	451	-449	449
Dividend to shareholders		-2,818		-2,818
Dividend own holdings of shares		124		124
Group contributions				1,566
Tax on Group contributions				-439
Result, holding of own shares		9		
Swap hedging of employee stock option programme		493		493
Eliminations of repurchased shares		-468		-468
Transfer, non-restricted/restricted equity	2,321	-2,321		
Translation difference	-197	-79		-36
Net profit for the year		5,704		2,284
Closing balance 2003	**36,558**	**11,906**	**19,391**	**7,930**
New accounting principles for pensions	1,524	-141		
Equity fund	9	-9		
Reserve for unrealised gains	12	-12	19	-19
Dividend to shareholders		-2,818		-2,818
Dividend own holdings of shares		152		152
Group contributions				2,626
Tax on Group contributions				-735
Result, holding of own shares		-3		
Swap hedging of employee stock option programme		-37		-37
Eliminations of repurchased shares for stock option programmes [1]		-674		-674
Eliminations of repurchased shares for improvement of the capital structure [2]		-1,804		-1,804
Net group contribution to non-consolidated subsidiaries		-129		
Transfer, non-restricted/restricted equity	-2,638	2,638		
Translation difference	-101	-15		-6
Net profit for the year		6,590		5,069
Closing balance 2004	**35,364**	**15,644**	**19,410**	**9,684**

1) As of 31 December 2004, SEB has repurchased 7.0, 6.2 and 6.2 million Series A shares for the employee stock option programme as decided at the Annual General Meetings in 2002, 2003 and 2004 respectively. The acquisition cost for these shares are deducted from shareholders equity. The market value as of 31 December 2004 was SEK 2,493m (1,399).

2) Repurchased 16.7 million shares in order to create possibilities for the improvement of the capital structure of the Bank as decided at the 2004 Annual General Meeting. The acquisition cost for these shares are deducted from shareholders equity, the market value as of 31 December 2004 was SEK 2,146m.

44 Collaterals pledged for own liabilities

	Group		Parent company	
	2004	2003	2004	2003
Lending [1]	153	177	153	177
Bonds	117,829	43,124	62,780	22,499
Repos	78,519	46,163	76,940	46,163
Assets in insurance business	75,825			
Total	**272,326**	**89,464**	**139,873**	**68,839**

1) Refers to the parent company's pledging of promissory notes for the benefit of the Swedish Export Credit Corporation.

45 Other pledged collaterals

	Group		Parent company	
	2004	2003	2004	2003
Shares in insurance premium funds	67,166	49,311		
Securities loans	44,607	29,591	43,980	29,591
Total	**111,773**	**78,902**	**43,980**	**29,591**

46 Contingent liabilities

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Guarantee commitments, credits	5,257	4,857	10,345	9,849
Guarantee commitments, other	28,330	26,762	21,476	21,515
Own acceptances	631	595	614	585
Total	**34,218**	**32,214**	**32,435**	**31,949**
Approved, but unutilised letters of credit	**8,864**	**8,808**	**6,909**	**7,652**
Total	**43,082**	**41,022**	**39,344**	**39,601**

Other contingent liabilities
The parent company has pledged to the Monetary Authority of Singapore to ensure that its subsidiary bank in Singapore is able to fulfil its commitments.
The parent company has pledged to keep the share capital of Diners Club Nordic AB intact at all times.

The parent company has issued a deposit guarantee for SEB AG in Germany to the Bundesverband deutscher Banken e.V. The parent company has granted a capital contribution to SEB AG.

47 Commitments

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Forward securities contracts	1,106	787		
Deposits in other banks	2,413	4,336		
Commitments for future payments	**3,519**	**5,123**		
Granted, but non-disbursed loans	112,849	83,003	85,953	65,521
Unutilised part of approved overdraft facilities	57,744	60,505	27,119	30,598
Securities loans	46,203	30,048	43,980	29,591
Other	1,500	835		
Other commitments	**218,296**	**174,391**	**157,052**	**125,710**
Total	**221,815**	**179,514**	**157,052**	**125,710**

48 Lending and lending loss provisions

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Lending to credit institutions	207,724	179,308	290,448	228,077
Lending to the public	783,019	707,459	251,857	219,643
Total	**990,743**	**886,767**	**542,305**	**447,720**
Loans				
Normal loans	988,907	883,829	542,125	447,633
Non-performing doubtful loans	8,086	8,632	1,322	1,533
Performing doubtful loans	745	2,245	38	248
Loans prior to reserves	**997,738**	**894,706**	**543,485**	**449,414**
Specific reserves for individually appraised loans	-4,547	-5,515	-795	-1,018
Collective reserves for individually appraised loans	-1,487	-1,553	-267	-505
Reserves for homogenous groups of loans	-346	-148		
Transfer risk reserves	-615	-723	-118	-171
Reserves	**-6,995**	**-7,939**	**-1,180**	**-1,694**
Total	**990,743**	**886,767**	**542,305**	**447,720**

Note 48ctd. Lending and lending loss provisions

Loans by category of borrower, Group 2004	Credit institutions	Corporates	Property management	Public sector	Households	**Total**
Normal loans	208,213	267,179	124,303	137,058	252,154	**988,907**
Non-performing doubtful loans	125	2,982	3,567	9	1,403	**8,086**
Performing doubtful loans		414	272		59	**745**
Loans prior to reserves	**208,338**	**270,575**	**128,142**	**137,067**	**253,616**	**997,738**
Specific reserves for individually appraised loans	-6	-2,146	-1,908	-3	-484	**-4,547**
Collective reserves for individually appraised loans						**-1,487**
Reserves for homogenous groups of loans		-235			-111	**-346**
Transfer risk reserves	-608	-7				**-615**
Reserves	**-614**	**-2,388**	**-1,908**	**-3**	**-595**	**-6,995**
Total	**207,724**	**268,187**	**126,234**	**137,064**	**253,021**	**990,743**

Group 2003						
Normal loans	179,949	244,395	114,021	119,997	225,467	**883,829**
Non-performing doubtful loans	193	3,923	2,848	11	1,657	**8,632**
Performing doubtful loans	16	1,172	851	6	200	**2,245**
Loans prior to reserves	**180,158**	**249,490**	**117,720**	**120,014**	**227,324**	**894,706**
Specific reserves for individually appraised loans	-133	-2,929	-1,743	-5	-705	**-5,515**
Collective reserves for individually appraised loans						**-1,553**
Reserves for homogenous groups of loans		-19			-129	**-148**
Transfer risk reserves	-717	-6				**-723**
Reserves	**-850**	**-2,954**	**-1,743**	**-5**	**-834**	**-7,939**
Total	**179,308**	**246,536**	**115,977**	**120,009**	**226,490**	**886,767**

Loans by category of borrower, Parent company 2004	Credit institutions	Corporates	Property management	Public administration	Households	**Total**
Normal loans	290,547	178,945	25,497	27,884	19,252	**542,125**
Non-performing doubtful loans	23	886	256		157	**1,322**
Performing doubtful loans		22	13		3	**38**
Loans prior to reserves	**290,570**	**179,853**	**25,766**	**27,884**	**19,412**	**543,485**
Specific reserves for individually appraised loans	-4	-546	-218		-27	**-795**
Collective reserves for individually appraised loans						**-267**
Transfer risk reserves	-118					**-118**
Reserves	**-122**	**-546**	**-218**		**-27**	**-1,180**
Total	**290,448**	**179,307**	**25,548**	**27,884**	**19,385**	**542,305**

Parent company 2003						
Normal loans	228,214	130,812	31,305	39,141	18,161	**447,633**
Non-performing doubtful loans	72	992	273		196	**1,533**
Performing doubtful loans		248				**248**
Loans prior to reserves	**228,286**	**132,052**	**31,578**	**39,141**	**18,357**	**449,414**
Specific reserves for individually appraised loans	-38	-679	-259		-42	**-1,018**
Collective reserves for individually appraised loans						**-505**
Transfer risk reserves	-171					**-171**
Reserves	**-209**	**-679**	**-259**		**-42**	**-1,694**
Total	**228,077**	**131,373**	**31,319**	**39,141**	**18,315**	**447,720**

Note 48 ctd. Lending and lending loss provisions

Loans by geographical region 1), Group 2004	The Nordic region	Germany	The Baltic region	Other	**Total**
Normal loans	536,199	355,243	51,714	45,751	**988,907**
Non-performing doubtful loans	1,424	6,064	323	275	**8,086**
Performing doubtful loans	68	606	71		**745**
Loans prior to reserves	**537,691**	**361,913**	**52,108**	**46,026**	**997,738**
Specific reserves for individually appraised loans	-819	-3,539	-167	-22	**-4,547**
Collective reserves for individually appraised loans					**-1,487**
Reserves for homogenous groups of loans					**-346**
Transfer risk reserves	-118	-492	-5		**-615**
Reserves	**-937**	**-4,031**	**-172**	**-22**	**-6,995**
Total	**536,754**	**357,882**	**51,936**	**46,004**	**990,743**

Group 2003					
Normal loans	503,853	304,822	36,694	38,460	**883,829**
Non-performing doubtful loans	1,649	6,122	548	313	**8,632**
Performing doubtful loans	322	1,343	567	13	**2,245**
Loans prior to reserves	**505,824**	**312,287**	**37,809**	**38,786**	**894,706**
Specific reserves for individually appraised loans	-823	-4,005	-428	-259	**-5,515**
Collective reserves for individually appraised loans					**-1,553**
Reserves for homogenous groups of loans					**-148**
Transfer risk reserves	-171	-552			**-723**
Reserves	**-994**	**-4,557**	**-428**	**-259**	**-7,939**
Total	**504,830**	**307,730**	**37,381**	**38,527**	**886,767**

Loans by geographical region 1), Parent company 2004	The Nordic region	Germany	The Baltic region	Other	**Total**
Normal loans	510,438			31,687	**542,125**
Non-performing doubtful loans	946			376	**1,322**
Performing doubtful loans	25			13	**38**
Loans prior to reserves	**511,409**			**32,076**	**543,485**
Specific reserves for individually appraised loans	-543			-252	**-795**
Collective reserves for individually appraised loans					**-267**
Transfer risk reserves	-118				**-118**
Reserves	**-661**			**-252**	**-1,180**
Total	**510,748**			**31,824**	**542,305**

Parent company 2003					
Normal loans	416,332			31,301	**447,633**
Non-performing doubtful loans	1,245			288	**1,533**
Performing doubtful loans	235			13	**248**
Loans prior to reserves	**417,812**			**31,602**	**449,414**
Specific reserves for individually appraised loans	-782			-236	**-1,018**
Collective reserves for individually appraised loans					**-505**
Transfer risk reserves	-171				**-171**
Reserves	**-953**			**-236**	**-1,694**
Total	**416,859**			**31,366**	**447,720**

1) Breakdown based on where the business is carried out.

Note 48 ctd. Lending and lending loss provisions

Loans against collateral	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Mortgage, real property	339,989	311,438	29,773	24,698
Securities and deposits	19,375	18,068	16,186	15,402
State, central bank or municipality [1]	128,530	119,420	29,584	27,126
Banks [1]	115,815	106,470	206,130	154,826
Unsecured loans	147,902	146,990	75,629	78,147
Other [2]	73,605	73,277	21,299	29,207
Loans prior to reserves	**825,216**	**775,663**	**378,601**	**329,406**
Repos	172,522	119,043	164,885	120,008
Reserves	-6,995	-7,939	-1,181	-1,694
Loans, net	**990,743**	**886,767**	**542,305**	**447,720**

1) Including guarantees from and loans to.
2) Including floating charges, factoring, leasing, guarantees etc.

Loans with transfer risks				
Loans covered by the transfer risk reserve	1,314	885	520	306
Specific reserves for individually appraised loans				
Collective reserves for individually appraised loans				
Reserves for homogenous groups of loans				
Book value of loans covered by the transfer risk reserve prior to transfer risk provision	**1,314**	**885**	**520**	**306**
Transfer risk reserve	**-615**	**-723**	**-118**	**-171**

Restructured loans current year				
Book value of loans prior to restructuring	254	370	38	306
Book value of loans after restructuring	195	319	32	264

Reclassified loans current year				
Book value of doubtful loans which have regained normal status	1,159	1,302	74	174

Doubtful claims				
Non-performing doubtful loans	8,086	8,632	1,322	1,533
Performing loans	745	2,245	38	248
Doubtful loans gross	**8,831**	**10,877**	**1,360**	**1,781**
Specific reserves for probable lending losses	-4,893	-5,663	-795	-1,018
of which reserves for non-performing loans	-4,526	-4,668	-780	-920
of which reserves for performing loans	-367	-995	-15	-98
Collective reserves for individually appraised loans	-1,487	-1,553	-267	-505
Doubtful loans net	**2,451**	**3,661**	**298**	**258**
Reserves not included in the above:				
Reserves for transfer risks	-615	-723	-118	-171
Reserves for off-balance sheet items	-255	-333	-8	-7
Total reserves	**-7,250**	**-8,272**	**-1,188**	**-1,701**
Level of doubtful loans	0.31%	0.52%	0.07%	0.12%
Reserve ratio for doubtful loans	72.2	66.3	78.1	85.5
Non-performimg loans on which interest is reported as income	17	103		

49 Derivative instruments

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Interest-related	58,366	36,678	54,870	32,129
Currency-related	34,736	45,909	34,012	45,442
Equity-related	2,143	1,779	1,827	1,417
Positive closing values or nil value	**95,245**	**84,366**	**90,709**	**78,988**
Interest-related	58,162	38,409	53,098	32,039
Currency-related	40,357	50,644	39,608	50,337
Equity-related	2,847	1,859	2,241	1,303
Negative closing values	**101,366**	**90,912**	**94,947**	**83,679**

	Positive closing values or nil value			Negative closing values	
Group 2004	Nom. amount	Book value	Market value	Book value	Market value
Options	124,053	928	928	1,128	1,128
Futures	910,862	1,223	1,223	1,148	1,148
Swaps	2,128,583	56,215	57,064	55,886	62,056
Interest-related	**3,163,498**	**58,366**	**59,215**	**58,162**	**64,332**
of which, cleared	31,292	11	11	17	17
Options	285,274	2,215	2,215	2,086	2,086
Futures	1,677,368	28,489	28,489	32,599	32,599
Swaps	241,272	4,032	4,198	5,672	5,767
Currency-related	**2,203,914**	**34,736**	**34,902**	**40,357**	**40,452**
of which, cleared					
Options	26,903	1,768	1,768	2,061	2,061
Futures	655	3	3	19	19
Swaps	39,304	372	372	767	767
Equity-related	**66,862**	**2,143**	**2,143**	**2,847**	**2,847**
of which, cleared	6,545	190	190	290	290
Total	**5,434,274**	**95,245**	**96,260**	**101,366**	**107,631**
of which, cleared	37,837	201	201	307	307

The difference between book value and market value shall be seen together with the market valuation of the total balance sheet. See also Note 50.

Group 2003	Nom. amount	Book value	Market value	Book value	Market value
Options	97,276	971	971	833	833
Futures	1,171,834	3,267	3,267	3,206	3,206
Swaps	1,816,443	32,440	32,679	34,370	34,706
Interest-related	**3,085,553**	**36,678**	**36,917**	**38,409**	**38,745**
of which, cleared	93,595	2	2	8	8
Options	425,473	3,364	3,364	3,869	3,869
Futures	1,598,529	31,013	31,013	35,788	35,788
Swaps	360,598	11,532	11,831	10,987	10,997
Currency-related	**2,384,600**	**45,909**	**46,208**	**50,644**	**50,654**
of which, cleared					
Options	21,334	1,539	1,539	1,631	1,631
Futures	619	12	12	115	115
Swaps	10,032	228	228	113	113
Equity-related	**31,985**	**1,779**	**1,779**	**1,859**	**1,859**
of which, cleared	724	296	296	380	380
Total	**5,502,138**	**84,366**	**84,904**	**90,912**	**91,258**
of which, cleared	94,319	298	298	388	388

Note 49 ctd. Derivative instruments

	Positive closing values or nil value			Negative closing values	
Parent company 2004	Nom. amount	Book value	Market value	Book value	Market value
Options	98,275	493	493	542	542
Futures	906,458	1,212	1,212	1,130	1,130
Swaps	2,033,069	53,165	53,517	51,426	51,530
Interest-related	**3,037,802**	**54,870**	**55,222**	**53,098**	**53,202**
of which, cleared	26,889	0	0	0	0
Options	285,208	2,213	2,213	2,069	2,069
Futures	1,651,046	27,853	27,853	32,002	32,002
Swaps	237,774	3,946	4,108	5,537	5,547
Currency-related	**2,174,028**	**34,012**	**34,174**	**39,608**	**39,618**
of which, cleared					
Options	19,653	1,455	1,455	1,474	1,474
Swaps	39,305	372	372	767	767
Equity-related	**58,958**	**1,827**	**1,827**	**2,241**	**2,241**
of which, cleared					
Total	**5,270,788**	**90,709**	**91,223**	**94,947**	**95,061**
of which, cleared	26,889	0	0	0	0

Parent company 2003					
Options	69,995	481	481	370	370
Futures	1,168,153	3,266	3,266	3,195	3,195
Swaps	1,732,764	28,382	28,621	28,474	28,810
Interest-related	**2,970,912**	**32,129**	**32,368**	**32,039**	**32,375**
of which, cleared	90,821	2	2		
Options	425,473	3,364	3,364	3,693	3,693
Futures	1,581,680	30,088	30,088	34,878	34,878
Swaps	356,796	11,990	12,289	11,766	11,776
Currency-related	**2,363,949**	**45,442**	**45,741**	**50,337**	**50,347**
of which, cleared					
Options	20,215	1,190	1,190	1,190	1,190
Swaps	10,032	227	227	113	113
Equity-related	**30,247**	**1,417**	**1,417**	**1,303**	**1,303**
of which, cleared					
Total	**5,365,108**	**78,988**	**79,526**	**83,679**	**84,025**
of which, cleared	90,821	2	2		

50 Fair value information

	Group 2004		Group 2003	
	Book value	Fair value	Book value	Fair value
Current assets				
Cash and Central Bank balances	3,835	3,835	4,239	4,239
Eligible Treasury Bills etc.	117,391	118,727	76,405	77,225
Bonds and other interest-bearing securities	140,004	140,163	110,333	110,382
Shares and participations	18,703	18,703	10,157	10,157
Assets in insurance operations	80,958	80,958	5,284	5,284
Tangible assets	40	40	45	45
Other assets	127,139	127,856	96,032	96,911
Prepaid expenses and accrued income	11,373	11,373	7,950	7,950
Total	**499,443**	**501,655**	**310,445**	**312,193**
Fixed assets				
Cash and Central Bank balances	9,144	9,144	5,468	5,468
Eligible Treasury Bills etc.	73	73	4	4
Lending to credit institutions	207,724	210,963	179,308	179,759
Lending to the general public	783,019	798,346	707,459	715,012
Bonds and other interest-bearing securities	2,354	2,364	2,527	2,526
Shares and participations	609	609	1,140	1,408
Shares and participations in associated companies	1,323	1,323	1,254	1,254
Assets in insurance operations	74,063	74,063	57,458	57,458
Intangible fixed assets	10,145	10,145	10,486	10,486
Tangible assets	3,421	3,421	3,844	3,844
Total	**1,091,875**	**1,110,451**	**968,948**	**977,219**
Assets	**1,591,318**	**1,612,106**	**1,279,393**	**1,289,412**
Liabilities and provisions				
Liabilities to credit institutions	357,188	358,838	246,852	247,252
Deposits and borrowings from the general public	517,520	520,358	494,036	495,396
Securities issued, etc.	266,693	272,707	218,507	222,113
Liabilities, insurance operations	147,753	147,753	60,641	60,641
Other liabilities	199,252	205,706	166,652	168,782
Accrued expenses and prepaid income	13,424	13,424	11,696	11,696
Provisions	7,587	7,587	8,211	8,211
Subordinated liabilities	30,804	31,077	24,261	24,381
Total	**1,540,221**	**1,557,450**	**1,230,856**	**1,238,472**

The above calculation comprises balance sheet items at fixed rates of interest during fixed periods. This means that all items subject to variable rates of interest, i.e. deposit/lending volumes for which interest terms are market-related, have not been recalculated; the nominal amount is considered to equal a fair value.

When calculating fair values for fixed-interest rate lending, future interest income is discounted with the help of a market interest curve, which has been adjusted for applicable margins on new lending. Correspondingly, fixed-interest rate-related deposits/lending are discounted with the help of the market interest curve, adjusted for relevant margins.

In addition to fixed-rate deposits/lending, adjustments have also been made for surplus values in properties and certain shareholdings.

One effect of this calculation method is that the fair values arrived at in times of falling margins on new lending will be higher than book values, while the opposite is true in times of rising margins. It should furthermore be noted that this calculation does not represent a market valuation of the Group as a company.

51 The parent company's receivables and liabilities towards Group- and associated companies

	Parent company 2004			Parent company 2003		
	Group companies	Associated companies	**Total**	Group companies	Associated companies	**Total**
Lending to credit institutions	139,341		**139,341**	103,035		**103,035**
Lending to the general public	11,176		**11,176**	8,021	4	**8,025**
Bonds and other interest-bearing securities	18,037		**18,037**	25,646		**25,646**
Total	**168,554**		**168,554**	**136,702**	**4**	**136,706**
Liabilities to credit institutions	58,104	75	**58,179**	27,892		**27,892**
Deposits and borrowings from the general public	6,414	16	**6,430**	5,886	20	**5,906**
Total	**64,518**	**91**	**64,609**	**33,778**	**20**	**33,798**

52 Information regarding rental contracts for premises

	Group		Parent company	
	2004	2003	2004	2003
2004		1,289		719
2005	1,263	1,174	707	643
2006	1,182	1,037	622	546
2007	1,117	952	579	502
2008	1,007	850	522	446
2009	914	3,157	501	2,332
2010 and later	3,185		2,677	
Total	**8,668**	**8,459**	**5,608**	**5,188**

53 Capital adequacy

Calculation of capital base	Financial group of undertakings [1)] 2004	2003	Parent company 2004	2003
Shareholders equity in the balance sheet	51,008	48,464	29,094	27,321
Proposed dividend to be decided by the Annual General Meeting	-2,908	-2,818	-2,908	-2,818
Deductions from the financial group of undertakings [2)]	-1,162	-1,205		
Shareholders equity in the capital adequacy	**46,938**	**44,441**	**26,186**	**24,503**
Core capital contribution	3,314	1,815	10,554	11,481
Minority interest [3)]	869	1,630		
Goodwill [3) 4)]	-5,106	-5,246		
Other intangible assets	-495		-18	
Deferred tax assets	-1,254		-51	
Core capital (tier 1)	**44,266**	**42,640**	**36,671**	**35,984**
Dated subordinated debts	21,845	16,978	20,605	14,064
Deductions for remaining maturity	-950	-1,719	-262	
Deductions for core capital constraint [5)]			-2,008	
Perpetual subordinated debt	5,378	5,731	5,378	5,688
Supplementary capital (tier 2)	**26,273**	**20,990**	**23,713**	**19,752**
Deductions for investments in insurance companies [4)]	-11,459	-8,459	-6,902	-7,212
Deductions for other investments outside the financial group of undertakings	-401	-422		
Capital base	**58,679**	**54,749**	**53,482**	**48,524**

Calculation of capital requirement for different credit risks	Financial group of undertakings [1)] 2004	2003	Parent company 2004	2003
Balance sheet items				
Group A (0%)	274,133	186,612	277,618	217,636
Group B (20%)	116,850	147,159	32,235	51,571
Group C (50%)	229,288	214,985	11,516	10,463
Group D (100%)	333,746	307,618	121,089	107,486
Total investments	**954,017**	**856,374**	**442,458**	**387,156**
Group A (0%)				
Group B (20%)	23,370	29,432	6,447	10,314
Group C (50%)	114,644	107,493	5,758	5,232
Group D (100%)	333,746	307,618	121,089	107,486
Risk-weighted amount	**471,760**	**444,543**	**133,294**	**123,032**
Off-balance-sheet items				
Group A (0%)	108,267	83,126	71,403	59,316
Group B (20%)	314,507	327,667	129,147	93,578
Group C (50%)	19,491	19,110	4,120	3,393
Group D (100%)	88,059	82,621	67,733	65,104
Nominal amount	**530,324**	**512,524**	**272,403**	**221,391**
Group A (0%)	5,741	6,377	5,185	5,974
Group B (20%)	12,636	13,562	8,647	7,424
Group C (50%)	1,746	807	4,042	3,215
Group D (100%)	45,621	42,406	35,468	34,955
Converted amount	**65,744**	**63,152**	**53,342**	**51,568**
Group A (0%)				
Group B (20%)	2,527	2,712	1,729	1,485
Group C (50%)	873	404	2,021	1,607
Group D (100%)	45,621	42,406	35,468	34,955
Risk-weighted amount	**49,021**	**45,522**	**39,218**	**38,047**
Total risk-weighted amount for credit risks	**520,781**	**490,065**	**172,512**	**161,079**

Note 53 ctd. Capital adequacy

Calculation of capital requirements for market risks				
Risk-weighted amount for interest rate risks	33,501	26,549	27,692	23,041
of which, for specific risks	28,166	21,125	25,005	18,924
of which, for general risks	5,335	5,424	2,687	4,117
Risk-weighted amount for equity-price risks	336	351	51	60
of which, for specific risks	148	145	17	20
of which, for general risks	188	206	34	40
Risk-weighted amount for liquidation risks	121	229		
Risk-weighted amount for counterparty risks and other risks	13,994	12,933	11,690	10,998
Risk-weighted amount for currency-related risks	1,620	5,020	1,333	4,771
Total risk-weighted amount for market risks	**49,572**	**45,082**	**40,766**	**38,870**

Calculation of total capital ratio				
Total capital base	58,679	54,749	53,482	48,524
Total risk-weighted amount for credit and market risks	570,353	535,147	213,278	199,949
Total capital ratio %	**10.29**	**10.23**	**25.08**	**24.27**

1) The Capital adequacy analysis comprise the financial group of undertakings which include non-consolidated associated companies and exclude insurance companies.

2) The deduction from shareholders equity in the consolidated balance sheet consists mainly of non-restricted equity in subsidiaries (insurance companies) that are not consolidated in the financial group of undertakings.

3) The minority interest and goodwill that is included in the capital base differ from the amounts stated in the balance sheet due to the inclusion of companies in the capital adequacy calculation that are not consolidated in the Group's balance sheet.

4) Goodwill includes only goodwill from acquisitions of companies in the financial group of undertakings, i.e. not insurance companies. Goodwill from acquisitions of insurance companies is deducted from the capital base.

5) Dated subordinated debts must not exceed an amount corresponding to half of core capital.

54 Geographical distribution of income

	Group		Parent company	
	2004	2003	2004	2003
Sweden	17,624	18,916	12,534	14,162
Rest of Nordic region	3,460	4,139	2,852	3,401
Rest of Europe	19,330	19,958	1,762	1,807
Rest of world	783	658	787	657
Interest receivable	**41,197**	**43,671**	**17,935**	**20,027**
Sweden			699	734
Rest of Nordic region				
Rest of Europe			33	47
Rest of world				
Leasing income			**732**	**781**
Sweden	44	25	1,301	1,337
Rest of Nordic region	24	27		
Rest of Europe	48	67		
Rest of world		7		
Dividends received	**116**	**126**	**1,301**	**1,337**
Sweden	6,625	5,799	4,570	4,013
Rest of Nordic region	2,474	2,290	411	302
Rest of Europe	4,452	4,013	562	666
Rest of world	226	254	76	110
Commissions receivable	**13,777**	**12,356**	**5,619**	**5,091**
Sweden	1,581	1,316	1,511	1,181
Rest of Nordic region	141	379	105	369
Rest of Europe	385	359	92	-11
Rest of world	69	30	70	31
Net result of financial transactions	**2,176**	**2,084**	**1,778**	**1,570**
Sweden	628	406	820	479
Rest of Nordic region	192	62	46	339
Rest of Europe	256	386	65	69
Rest of world	37	7	3	10
Other operating income	**1,113**	**861**	**934**	**897**
Sweden	26,502	26,462	21,433	21,906
Rest of Nordic region	6,291	6,897	3,414	4,411
Rest of Europe	24,471	24,783	2,516	2,578
Rest of world	1,115	956	936	808
Total	**58,379**	**59,098**	**28,299**	**29,703**

55 Information regarding distribution of assets and liabilities in main currencies

	Group		Parent company	
	2004	2003	2004	2003
SEK	54,763	42,749	133,975	105,478
EUR	52,886	57,582	48,283	32,476
USD	59,745	54,821	63,079	58,407
GBP	539	364	3,580	3,315
DKK	32,203	14,750	33,525	14,943
NOK	2,044	2,453	4,700	4,224
Other currencies	5,544	6,589	3,306	9,234
Lending to credit institutions	**207,724**	**179,308**	**290,448**	**228,077**
SEK	363,662	312,869	163,677	135,597
EUR	323,148	302,173	29,147	24,758
USD	32,111	35,559	23,785	27,243
GBP	8,212	7,469	4,541	3,848
DKK	21,893	18,162	21,024	16,842
NOK	9,919	10,468	6,815	7,474
Other currencies	24,074	20,759	2,868	3,881
Lending to the general public	**783,019**	**707,459**	**251,857**	**219,643**
SEK	37,073	34,149	44,239	46,257
EUR	143,868	96,975	69,361	61,944
USD	24,695	19,336	24,028	19,056
GBP	10,967	2,088	10,967	2,088
DKK	33,875	26,276	31,208	23,968
NOK	5,372	6,349	5,350	3,904
Other currencies	3,972	4,096	1,542	1,485
Bonds and other interest-bearing securities	**259,822**	**189,269**	**186,695**	**158,702**
SEK	143,803	124,112	110,355	95,884
EUR	41,727	26,309	39,452	28,023
USD	10,796	4,757	9,749	4,798
GBP	7,079	7,627	2,216	2,340
DKK	93,234	6,789	16,833	7,258
NOK	34,767	24,539	32,960	23,533
Other currencies	9,347	9,224	5,640	5,648
Other assets	**340,753**	**203,357**	**217,205**	**167,484**
SEK	599,301	513,879	452,246	383,216
EUR	561,629	483,039	186,243	147,201
USD	127,347	114,473	120,641	109,504
GBP	26,797	17,548	21,304	11,591
DKK	181,205	65,977	102,590	63,011
NOK	52,102	43,809	49,825	39,135
Other currencies	42,937	40,668	13,356	20,248
Total assets	**1,591,318**	**1,279,393**	**946,205**	**773,906**

Note 55 ctd. Information regarding distribution of assets and liabilities in main currencies

	Group		Parent company	
Liabilities, provisions and shareholders' equity	2004	2003	2004	2003
SEK	53,501	33,513	62,300	44,544
EUR	179,937	106,353	104,813	45,831
USD	77,155	58,911	76,396	60,880
GBP	8,821	11,354	6,488	11,414
DKK	27,081	20,453	32,144	20,633
NOK	1,695	7,929	1,880	6,653
Other currencies	8,998	8,339	6,226	7,664
Liabilities to credit institutions	**357,188**	**246,852**	**290,247**	**197,619**
SEK	208,748	202,884	210,013	203,263
EUR	203,904	197,198	33,029	36,450
USD	31,965	24,632	25,574	17,880
GBP	7,970	7,078	7,571	7,283
DKK	19,510	22,414	17,278	19,674
NOK	14,101	13,454	13,966	12,843
Other currencies	31,322	26,376	2,714	5,429
Deposits and borrowing from the general public	**517,520**	**494,036**	**310,145**	**302,822**
SEK	101,691	93,912	12,664	8,266
EUR	110,877	93,576	16,917	9,219
USD	37,578	11,104	37,572	11,097
GBP	11,115	16,090	11,115	16,090
DKK				
NOK	1,774	1,515	1,775	1,515
Other currencies	3,658	2,310	1,221	1,860
Securities issued, etc.	**266,693**	**218,507**	**81,264**	**48,047**
SEK	156,753	152,756	87,466	95,181
EUR	36,931	25,352	22,626	11,239
USD	9,845	11,168	7,730	7,839
GBP	6,502	8,034	959	1,918
DKK	119,447	23,996	41,412	23,975
NOK	37,201	24,416	35,644	22,384
Other currencies	1,426	1,551	263	564
Other liabilities	**368,105**	**247,273**	**206,159**	**163,100**
SEK				
EUR	20,827	17,026	19,363	14,490
USD	6,655	3,782	6,655	3,666
GBP	1,273	1,290	1,273	1,290
DKK				
NOK	43	42		
Other currencies	2,006	2,121	2,005	2,121
Subordinated liabilities	**30,804**	**24,261**	**29,296**	**21,567**
SEK	51,008	48,464	37,887	39,663
EUR			830	688
USD			61	69
GBP				
DKK				
NOK			375	331
Other currencies				
Shareholders' equity and untaxed reserves	**51,008**	**48,464**	**39,153**	**40,751**
SEK	571,701	531,529	410,330	390,917
EUR	552,476	439,505	197,578	117,917
USD	163,198	109,597	153,988	101,431
GBP	35,681	43,846	27,406	37,995
DKK	166,038	66,863	90,834	64,282
NOK	54,814	47,356	53,640	43,726
Other currencies	47,410	40,697	12,429	17,638
Total liabilities, provisions and shareholders' equity	**1,591,318**	**1,279,393**	**946,205**	**773,906**

56 Profit and loss account – Insurance operations – drawn up in accordance with the AAIC (Annual Accounts Act for Insurance Companies)

	Life insurance operations		Non-life insurance operations	
	2004	2003	2004	2003
Technical account – Non-life insurance operations				
Premiums earned, net of reinsurance			15	9
Allocated investment return, transferred from the non-technical account			71	77
Other technical provisions, net of reinsurance				
Claims incurred, net of reinsurance			-53	-67
Operating expenses			-8	-21
Other technical provisions, net of reinsurance				
Balance on technical account, Non-life insurance operations			**25**	**-2**
Technical account – Life insurance operations				
Premiums earned, net of reinsurance	13,077	8,983		
Investment return [1]	2,081	1,133		
Unrealised gains on investment assets [1]	5,135	5,626		
Other technical provisions, net of reinsurance	611	484		
Claims incurred, net of reinsurance	-5,921	-3,542		
Change in Life insurance provisions, net of reinsurance	-12,649	-11,729		
Change in other technical provisions	-37	-5		
Operating expenses	-973	-865		
Unrealised losses on investments [1]	-13	-3		
Other technical provisions, net of reinsurance	-17	-11		
Tax expense fee	-877	37		
Balance on technical account – Life insurance operations	**417**	**108**		
Non-technical account				
Balance on technical account, Non-life insurance operations			**25**	**-2**
Balance on technical account, Life insurance operations	**417**	**108**		
Investment return				
Investment income	101	61	300	233
Unrealised gains on investments	40	5		-6
Investment charges	-25	-28	-32	-14
Unrealised losses on investments			-19	-19
Allocated investment return transferred to Non-life technical account			-71	-77
Investment return	**116**	**38**	**178**	**117**
Other income and expenses	-27	-23	-2	-13
Operating result in legal entities	**506**	**123**	**201**	**102**
Amortisation of goodwill	-147	-147		
Operating profit from insurance operations	**359**	**-24**	**201**	**102**

The above table shows the result from the Group's insurance companies, which include the Non-life and Life insurance companies except for the mutual companies which are not consolidated.

1) Refers to investments for which the risk is borne by the policyholders.

Change in surplus values in life insurance operations

	Group	
	2004	2003
Calculation of surplus values [1]		
Present value of current year's new premiums and extra premiums under existing contracts	1,525	1,409
Return on contracts made in previous years	691	474
Realised surplus value on contracts made in previous years	-701	-484
Actual outcome compared with operational assumptions [2]	228	562
Change in surplus values from ongoing business, gross	**1,743**	**1,961**
Capitalisation of acquisition costs	-655	-615
Amortisation of capitalised acquisition costs	382	393
Change in surplus values from ongoing business, net [3]	**1,470**	**1,739**
Change in operational assumptions	789	-94
Financial effects due to short term market fluctuations	101	296
Total change in surplus values	**2,360**	**1,941**

1) The calculation of surplus values in life insurance operations is based upon assumptions concerning the future development of written insurance contracts and a risk-adjusted discount rate. The most important assumptions are:

	2004	2003
Discount rate	8%	9%
Cancellations of contracts	5%	5%
Cancellations of current premiums	10%	10%
Growth in fund units	6%	6%
Inflation	2%/3%	2%
Right to transfer policy	1%	1%
Mortality	Trade experience	Trade experience

2) The current period's actual development of written insurance contracts can be put in relation to the operational assumptions that were made; the value of deviations can thus be assessed. The most important components are extensions of terms and cancellations. On the other hand, the actual outcome of income and administrative expenses is included in full in the operating result.

3) Prepaid acquisition costs are capitalised in the accounts and depreciated according to plan. Reported changes in surplus values are therefore adjusted with thet net of the period's capitalisation and depreciation.

57 Segment reporting

Primary segment – Business segment
The Business segments are presented on a management reporting basis. The different divisions assist different groups of customers. The Customers' demands decide the type of products that are offered. Corporate & Institutions offers two main groups of products to their customer (large corporates, financial institutions and medium-sized companies) Corporate banking and Investment banking. Nordic Retail & Private Banking offers products mainly to the retail customers (private customers and small corporates). German Retail & Mortgage Banking and Eastern European Banking offer mainly traditional banking products to retail customers. Due to the management view and the regulatory environment the Nordic, German and Baltic retail divisions are shown separately. SEB Asset Management offers funds management and SEB Trygg Liv offers life insurance and pensions.

Secondary segment – Geographical segment
The split is based on the location of the entity.

Transfer pricing
The internal transfer princing objective in the SEB Group is to measure net interest income, to transfer interest risk and to manage liquidity. The internal price is set according to the market price, which is the price paid at the interbank market for a specific interest and liquidity term. The business units do not pay nor receive any margins on funds transferred to and from the Treasury unit. Transactions between Business Segments are conducted at arm's length.

Business segment

Profit & Loss 2004	Corporate & Institutions	Nordic Retail & Private Banking	German Retail & Mortgage Banking	Eastern European Banking	SEB Asset Management	SEB Trygg Liv	Other incl eliminations	**SEB Group**
Net interest income	4,560	4,374	3,146	1,560	77		-196	**13,521**
Net commission income	3,888	3,780	1,337	760	1,516		18	**11,299**
Net result of financial transactions	1,779	165	83	209	9		-69	**2,176**
Other operating income	287	172	211	51	22		486	**1,229**
Total income	**10,514**	**8,491**	**4,777**	**2,580**	**1,624**		**239**	**28,225**
whereof internally generated	311	550	96	4	-1,171	593	-383	
Staff costs	-3,556	-2,841	-2,029	-706	-471		-1,309	**-10,912**
Other operating costs	-2,309	-2,429	-1,311	-514	-358		603	**-6,318**
Amortisation of goodwill	-54	-48		-49	-3		-501	**-655**
Depreciation and write-downs	-91	-47	-211	-196	-19		-189	**-753**
Restructuring costs			-163					**-163**
Total costs	**-6,010**	**-5,365**	**-3,714**	**-1,465**	**-851**		**-1,396**	**-18,801**
Net credit losses etc*	-16	-194	-445	-85			39	**-701**
Write-downs of financial fixed assets				-2			-29	**-31**
Net result from associated companies				48			-27	**21**
Operating result from insurance operations				31		508	21	**560**
Operating result	**4,488**	**2,932**	**618**	**1,107**	**773**	**508 ****	**-1,153**	**9,273**

* Including change in value of seized assets
** Business result in SEB Trygg Liv amounted to SEK 1,978m (1,888), of which change in surplus values was net 1,470m (1,739).

Balance sheets, 2004-12-31

	Corporate & Institutions	Nordic Retail & Private Banking	German Retail & Mortgage Banking	Eastern European Banking	SEB Asset Management	SEB Trygg Liv	Other incl eliminations	**SEB Group**
Segment assets	945,410	315,842	330,132	63,778	4,895	154,111	-222,850	**1,591,318**
Segment liabilities	929,410	304,142	320,758	59,378	3,095	146,711	-223,184	**1,540,310**
Segment investments	25	519	90	309	7		224	**1,174**

Note 57 ctd. Segment reporting

Profit & Loss 2003	Corporate & Institutions	Nordic Retail & Private Banking	German Retail & Mortgage Banking	Eastern European Banking	SEB Asset Management	SEB Trygg Liv	Other incl eliminations	**SEB Group**
Net interest income	4,603	4,247	3,398	1,370	83		81	**13,782**
Net commission income	3,659	3,326	1,216	659	1,235		123	**10,218**
Net result of financial transactions	1,809	151	-17	205	3		-67	**2,084**
Other operating income	207	173	221	108	18		260	**987**
Total income	**10,278**	**7,897**	**4,818**	**2,342**	**1,339**		**397**	27,071
whereof internally generated	238	510		5	-872	450	-331	
Staff costs	-3,464	-2,900	-2,331	-696	-550		-1,216	**-11,157**
Pension compensation	165	326		2	29		136	**658**
Other operating costs	-2,171	-2,392	-1,193	-503	-330		398	**-6,191**
Amortisation of goodwill	-56	-52		-49	-7		-452	**-616**
Depreciation and write-downs	-111	-55	-236	-196	-26		-205	**-829**
Total costs	**-5,637**	**-5,073**	**-3,760**	**-1,442**	**-884**		**-1,339**	**-18,135**
Net credit losses etc*	-186	-194	-573	-84			31	**-1,006**
Write-downs of financial fixed assets	-14		-2	-3			-45	**-64**
Net result from associated companies	-26	-17	40	30			-8	**19**
Operating result from insurance operations				16		149	-87	**78**
Operating result	**4,415**	**2,613**	**523**	**859**	**455**	**149 ****	**-1,051**	**7,963**

* Including change in value of seized assets.

** Business result in SEB Trygg Liv amounted to SEK 1,888m (1,343).

Balance sheets, 2003-12-31

Total assets	760,562	273,570	256,569	50,122	4,082	62,518	-128,030	**1,279,393**
Total liabilities	746,062	264,470	247,169	46,822	2,282	58,218	-134,094	**1,230,929**
Investments in material and immaterial assets	38	22	208	345	5		252	**870**

Geographical Segments

Segment items 2004	Sweden	Other Nordic	Other Europe	Other world	**Total**
Total Income	14,154	3,172	10,503	396	**28,225**
Total Segment assets	566,162	247,947	670,213	106,996	**1,591,318**
Total Segment investments	225	518	431		**1,174**

Segments items 2003

Total Income	14,089	3,033	9,476	473	**27,071**
Total Segment assets	473,550	118,245	593,862	93,736	**1,279,393**
Total Segment investments	218	38	614		**870**

The SEB Group

Profit and Loss Accounts

SEKm	2004	2003	2002	2001	2000
Net interest income	13,521	13,782	13,719	13,011	11,556
Net commission income	11,299	10,218	9,975	11,186	13,463
Net result of financial transactions	2,176	2,084	2,409	2,987	3,544
Other operating income	1,229	987	1,275	2,015	3,085
Income from banking operations	**28,225**	**27,071**	**27,378**	**29,199**	**31,648**
Administrative expenses	-17,230	-17,348	-18,220	-20,078	-20,579
Depreciation and write-downs	-1,408	-1,445	-1,477	-1,637	-1,556
Merger and restructuring costs	-163		-200	-661	
Costs from banking operating	**-18,801**	**-18,793**	**-19,897**	**-22,376**	**-22,135**
Profit from baning operations, before credit losses	**9,424**	**8,278**	**7,481**	**6,823**	**9,513**
Lending losses and changes in value	-701	-1,006	-828	-547	-815
Write-downs of financial fixed assets	-31	-64	-29	-69	-75
Net result from associated companies	21	19	-104	-20	104
Operating profit from banking operations	**8,713**	**7,227**	**6,520**	**6,187**	**8,727**
Operating profit from insurance operations	560	78	-56	-36	73
Operating profit	**9,273**	**7,305**	**6,464**	**6,151**	**8,800**
Pension provision		658	948	1,002	943
Taxes	-2,666	-2,247	-2,057	-2,058	-2,856
Minority interests	-17	-12	-37	-44	-245
Net profit for the year	**6,590**	**5,704**	**5,318**	**5,051**	**6,642**

Balance sheets

SEKm	2004	2003	2002	2001	2000
Lending to credit institutions	207,724	179,308	150,380	175,380	165,395
Lending to the public	783,019	707,459	680,206	634,995	605,759
Interest-bearing securities	259,822	189,269	195,979	153,033	158,047
Shares and participations	20,635	12,551	10,648	10,227	8,688
Assets in insurance operations	155,021	62,742	52,318	66,459	71,749
Other assets	165,097	128,064	151,581	123,221	113,172
Total assets	**1,591,318**	**1,279,393**	**1,241,112**	**1,163,315**	**1,122,810**
Liabilities to credit institutions	357,188	246,852	234,289	221,686	217,364
Deposits and borrowing from the public	517,520	494,036	499,542	465,243	419,887
Securities issued, etc.	266,693	218,507	205,156	194,682	201,783
Liabilities in insurance operations	147,753	60,641	50,163	64,111	66,932
Other liabilities	220,352	186,632	180,940	143,293	143,825
Subordinated liabilities	30,804	24,261	25,326	30,008	31,410
Shareholders' equity	51,008	48,464	45,696	44,292	41,609
Total liabilities, provisions and shareholders' equity	**1,591,318**	**1,279,393**	**1,241,112**	**1,163,315**	**1,122,810**

Key ratios

	2004	2003	2002	2001	2000
Return on equity, per cent	13.2	12.3	12.0	11.9	16.9
Result for the year per share, SEK	9.69	8.22	7.60	7.17	9.43
Cost/Income ratio	0.67	0.67	0.69	0.73	0.67
Lending loss level, per cent	0.10	0.15	0.13	0.09	0.12
Level of doubtful claims, per cent	0.31	0.52	0.47	0.65	1.37
Total capital ratio, per cent	10.3	10.2	10.5	10.8	10.8
Core capital ratio, per cent	7.8	8.0	7.9	7.7	7.4

Skandinaviska Enskilda Banken

Profit and Loss Accounts

SEKm	2004	2003	2002	2001	2000
Net interest income	5,047	5,790	5,744	5,087	4,830
Net commission income	4,813	4,216	4,142	4,356	5,958
Net result of financial transactions	1,778	1,570	1,734	2,341	2,298
Other income	2,235	2,234	1,550	2,138	4,147
Total operating income	**13,873**	**13,810**	**13,170**	**13,922**	**17,233**
Administrative expenses	-9,736	-9,271	-9,518	-10,836	-11,737
Depreciation and write-downs	-310	-340	-291	-311	-317
Merger and restructuring costs			-109	-575	
Total operating costs	**-10,046**	**-9,611**	**-9,918**	**-11,722**	**-12,054**
Profit before credit losses	**3,827**	**4,199**	**3,252**	**2,200**	**5,179**
Lending losses and changes in value	-42	-121	-83	186	136
Write-downs of financial fixed assets	-392	-416	-405	-750	-658
Operating profit	**3,393**	**3,662**	**2,764**	**1,636**	**4,657**
Appropriations including pension compensation	3,654	-943	-661	-751	-1,364
Taxes	-1,978	-435	-476	-210	-472
Net profit for the year	**5,069**	**2,284**	**1,627**	**675**	**2,821**

Balance sheets

SEKm	2004	2003	2002	2001	2000
Lending to credit institutions	290,448	228,077	226,682	227,364	185,570
Lending to the public	251,857	219,643	231,531	223,357	220,493
Interest-bearing securities	186,695	158,702	156,952	113,355	118,418
Shares and participations	74,738	56,106	49,907	44,352	44,485
Other assets	142,467	111,378	128,875	95,952	93,391
Total assets	**946,205**	**773,906**	**793,947**	**704,380**	**662,357**
Liabilities to credit institutions	290,247	197,619	234,673	203,701	198,618
Deposits and borrowing from the public	310,145	302,822	295,057	271,738	234,650
Securities issued, etc.	81,264	48,047	48,985	54,364	55,247
Other liabilities	196,100	163,100	154,475	109,684	108,574
Subordinated liabilities	29,296	21,567	22,245	26,832	28,207
Shareholders' equity and untaxed reserves	39,153	40,751	38,512	38,061	37,061
Total liabilities, provisions and shareholders' equity	**946,205**	**773,906**	**793,947**	**704,380**	**662,357**

Proposal for the distribution of profit

The non-restricted funds of the SEB Group amount to SEK 11,906 M. Standing at the disposal of the Annual General Meeting in accordance with the balance sheet of Skandinaviska Enskilda Banken, SEK 9,683,777,908.

	SEKm
Retained profits	4,615
Result for the year	5,069
Non-restricted equity	9,684

The board proposes that, following approval of the balance sheet of Skandinaviska Enskilda Banken for the financial year 2004, the Annual General Meeting should distribute the above-mentioned unappropriated funds as follows:

	SEK
declare a dividend of	
SEK 4.35 per Series A-share	2,930,960,935
SEK 4.35 per Series C-share	133,864,973
and bring forward to next year	6,618,952,000

Stockholm 7 March, 2005

Jacob Wallenberg
Chairman

Marcus Wallenberg

Gösta Wiking

Penny Hughes

Urban Jansson

Ulf Jensen

Tuve Johannesson

Hans-Joachim Körber

Jesper Ovesen

Carl Wilhelm Ros

Ingrid Tegvald

Lars H Thunell
President

Auditors' report

To the Annual General Meeting of Shareholders of Skandinaviska Enskilda Banken AB (publ); Corporate registration number 502032-9081

We have examined the annual report and the financial statements as well as the administration by the Board of Directors and Group Chief Executive of Skandinaviska Enskilda Banken AB (publ) for the financial year of 2004. The responsibility for the financial statements and administration rests with the Board of Directors and the Group Chief Executive, who are furthermore responsible for ensuring that the Act on Annual Accounts of Credit Institutions and Securities Companies is applied to the preparation of the annual report. It is our responsibility to express our opinion on the annual report and administration on the basis of our audit.

Our examination was performed in accordance with generally accepted auditing standards in Sweden, which means that we have planned and implemented our audit in order to ensure, as far as reasonable, that the annual report does not contain any material misstatements. An audit includes an examination of a selected number of documents forming the basis of amounts and other disclosures in the financial statements. An audit furthermore implies an assessment of the accounting principles used and of the Board's and Group Chief Executive's application of these as well as of significant estimates made by the Board and the Group Chief Executive when preparing the annual report and finally an evaluation of the total information contained in the annual report. We have examined essential decisions, measures and circumstances in the company in order to be able to assess whether any member of the Board of Directors or the Group Chief Executive is liable for damages towards the company. We have furthermore examined whether or not any Board member or the Group Chief Exceutive in any other way has acted in violation of the Companies Act, the Banking Companies Act, the Act on Annual Accounts of Credit Institutions and Securities Companies or the Articles of Association. We consider that our audit gives us reasonable grounds for our opinion expressed below.

The annual report has been drawn up in compliance with the Act on Annual Accounts of Credit Institutions and Securities Companies. It thus gives a true and fair view of the company's result of operations and financial position, in accordance with generally accepted auditing standards in Sweden. The report of the directors is compatible to the other parts of the annual report.

We therefore recommend that the Annual General Meeting adopt the profit and loss account and balance sheet, that the profit be distributed according to the proposal in the report of the directors and that the members of the Board of Directors and the Group Chief Executive be discharged from liability for the financial year of 2004.

Stockholm 7 March, 2005

PricewaterhouseCoopers

Göran Jacobsson	Peter Clemedtson	Ulf Davéus
Authorised Public Accountant	Authorised Public Accountant	Authorised Public Accountant Appointed by the Financial Supervisory Authority

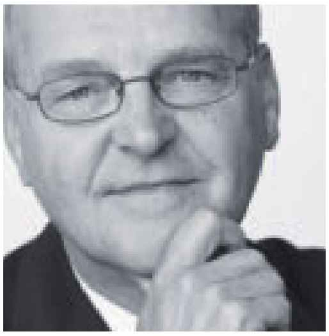
Board of Directors

Jacob Wallenberg

Marcus Wallenberg

Gösta Wiking

Penny Hughes



Urban Jansson

Tuve Johannesson

Dr Hans-Joachim Körber

Jesper Ovesen

Elected by the Annual General Meeting

Jacob Wallenberg[4) 5) 6)]
Born 1956; elected 1997, B. Sc. (Econ) and MBA.
Chairman of the Board.
Other assignments: Chairman W Capital Management AB. Deputy Chairman Investor, Atlas Copco, The Knut and Alice Wallenberg Foundation and SAS. Director ABB, Confederation of Swedish Enterprise and the Nobel Foundation.
Background: Jacob Wallenberg joined SEB in London in 1984. Thereafter he held various positions in SEB in Singapore, Hong Kong and primarily in Sweden. In 1990 he joined Investor AB as Executive Vice President and in 1993 he rejoined SEB. In 1997 he was appointed President and Group Chief Executive of the SEB Group and shortly thereafter Chairman of the Board. Jacob Wallenberg began his banking career at JP Morgan in New York in 1981.
Own and closely related persons' shareholding: 149,330 Series A shares and 5,046 Series C shares.

Independent in relation to the bank and management, non-independent in relation to major shareholders (Deputy Chairman Investor).

Marcus Wallenberg
Born 1956; elected 2002, B. Sc. of Foreign Service.
Deputy Chairman.
Other assignments: President Investor. Deputy Chairman Ericsson and Saab. Director AstraZeneca Plc, Knut and Alice Wallenberg Foundation, Scania and Stora Enso.
Background: Marcus Wallenberg joined Investor AB in 1993 as Executive Vice President and was appointed President and Group Chief Executive 1999. Prior to that he worked at Stora Feldmühle AG in Germany for three years. Marcus Wallenberg began his career at Citibank in New York 1980, followed by various positions at Deutsche Bank in Germany, S G Warburg Co Ltd in London and Citicorp in Hong Kong. He joined SEB in 1985 and worked there until 1990.
Own and closely related persons' shareholding: 100,638 Series A shares and 1,473 Series C shares.

Independent in relation to the bank and management, non-independent in relation to major shareholders (President and Group Chief Executive Investor).

Gösta Wiking[2) 3) 7)]
Born 1937; elected 1997
Deputy Chairman.
Other assignments: Chairman Mölnlycke Health Care and Angiogenetics. Director Bong Ljungdahl, Karlshamn and XCounter.
Background: In 1972 Gösta Wiking joined Perstorp AB where he held various senior positions. He was appointed President and Group Chief Executive in 1991 when he also became a board member. In 1997 he was appointed Chairman of the Board of Perstorp. He was Chairman of Trygg Hansa until the merger with SEB.
Own and closely related persons' shareholding: 3,600 Series A shares.

Independent in relation to the bank and management, independent in relation to major shareholders.

Penny Hughes[7)]
Born 1959; elected 2000, B. Sc. (Chemistry)
Other assignments: Director Vodafone, Reuters, GAP Inc, Trinity Mirror and Bridgepoint Capital (Advisory Board).
Background: Penny Hughes began her career at Procter & Gamble in 1980. In 1984 she joined Coca-Cola and was appointed President of Coca Cola UK Ltd 1992. She left the company in 1994 and has since then held several directorships.
Own and closely related persons' shareholding: 0

Independent in relation to the bank and management, independent in relation to major shareholders.

Urban Jansson[1)]
Born 1945; elected 1996, Higher bank degree.
Other assignments: Director Addtech, Ahlstrom Corp, Anoto Group, Eniro, Ferd A/S, HMS, Plantasjen A/S (Deputy Chairman), Stockholm Stock Exchange Listing Committee and Tylö (Chairman).
Background: Urban Jansson joined SEB in 1966 where he held various management positions between 1972 and 1984. In 1984 he joined AB HNJ Intressenter (former subsidiary of the Incentive Group) as President and Group Chief Executive. In 1990 Urban Jansson was appointed Executive Vice President of the Incentive Group. In 1992 he was appointed President and Group Chief Executive of AB Ratos. He left the company in 1998 and has since then held several board directorships.
Own and closely related persons' shareholding: 8,000 Series A shares.

Independent in relation to the bank and management, independent in relation to major shareholders.

Tuve Johannesson
Born 1943; elected 1997, B. Sc. and MBA.
Other assignments: Chairman Ecolean International A/S and Findus AB. Director Swedish Match and Cardo.
Background: Tuve Johannesson began his career at Tetra Pak in 1974 where he held various senior positions in South Africa, Australia and Sweden. In 1983 he was appointed Executive Vice President of Tetra Pak. He became President of VME, presently Volvo Construction Equipment, in 1988. He then became President of Volvo Car Corporation in 1995 a position he held until 2000.
Own and closely related persons' shareholding: 16,800 Series A shares.

Independent in relation to the bank and management, independent in relation to major shareholders.

Dr Hans-Joachim Körber
Born 1946; elected 2000; Dr.
Other assignments: President and Group Chief Executive METRO AG.
Background: Hans-Joachim Körber joined Metro in 1985 and was appointed Member of the Management Board METRO AG in 1996 and President and Group Chief Executive in 1999. He began his career as Senior Controller at the Oetker Group in 1980.
Own and closely related persons' shareholding: 0

Independent in relation to the bank and management, independent in relation to major shareholders.

Carl Wilhelm Ros

Dr Lars H Thunell

Ulf Jensen

Ingrid Tegvald

Göran Arrius

Magdalena Olofsson

Jesper Ovesen
Born 1957, elected 2004, Bachelor of Commerce Degree (Econ) and MBA.
Other assignments: Chief Financial Officer (CFO) LEGO Holding A/S.
Background: In 2003 Jesper Ovesen joined the LEGO Group as CFO. Prior to that he held the position as CFO of Den Danske Bank during five years. Between 1994 and 1998 he joined Novo Nordisk as Vice President and Head of Finance. Jesper Ovesen began his career at Price Waterhouse where he worked between 1979 and 1989. Thereafter he joined Baltica Holding as Vice President, later on as Group Chief Executive.
Own and closely related persons' shareholding: 0

Independent in relation to the bank and management, independent in relation to major shareholders.

Carl Wilhelm Ros[3,4]
Born 1941, elected 1999, Fil.pol.mag, M.Sc. (Econ).
Other assignments: Director Axel Wilhelmsen & Co AS, Bonnier, Camfil AB, INGKA (Ikea) Holding, LKAB and ProfilGruppen.
Background: Carl Wilhelm Ros worked at AB Astra between 1967 and 1975. In 1975 he joined Alfa Laval AB where he was appointed Group Controller in 1978. 1985 he joined Ericsson AB as Executive Vice President. He left the company 1999 and has since then held several directorships.
Own and closely related persons' shareholding: 3,301 Series A shares and 26 Series C shares.

Independent in relation to the bank and management, independent in relation to major shareholders.

Dr Lars H Thunell[3]
Born 1948; SEB employee since 1997; Ph. D.
President and Group Chief Executive
Other assignments: Chairman IBX AB and the Mentor Foundation. Director Akzo Nobel N.V., b-business partners and the Swedish Bankers' Association.
Background: Lars Thunell was Group Chief Executive of Trygg Hansa before he took over as Group Chief Executive of SEB in connection with the merger between the two companies. Prior to that he was Executive Vice President of ABB, Deputy Group Chief Executive of Nordbanken and Group Chief Executive of Securum. Lars Thunell began his career at American Express Co in New York, USA in 1977.
Own and closely related persons' shareholding: 9,000 Series A shares, 1,292,157 employee stock options.

Non-independent in relation to the bank and management (President and Group Chief Executive SEB), independent in relation to major shareholders.

Directors appointed by the employees

Ulf Jensen
Born 1950; appointed 1997 (1995), university studies economics and law.
Chairman Financial Sector Union of Sweden SEB Group. Director Financial Sector Union of Sweden.
Background: Ulf Jensen joined SEB in 1977 where he held various positions. He was elected Chairman of Financial Sector Union of Sweden Stockholm City in 1989 and Financial Sector Union of Sweden SEB Group in 1999. Since 2002 Ulf Jensen is also Chairman of the European Works Council SEB Group.
Own and closely related persons' shareholding: 0

Ingrid Tegvald
Born 1946; appointed 2002, Bachelor of Laws.
Vice chairman Financial Sector Union of Sweden SEB Group since 2004. Chairman Regional Club Väst of the same union since 1999. Director Financial Sector Union of Sweden.
Background: Ingrid Tegvald joined Trygg-Hansa in 1972 where she held various positions until 1999 when she joined SEB as union representative.
Own and closely related persons' shareholding: 391 Series A shares, 19 Series C shares

Deputy Directors appointed by the employees

Göran Arrius
Born 1959; appointed 2002, Naval Officer.
Chairman Association of University Graduates at SEB and JUSEK's Section for Bank and Insurance.
Background: Göran Arrius began his career as a Naval Officer. In 1988 he joined Trygg Hansa Liv and has since then held various positions in the life insurance business. Göran Arrius works today as Product Specialist for occupational pensions at SEB Trygg Liv.
Own and closely related persons' shareholding: 0

Magdalena Olofsson
Born 1953; appointed 2003
Director Financial Sector Union of Sweden SEB Group. Vice Chairman Regional Club Stockholm & Öst of the same union. Director Financial Sector Union of Sweden.
Background: Magdalena Olofsson joined SEB in 1974 and has since then held various positions in the SEB Group, including twelve years at SEB BoLån AB. Since 2002 Magdalena Olofsson is also a Director of the European Works Council SEB Group.
Own and closely related persons' shareholding: 0

1) Chairman of Credit Committee of the Board of Directors.
2) Chairman of Audit and Compliance Committee of the Board of Directors.
3) Member of Credit Committee of the Board of Directors.
4) Member of Audit and Compliance Committee of the Board of Directors.
5) Chairman of Compensation Committee of the Board of Directors
6) Deputy Chairman of Credit Committee
7) Member of Compensation Committee of the Board of Directors

Group executive Committee and Auditors

Dr Lars H Thunell

Annika Falkengren

Fleming Carlborg

Magnus Carlsson

Mats Kjær

Harry Klagsbrun

Anders Mossberg

Nils-Fredrik Nyblæus

Dr Lars H Thunell
Born 1948; SEB employee since 1997; Ph. D.
President and Group Chief Executive
Other assignments: Chairman IBX AB and the Mentor Foundation. Director Akzo Nobel, b-business partners and Swedish Bankers' Association.
Background: Group Chief Executive of Trygg Hansa before taking over as SEB's Group Chief Executive when the two companies were merged. Previously he was Executive Vice President of ABB, Deputy Group Chief Executive of Nordbanken and Group Chief Executive of Securum. He started his career at American Express Co in New York in 1977.
Own and closely related persons' shareholding: 9,000 Series A shares, 1,292,157 employee stock options.

Annika Falkengren
Born 1962; SEB employee since 1987; B. Sc. (Econ).
Executive Vice President and Deputy Group Chief Executive, Head of Corporate & Institutions until February 2005. President and Group Chief Executive as of 1 January 2006.
Other assignments: Director Securitas and Ruter Dam.
Background: She started as an SEB trainee in 1987 and worked at Trading & Capital Markets 1988–2000. She was appointed Global Head of Fixed Income in 1995, Global Head of Trading in 1997, Head of Merchant Banking in 2000 and Head of Corporate & Institutions division and Executive Vice President of SEB in 2001.
Own and closely related persons' shareholding: 13,000 Series A shares, 618,628 employee stock options.

Fleming Carlborg
Born 1956; SEB employee since 1974
Executive Vice President, Head of Nordic Retail & Private Banking since 2001 and responsible for Retail operations in Germany within Group Executive Committee since 2003.
Other assignments: Chairman Bankgirocentralen (BGC).
Background: He started his career at SEB's retail operations in Stockholm in 1974 and worked in Gothenburg 1979–1990. After a brief period in Frankfurt he returned to Stockholm as Head of Region and then as Head of Credits for Swedish operations. Appointed Head of Swedish retail operations and Executive Vice President of SEB in 1999.
Own and closely related persons' shareholding: 2,148 Series A shares, 120 Series C shares, 506,273 employee stock options.

Magnus Carlsson
Born 1956; SEB employee since 1993; M. Sc.
Executive Vice President, Head of Corporate & Institutions since February 2005.
Background: He started his career at Bank of Nova Scotia in 1980, holding several leading positions in London. In 1993 he joined SEB as Senior Client Relationship Manager and Head of shipping. He was appointed Head of Project & Structured Finance in 1996, Head of Corporate Banking in 1999, later on Deputy Head of Merchant Banking and Head of the Corporate & Institutions division and Executive Vice President of SEB in 2005.
Own and closely related persons' shareholding: 0 shares, 154,824 employee stock options.

Mats Kjær
Born 1950; SEB employee since 1971.
Executive Vice President, Head of Eastern European Banking since 2004.
Background: He worked as a branch and area manager within SEB's retail operations since 1971. Appointed Head of Region Eastern Sweden in 1993, Head of Region South Sweden in 1995, Head of SEB's holding company in the Baltic countries in 1998, Head of the Eastern European Banking division and Executive Vice President of SEB in 2004.
Own and closely related persons' shareholding: 4,500 Series A shares, 148,177 employee stock options.

Harry Klagsbrun
Born 1954; SEB employee since 2001; M. Sc. and MBA
Executive Vice President, Head of SEB Asset Management since 2001.
Background: He was President and Group Chief Executive of the Alfred Berg Group 1995–2000 and Head of Handelsbanken's investment banking activities 1989–1995. He started his banking career at Smith Barney in New York in 1982.
Own and closely related persons' shareholding: 60,000 Series A shares, 339,093 employee stock options.

Lars Lundquist
Born 1948; SEB employee 1997– January 2005; M. Sc. and MBA.
Executive Vice President; Chief Financial Officer 1 January 2003 – December 2004.
Other assignments: Chairman Försäkrings AB Erika.
Background: He was responsible for SEB's German operations 2000–2003. Before that he was CFO of Trygg Hansa and Head of Life insurance operations 1995–1997. Prior to that he held several leading positions within Nordbanken Asset Management, Carnegie and Swedbank.
Own and closely related persons' shareholding: 4,000 Series A shares, 641,177 employee stock options.

Anders Mossberg
Born 1952; SEB employee since 1985.
Executive Vice President, Head of SEB Trygg Liv since 1997.
Other assignments: Director Sveriges Försäkringsförbund and Financial Education AB.
Background: After five years at SEB he was appointed Head of the bank's life insurance operations in 1990. Executive Vice President of SEB in 1998 and Head of Asset Management & Life division in 2000. He started his career at Skandia Försäkring AB in 1981.
Own and closely related persons' shareholding: 7,008 Series A shares, 548,808 employee stock options.

Nils-Fredrik Nyblæus
Born 1951; SEB employee since 2004, B. Sc. (Econ).
Executive Vice President, Head of Group Staff and IT from January 2004 and Chief Financial Officer from January 2005.
Other assignments: Chairman Danderyds Sjukhus AB. Director Swedish Financial Accounting Standards Council.
Background: Joined SEB in 2004. Previously with FöreningsSparbanken since 1991, where he was Deputy Group Chief Executive since 2000 and CFO since 1998 after having held several leading positions within the bank. Other previous positions held include Group Controller within Alfa-Laval Group, USA and Netherlands, and Treasurer of Lesjöfors AB.
Own and closely related persons' shareholding: 200 Series A shares, 53,333 employee stock options.

AUDITORS

Auditors elected by the Annual General Meeting

PricewaterhouseCoopers
Göran Jacobsson
Born 1947; signing auditor in SEB as of 1995.
Authorised Public Accountant, auditor in charge as of 2000.

Peter Clemedtson
Born 1956; co-signing auditor in SEB as of 2000.
Authorised Public Accountant.

Auditor appointed by the Financial Supervisory Authority

Ulf Davéus
Born 1949; auditor in SEB as of 2004.
Authorised Public Accountant,
BDO Feinstein Revision

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SEB's financial information is available on www.sebgroup.com

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Interim report January–June	26 July
Interim report January–September	28 October

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Group press officer
Telephone +46 8 763 85 77
e-mail: viveka.hirdman-ryrberg@seb.se

Annual General Meeting

The Annual General Meeting will be held on Wednesday 13 April, 2005 at 12.30 p.m. (Swedish time) at Cirkus, Djurgårdsslätten, Stockholm.

Notices convening the General Meeting including an agenda for the Meeting will be published in the major Swedish daily newspapers on 11 March, 2005. Shareholders wishing to attend the Annual General Meeting shall

– *both* be registered in the shareholders' register kept by VPC (the Swedish Securities Register Centre) on Friday 1 April, 2005, at the latest
– *and* notify the Bank in writing under address Skandinaviska Enskilda Banken AB, Box 47011, SE-100 74 Stockholm, or by telephone 0771-23 18 18 between 9.00 a.m. and 4.30 p.m. in Sweden or, from abroad, at +46 771 23 18 18 or via Internet on the home page of the Bank, www.sebgroup.com, not later than 1 p.m. on Thursday 7 April, 2005.

Dividend and Record date

The Board proposes a dividend of SEK 4.35 per share. The share is traded ex dividend on Thursday 14 April, 2005. Monday 18 April 2005 is proposed as record date for the dividend payments. If the Annual General Meeting resolves in accordance with the proposals, dividend payments are expected to be distributed by VPC on Thursday 21 April 2005.

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SEB

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