



SEB's competent and committed employees play a vital role in making the customers even more satisfied.



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The Annual Report will be
available on www.sebgroup.com

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Financial information during 2004

Publication of annual accounts	13 February
Publication of Annual Report	Mid March
Annual General Meeting	1 April
Interim report January–March	6 May
Interim report January–June	27 July
Interim report January–September	20 October

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SEB officers on the cover (from left to right): 1. Espen Östlyngen 2. Björn Jansson 3. Cecilia Gunne 4. Anders Johnsson 5. Henrik Mitelman 6. Simone Schenk 7. Elke Dott 8. Mireille Rydberg 9. Wolfgang Grünwald 10. Klas Eklund 11. Neslihan Demir 12. Vallo Pulk 13. Stefan Spahl 14. Viveka Andersson 15. Einar Thodal-Ness 16. Eerika Vaikmäe-Koit 17. Charwin Agard 18. Markus Schuwerack 19. Mart Altvee 20. Inger Pettersson 21. Matteo Biliotti 22. Helena Pajander 23. Doris Mayer 24. Fatma Topcu 25. Evelin Mals 26. Håkan Hellquist 27. Wolfgang Degenkolb 28. Evelin Pull 29. John Jawor 30. Jan Palmberg 31. Leif Nylén 32. Viveka Hirdman-Ryrberg 33. Gert-Jürgen Schimmelpfennig 34. Harald Radu 35. Birgitta Callin 36. Johan Magnusson 37. Marie Ekström 38. Figen Kandemir

2003 in brief

Key figures

- Operating result including pension compensation increased by 7 per cent, to SEK 7,963m (7,412m).
- Net profit increased by 7 per cent to SEK 5,704m (5,318m) representing SEK 8.22 (7.60) per share.
- The SEB share rose by 46 per cent, better than Swedish SAX-index and European bank index.
- The credit loss level remained stable.
- Return on equity was 12.3 per cent (12.0).
- Proposed dividend is SEK 4.00 (4.00).

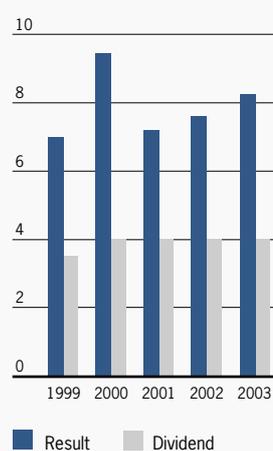
Key figures

	2003	2002
Return on equity, %	12.3	12.0
Earnings per share, SEK*	8.22	7.60
Cost/income ratio	0.67	0.69
Credit loss level, %	0.15	0.13
Total capital ratio, %	10.23	10.47
Core capital ratio, %	7.97	7.88
Number of full time equivalents, average	18,067	19,003
Number of e-banking customers, thousands	1,614	1,332
Assets under management, SEK billion	822	742

* For further information on the SEB share, please see page 14

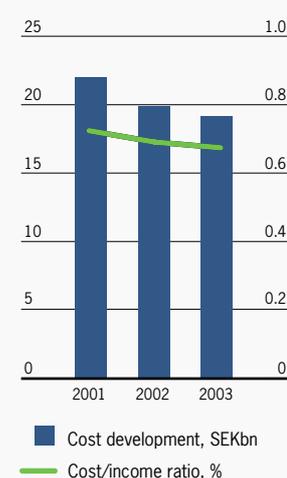
Net profit and dividend

Per SEB share, SEK



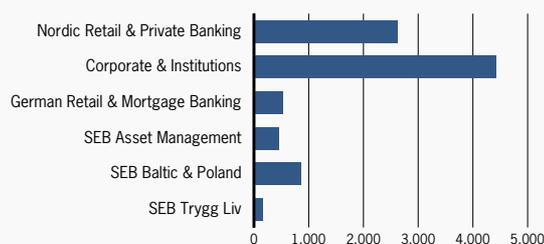
Cost development

Incl. SEB Trygg Liv's costs



Operating result per division

SEKm



Strategy and change programme

SEB's change programme, called 3 C as in Customer satisfaction, Cross-servicing and Cost efficiency, continued to generate strong results during 2003.

- **Increased customer satisfaction** – record high ratings among corporations and institutions, highest ranking for Enskilda Securities, great improvements for small and medium sized companies.

- **Improved co-operation and increased cross-selling within the Group** – strengthened market positions in many areas and higher employee motivation.
- **Increased cost efficiency** – Group costs amounted to SEK 19,2bn at year-end compared with SEK 22,5bn on a yearly basis summer 2001.

Continuous result improvement

It gives me and my fellow Board members great pleasure to see that the Group's patient cost-cutting work and efforts to increase efficiency and deepen customer relations has led to a considerable improvement of SEB's result.



The world economy started to recover in 2003. After a turbulent start – with war in Iraq, the Sars disease and risks for deflation – the world began to look a little brighter, including the stock markets.

The fact that most of the world's stock markets have recovered indicates that the world economy

is picking up, primarily in the U.S. and China that grows at a furious pace. Europe has fallen behind, not least due to the vast structural challenges that countries like France, Germany and Italy are facing. Nevertheless, there are signs of a slow recovery here, too.

Long-term strategy now bearing fruit

Through its German, Baltic and Nordic acquisitions SEB has become a North-European bank, operating in several home markets. The on-going work of consolidation has yielded continuous results. Efficiency and customer satisfaction continues to be of highest priority.

The result of SEB's long-term work is mirrored in the Group's share price, which rose by 46 per cent during the year. This was far above both the Stockholm Stock Exchange General Index and the European Bank Index.

However, despite this improvement our return on equity has not reached our objective as the economic situation of Germany had a negative impact on our operations there. However, the Board regards SEB's German bank as a long term market investment and is confident about the future of the Group's German activities.

Commitment to corporate governance

In Sweden, as in the rest of Europe, the debate about Corporate Governance is engaging, as manifested by the Higgs Report in Great Britain, for example. Over the last decade, generally applied corporate governance codes have been introduced in approximately 50 countries. In Sweden, we have a well developed system of self-regulation and an unusually strong corporate law.

This spring the Swedish "Åsbrink" Committee will present its proposals on how to restore confidence in the business community, including one for a Swedish corporate governance code.

For several years, SEB's Board and Executive Management have attached great importance to openness, transparency and communication. This, in combination with clear corporate governance through the Board, auditors and committees, is of absolutely vital importance for keeping the confidence of shareholders and other interested parties.

In the best interests of shareholders, the Board plays an active part in the current monitoring of the bank by engaging itself more continuously in SEB's three existing committees: The Credit Committee, the Audit and Compliance Committee and The Compensation Committee. These are described more in detail in the Report of the Directors.

Employee stock option programme and repurchase of own shares

My fellow Board members and myself strongly believe in long-term incentive programmes. The Board will therefore propose to the 2004 Annual General Meeting that it pass a resolution concerning a continuation of the employee stock option programme for approximately 700 leading SEB officers and key individuals. The conditions are proposed to be largely identical with those of the earlier programmes, with a few changes. For example, we will suggest the introduction of a cap that limits the maximum amount disbursed for each option.

The Board will also ask the Annual General Meeting to pass a resolution regarding a general repurchase of maximum 20 million shares. The reason for this is that we wish to have the possibility of making the most effective use of the capital structure of the Bank, thus facilitating the successful management of SEB's capital base.

2003 turned out to be a rewarding year for SEB thanks to great achievements by the whole staff. I wish to seize this opportunity to convey both my own and the Board's gratitude to the Executive Management and the staff for their dedication, hard work and strong financial results. I look forward to an exciting 2004 for SEB.

Stockholm in February, 2004


Jacob Wallenberg
Chairman of the Board

Increased markets shares and satisfied customers

Our 3 C Change programme continues to generate strong results, as seen within many areas of the Group. Our services have met with increased customer satisfaction, costs continued to decline and employee motivation was enhanced. The result has kept improving, quarter by quarter.



It is gratifying to see that so many different parts of the Group have contributed to our improved result. In a broader perspective, not only our shareholders but also our customers and staff have seen improvements during 2003.

Our customers and their relationship with us are of funda-

mental importance. Two years ago, we decided to focus more strongly on both our private and corporate customers. Over the last couple of years we have taken a number of measures as regards product offerings, service, accessibility and prices. Furthermore, we have changed our way of working and decision-making. This is why it is particularly pleasing for all of us within SEB to see that our efforts have proved successful. Today, we are pleased to note that our customers have become more satisfied, step by step, and that we are increasing our market shares within many areas.

More motivated employees

It is of utmost importance for our profitability to have satisfied customers, choosing us as a partner for their financial needs.

However, a high degree of customer satisfaction can hardly be achieved without a committed and competent staff. It is their competence that is key to customer confidence. It is a matter of providing good service, efficient transactions and sound advice.

It is therefore promising for the future that the motivation of our employees is deepening. During the past year, all SEB employees and managers have devoted a great deal of time to our Group-wide common values: Commitment, Professionalism, Continuity and Mutual respect. This forms an important part of our ambition to create a common culture across organisational and geographical borders. It is our ambition, by acting as "one SEB", to become both more efficient and to offer our customers improved service. In addition, many employees have devoted time and commitment to various charity and social projects.

For our shareholders it is a high and sustainable profitability that counts in the end. We have managed to improve our result, quarter by quarter, due to increased customer satisfaction, higher market shares, a committed staff and lower costs despite weak markets within many areas.

Strong results in many areas

In terms of contribution from various parts of the Group we note that large corporations – mainly Nordic and German large companies as well as international financial institutions – have become increasingly important for SEB from a profitability point of view. We are pleased with our high and stable earnings within this area as well as with our strong market position.

The Nordic retail business has also reported strong improvements in terms of result, volumes and customer satisfaction after the changes implemented. In the Asset Management division, portfolio and fund performance improved significantly as well as new sales. Furthermore, in spite of a difficult market, the Swedish life insurance business managed to increase both its market share and result.

The German economy remained weak during 2003 and our German retail operations are now implementing a further restructuring programme in order to adjust costs to low demand. Due to a certain recovery of the economy in combination with our on-going restructuring, our outlook for our German operations has brightened.

Once again, the Baltic & Poland division reported an excellent outcome. We foresee continued strong growth in the Baltic economies and, consequently, in our subsidiary banks there. Our Estonian, Latvian and Lithuanian banks have contributed with increasing and strong results after being successively acquired in the period between 1998 and 2000.

Stability and strength for the future

To sum up, SEB's position is strong. We have implemented sweeping changes throughout the Group that continue to generate results. We have a solid capital base and more stability and breadth in our result. Our strategy continues to build on our 3 C programme, i.e. concentration on customers, costs and improved co-operation. Our strengthened platform provides us with new growth opportunities, particularly in the Nordic area. We are confident that our efforts will continue to benefit our shareholders, customers and employees – especially since we now start to see a brightening of the economy!

Stockholm in February 2004

Lars H Thunell
President and Group Chief Executive

2003 better than expected, but Europe trailing behind

“2003 could have turned out very badly. At the beginning of the year we were still in the aftermath of an economic hangover after the bursting of the stock markets. The financial markets were gloomy. The Sars epidemic and the preparations for war in Iraq increased uncertainty further. As if this was not enough, the threat of deflation was pending. Considering all this, we can now establish for a fact that 2003 ended far better than expected,” says SEB’s Chief Economist Klas Eklund.

Thus, it is almost with a sense of relief that the SEB-trio Klas Eklund, Robert Bergqvist, Chief Analyst of Merchant Banking and Gunilla Nyström, Private Economist, look back upon the relatively favourable economic development of the past year. They are agreed that 2003 was the year in which the world economy started to recover in earnest, in spite of a shaky start.

“It was above all the important U.S. economy that rebounded from low levels, which spread across the whole world”, says Klas Eklund.

Gunilla Nyström points to the low rates of interest as another important reason for economic recovery:

“I think that many people believed that interest rates would bottom out during 2003 and then turn upwards. Instead, they remained low during the whole year. This made it possible for households to rearrange their housing loans at lower rates, which has been a strong driving force for the economy”, she explains.

Low interest rates partly explain the positive corporate results in 2003, too. Due to the interest stimulus in combination with the rationalisation and cost-reduction measures of recent

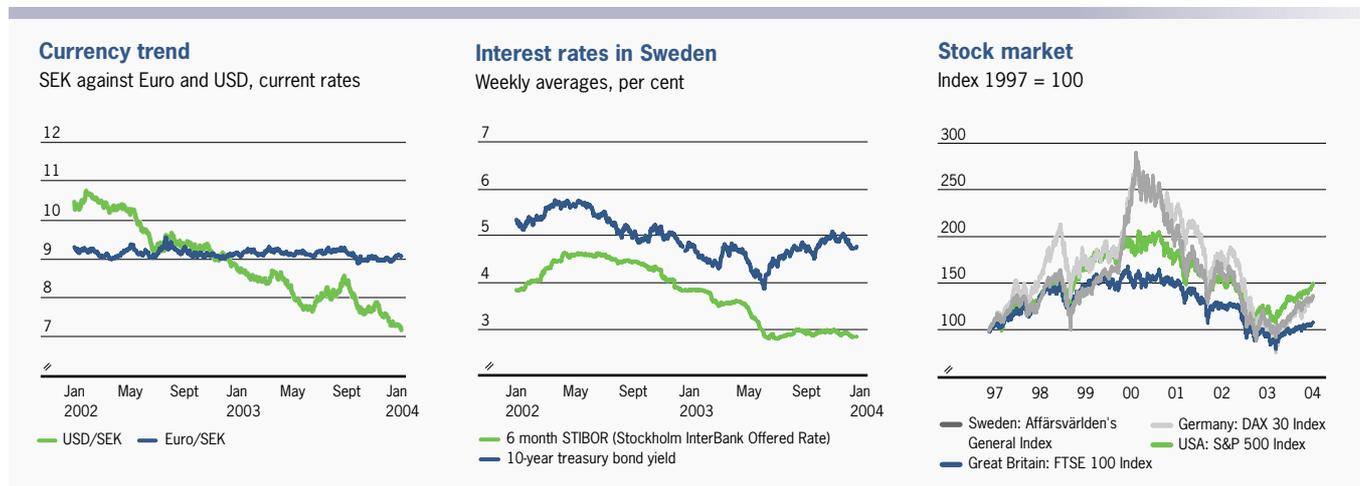
years, companies have started to report profits again. Not least has the American economy shown strongly increased results.

“The U.S. was the strongest economic engine in 2003”, says Klas Eklund, “and most likely will the American development govern the world economy in 2004, too. The question is, however, how strong will the driving force of the American economy be henceforth?”

“The success of the U.S. economy has been achieved at the cost of a gigantic budget deficit. Moreover, the foreign trade deficit has continued to grow. These twin deficits have led to an increasingly weaker dollar. Whoever gets elected new President this autumn must put the rampant deficit in order and those measures may very well lead to a slowdown of economic growth”, according to Klas Eklund.

“The American deficit is reflected in the large and growing currency surpluses of the dynamic Asian economies, which increasingly are playing the part of world economic motor.”

“Payment flows to Asia are extremely strong”, says Robert Bergqvist, “and this has led to enormous surpluses, particularly in China, but also in Japan.”



A continued positive trend for the global economy in 2004, but a risk that Europe will be caught between an expansive United States and the dynamic Asia, forecast SEB economists Gunilla Nyström, Klas Eklund (right) and Robert Bergqvist (below).



Fast-growing China is now a serious challenge to Japan as the economic great power of the region and Robert Bergqvist is convinced that the high rate of growth will continue during 2004.

"One of the most important factors for world economic development is therefore the way in which China and Japan choose to manage their huge currency surpluses", he continues.

Klas Eklund nods in agreement and points to the risk of Europe getting into a tight corner between an expanding U.S. economy and dynamic Asia.

"Poor growth in combination with a rigid labour market may outdistance the European economy."

The German economy is of fundamental importance for Europe and even though it is now slowly recovering, this is a drawn-out process.

"In order to get Germany's economy really going, a series of reforms is necessary, for example of the social security systems. The implementation of these reforms is painful, causing political agony", says Klas Eklund and adds:

"Germany's present situation reminds of that of Sweden in the early 1990s, although it is less acute. Therefore, a number of harsh measures has to be taken sooner or later, due to a shrinking working population, among other things."

The expansion of the EU will put additional strain on the EU institutions. However, the three economists agree that the ten new member countries will be a positive injection in a more long-term perspective. They are not particularly worried about the crisis of the stability pact of the EU. They feel that the short-term economic consequences of Germany's and France's breaking of the rules of the pact are not very important.

The Swedish No to the euro in last autumn's referendum did not have any significant short-term effects either. Klas Eklund, Gunilla Nyström and Robert Bergqvist expect to see a continued Swedish recovery in 2004.

"We had historically low rates of interest last year and we do not see any signs of a dramatic change in the interest situation during 2004", says Gunilla Nyström. This, together with the low rate of inflation, indicates that it will be a relatively good year for Swedish households.

She stresses, however, that there are great regional differences in Sweden. Rising local government taxes in combination with higher municipal fees, particularly in the Stockholm region, undermine the disposable income of the households.

Continued low rates of interest favour a sustained positive development of Swedish industry and commerce in 2004.

"Above all, however, it is the impressive improvement in productivity that promises improved performance. Swedish industry has shown the highest increase in productivity of all industrial countries over the last ten years", says Klas Eklund. Like Robert Bergqvist, he believes in a strengthening of the Swedish currency in 2004.

"Provided Sweden's economy develops positively during the year, the Swedish krona will strengthen further. In the end, however, the krona rate is largely determined by factors outside Sweden such as payment flows, central bank policy and trends in interest rates", asserts Robert Bergqvist.

"Sadly, Sweden is not in balance right now", says Klas Eklund. "Companies will not start recruiting new employees even though the Swedish economy is on its way of recovering. There is a risk of a jobless recovery, better times, but no new jobs. Since the public sector struggles with great economic problems at the same time, the labour market will continue to be adverse according to most indicators."

"And the households' spending is of course dependent upon the fact that there are jobs. Increased unemployment would therefore threaten the development of the Swedish economy, adds Robert Bergqvist."

A North European financial group

Greater customer satisfaction, improved co-operation between the various parts of the Group and higher cost-efficiency continue to be the main focal points for SEB.

The SEB Group is a North European financial banking group for companies, institutions and private individuals. Although its main activities consist of banking services SEB also conducts important life insurance operations both within and outside Sweden. SEB has a total of 670 branch offices around Sweden, Germany and the Baltic States and more than 4 million customers, of whom 1.6 million are e-banking customers. On 31 December 2003, the Group's total assets amounted to

SEK 1,279bn, while its assets under management totalled SEK 822bn. The Group is represented in some 20 countries around the world and has a staff of about 18,000.

SEB is determined to offer individual, active and developing bank relations at the customer's choice of time and place.

SEB's internal and external behaviour shall be based upon the following values: Continuity, Commitment, Professionalism and Mutual respect.

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. It shall furthermore contribute to fostering the view of SEB as a good citizen of society.

Vision and goal It is SEB's vision to be a leading North European bank, based upon long-term customer relations, competence and e-technology.

The financial goals are:

- A return on equity of 15 per cent after tax over a business cycle
- A continuous improvement of the cost/income ratio, to 0.60 long-term

- A core capital ratio of at least 7 per cent and
- A dividend of 40 per cent of earnings per share over a business cycle

The goals will be achieved with the help of motivated employees and by co-operation between SEB's various areas of activity.

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 consolidate its position in its present markets. The following three areas continue to be of top priority:

- Increased customer satisfaction
- Improved co-operation and cross-selling within the Group
- Increased cost efficiency

SEB of today

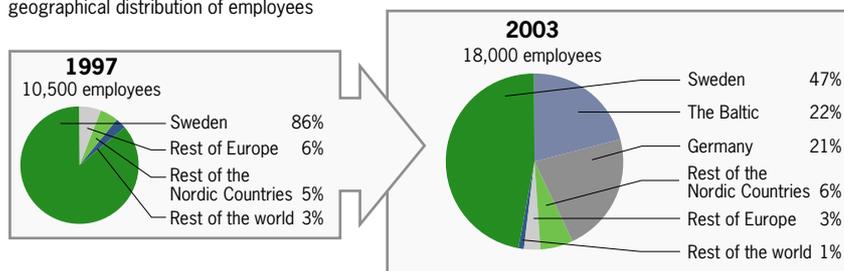
During 1997 a strategic transformation of SEB was started as a result of a number of sweeping changes in the surrounding world, in particular the internationalisation, unification of Europe, increasing average length of life leading to growing needs for own savings in combination with the fast development of information technology.

In order to meet these trends, SEB has made a number of major acquisitions in recent years – Trygg-Hansa, SEB AG (formerly BfG) in Germany and the three Baltic banks Eesti Ühispank, Latvijas Unibanka and Vilniaus Bankas. It has furthermore restructured its organisation and invested in new technology.

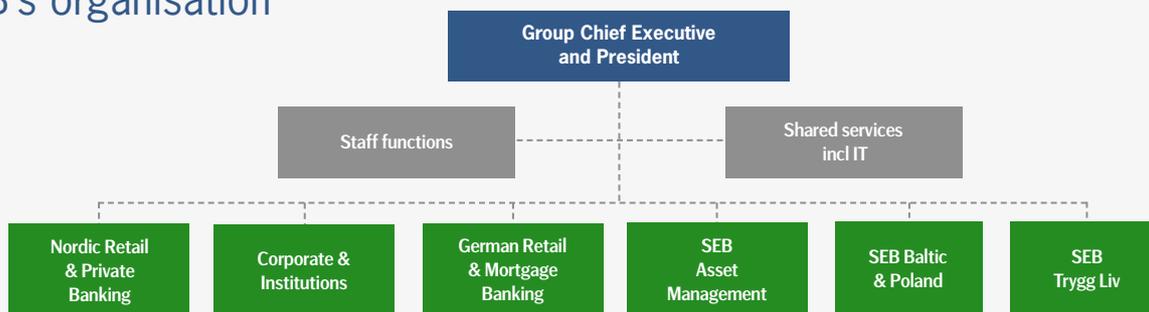
From being a Nordic bank, SEB has thus become a North-European financial group, with new home markets in Germany and the Baltic countries and more than half of its customers and staff outside Sweden.

SEB of today – a North-European financial group

geographical distribution of employees



SEB's organisation



SEB's homemarkets

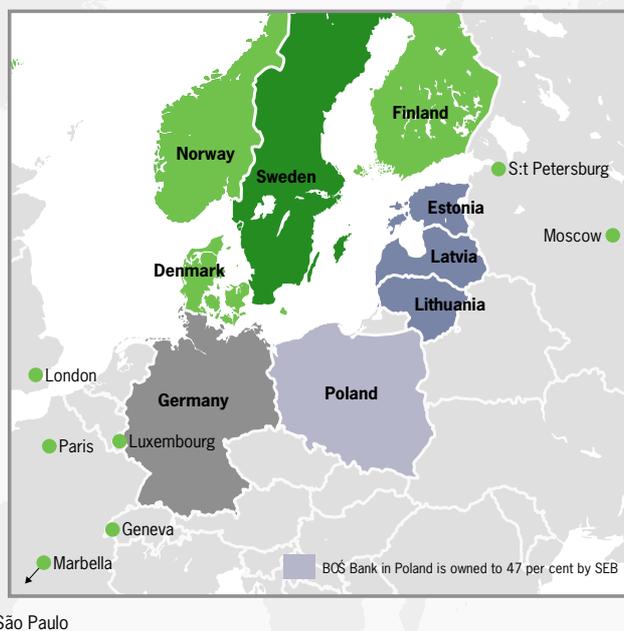
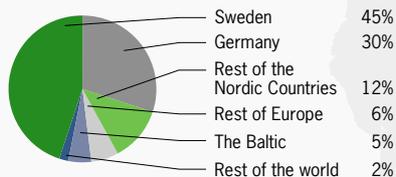
The market for northern Europe

- 150 million inhabitants

SEB in northern Europe

- More than 4 million customers
- 1.6 million Internet customers
- 670 branch offices

Gross income, geographical distribution



SEB's home markets in Northern Europe account for the predominant part of gross income, operating result and employees.

In *Sweden* SEB is one of four large banks with 1.6 million private customers and 120,000 corporate customers. SEB's markets shares have increased within many key areas. SEB is among other things number one in the total household savings market and in the market for large corporations and institutions.

In the *Rest of the Nordic* area SEB has a strong position within its key areas, particularly merchant and investment banking,

cards and asset management. Approximately 1,000 employees generate an operating profit of more than SEK 1bn. In *Germany* SEB is one of five nation-wide banks. The bank focuses on savings and mortgage loans for private individuals and real estate customers, merchant banking activities and asset management.

In the *Baltic States* SEB is one of the largest banks in each respective country with market shares of 25–40 per cent. In *Poland* the bank owns a mutual funds company, SEB TFI, and 47 per cent of the Polish bank BOŚ.

SEB's customers

Today, SEB has more than 4 million private customers and 260,000 small and medium-sized corporate customers in nine countries, with a total population of more than 150 million. For many years SEB holds a leading position as a bank for large corporations and financial institutions in Sweden and other Nordic countries – in several cases with hundred-year-long relations. During 2003, corporations and institutions accounted for approximately 60 per cent of SEB's total income.

In order to reach the vision – to be a leading North European bank based upon long-term customer relations, competence and e-technology – SEB aims at the highest possible degree of customer satisfaction. The work on service improvement and increased activities with customers is continuously going on.

SEB's customers are very satisfied within most areas such as investment banking, private banking, large corporations as well as within the German and Baltic operations. In 2003, there was a marked increase in customer satisfaction among the small and medium-sized corporate customers in Sweden. The rating of the Group's private retail customers improved significantly in 2002, but less so in 2003. According to the annual survey by the external Swedish Quality Index, SEB was still below the average of the industry in this particular category of customers at that time.

By year-end 2003, more than 1.6 million private individuals were customers in the SEB Group's Internet banks in Sweden, Denmark, Germany and the Baltic States. The rate of increase is particularly high in the Baltic, where the number of e-banking customers rose by more than 60 per cent during 2003, to 600,000.

Corporate customers are using financial solutions via the Internet to an increasing extent, too. For many years, SEB's

Trading Station has offered large corporations the opportunity of handling their foreign exchange and fixed income transactions via the Internet. In the fourth quarter of 2003, approximately 50 per cent of SEB's foreign exchange transactions went via Trading Station compared with 40 per cent one year earlier.

Other corporate net services include Online Cash Management (account balance reporting and international and domestic payments), Corporate Authorisation System (power of attorney system through which customers can register new powers of attorney themselves, thus eliminating a lot of paper work) and Online Trade Finance (helps companies improve their handling of export/import letters of credit, collection debts and guarantees).

SEB in the market

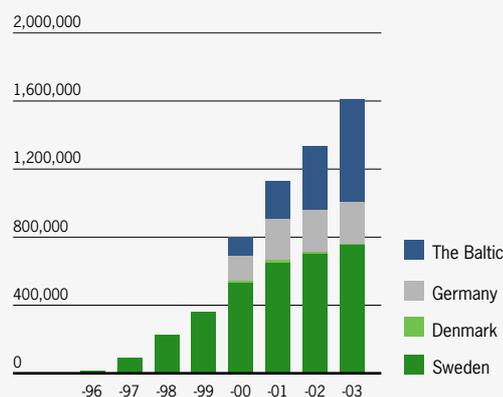
During 2003 SEB managed to increase its market share within several important areas.

In the Swedish, German and Baltic retail markets SEB competes mainly with large banks, but also with a number of niche players. During 2003, SEB increased its share of household deposits in Sweden, while its share of corporate deposits dropped. SEB's share of total lending to the general public (households, companies etc) increased to 14 per cent. Household lending rose mainly due to an increase in private mortgage lending, of which SEB's share rose to 14.3 per cent (13.4) after its share of new lending had increased to 17.4 (15.6). The combined market shares for the three Baltic banks were 32 per cent for lending and 25 per cent for deposits. In Germany, SEB has a market share of about one per cent of the retail market.

With SEK 822bn in assets under management, SEB is one of the largest asset managers in the Nordic area. In the Swedish household market for savings (excluding directly owned shares) the Group occupied the No. 1 position, once again, with a total share of 15.7 per cent (16.0) at year-end.

Number of Internet customers within SEB

Development 1996–2003



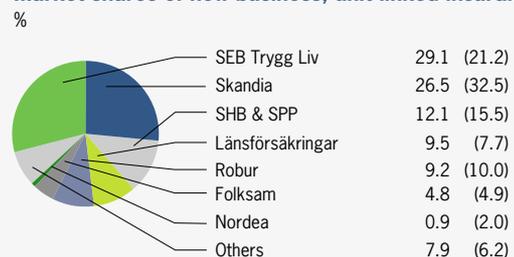
Today, more than 1.6 million private customers and minor companies are using SEB's Internet banks in six different countries. In addition, the Group offers such special services as foreign exchange and fixed income trading via the Internet, mainly to major companies.

Market shares of total savings, Sweden



SEB is still the leader on the Swedish private savings market with a market share of 15.7 per cent (16.0).

Market shares of new business, unit-linked insurance



Source: The Swedish Insurance Federation statistics

Ranking 2003 – examples

Area	Rank	Organisation/magazine etc
Best analysis totally in Sweden	No 1 ¹⁾	Affärsvärlden
Best research house in the Nordic/Baltic region	No 1 ¹⁾	Euromoney
Best M&A house in Sweden and Denmark	No 1 ¹⁾	Euromoney
Best equities house in the Nordic countries	No 1 ¹⁾	Thomson Financial
Electronic cash management service, globally	No 2	Euromoney
Largest prime broker in Europe	No 4	EuroHedge
Best custody house in the Nordic/Baltic region	No 1	Euromoney

1) Enskilda Securities

Within life insurance, SEB Trygg Liv, is one of the three largest players in the Swedish market and No. 1 within unit-linked insurance with a market share of new business in 2003 of 29.1 per cent (21.2).

Within export and project finance, debt and capital market services and securities financing, for example, SEB's competitors are primarily 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 areas. For several years, SEB has been ranked the best foreign exchange bank globally as regards trading in Swedish kronor.

Enskilda Securities is the largest player on the Stockholm Stock Exchange and No 2 in Oslo, and is furthermore one of the most frequently trusted investment banks as regards mergers and acquisitions involving Nordic companies as buyers or sellers.

Market shares

Per cent	2003	2002	2001
Deposits from the general public, Sweden	21.1	21.9	21.3
Households	12.6	12.4	12.6
Companies	26.8	28.1	26.9
Lending to the general public, Sweden	14.0	13.6	13.6
Households	11.9	11.2	10.9
Companies	15.5	15.2	15.2
Mortgage loans, households	14.3	13.4	13.1
Deposits from the general public, the Baltic ¹⁾	25.0	26.0	25.1
Lending to the general public, the Baltic	32.0	33.0	34.5
Mutual funds, new business, Sweden	13.4	11.8	6.4
Mutual funds, new business, Germany	3.5	0.5	0.9
Unit-linked insurance, new business, Sweden	29.1	21.2	18.7
Equity trading, Stockholm	11.4	9.3	9.0
Equity trading, Oslo	11.7	13.1	16.9
Equity trading, Helsinki	4.6	5.2	10.4
Equity trading, Copenhagen	6.9	8.0	9.5

1) In Latvia only deposits from Latvian residents are included

SEB's staff

SEB's approximately 18,000 employees and their ability to identify and satisfy customer needs is the key to a successful development. Accordingly, the Group's overall goal in the personnel area is to attract and develop competent employees, increase commitment and stimulate top-level performance.

SEB's core values

SEB has a decentralised organisation and operates in many countries. However, regardless of which unit our customers contact, SEB must be easy to recognise. A common culture within the Group reflects our commitment to customers, continuity in building long-term relationships, mutual respect and professionalism in the way that we carry out our business. We have defined these basic views in SEB's globally applied Core Values. We encourage and expect every member of staff to manifest SEB's values in everything we do.

Competence and leadership development

In the light of long-term changes in the Group, SEB organises a significant number of competence development and training activities to support the business activities. In 2003, SEB invested a total of SEK 208m (201) in personnel training and development. A total of 11,890 employees, including 600 managers, participated in the Group's various internal and external training programmes. In-house training encompasses everything from courses in professional competence to the Group's own management programme under the auspices of the Wallenberg Institute. In addition, SEB has co-operation agreements with several leading business schools in Sweden, Switzerland and the U.S.

Within the framework of a company-wide competence planning, SEB's staff and managers take responsibility for their own personal development. Together, they see to it that employees receive the training and development needed to meet customers' needs for leading financial expertise. Training in understanding customers and their needs, and the ability to work in relations and networks, both internally and with clients, is carried out at all levels.

Job rotation and round-table discussions

In line with the increasingly international character of SEB's business a couple of initiatives have been launched in order to increase the mobility of staff. A job rotation programme has contributed to improve the mutual knowledge and personal relationships amongst employees from various countries.

The 'One SEB' initiative has brought together more than 1,500 employees and around 50 top managers in round-table discussions about the history and the strategy of the SEB Group. The top management review, an annual routine since the late 80's that now covers 650 top managers and specialists throughout the Group, creates a comprehensive overview of SEB's leadership capacity and potentials within all divisions.

Employee survey

SEB is interested in having an open dialogue about employees' views on motivation, leadership, work environment and on the Group's performance in the market. 92 per cent of the total staff took part in the internal attitude survey that was carried out globally in 2003. Overall, it revealed significant improvements in terms of motivation and satisfaction with the leadership of the Group compared with 2002.

Staff reduction programme

In 2003, the number of full time equivalents was reduced by 550, to close to 18,000. For employees affected by restructuring it was a predominant ambition to find alternative employment within the Group. When this was not possible staff members were supported with outplacement advice and coaching services up to six months.

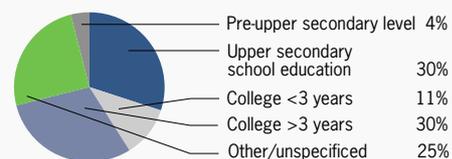
Work environment and health

The Group continues to work methodically to improve the work environment. The goal is to create an environment in which the employees cannot be exposed to either physical or psychological health risks and where they feel well. The Group has a good general idea of the health situation through an effective signal system of work environment inspection, sickness absence statistics, attitude surveys and staff appraisals.

The trend in increasing long-term sick-leave has been broken in the Swedish part of the Group and the level stabilised during 2003. Long-term sick-leave in SEB is still dominated by women, particularly women over the age of 50, which reflects the situation in the society at large.

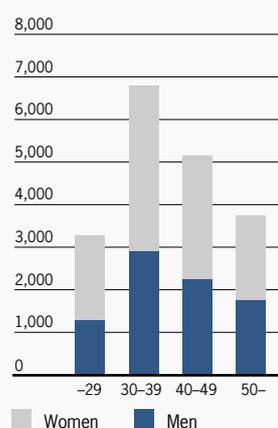
In Sweden, a project for health promotion and reduction of sickness absence within SEB was started in 2003. Employees are offered the opportunity of planning their private and professional life and of getting increased personal support before returning to work through a rehabilitation programme that has been launched. By having personal contacts with all employees who are on long-term sick-leave, SEB gets a good grasp of which work environment factors that generate ill-health, calling for preventive measures. A concentrated effort has been made in order to inform and guide all managers and work environment delegates. The long-term efforts that are needed in the area of health and work environment within SEB in Sweden have led to a health programme and the set-up of a permanent health function in late 2003. Since ill-health is a growing problem throughout the Swedish society, SEB has realised the importance of an increased social commitment in this area. The above rehabilitation programme has also been offered to some of SEB Trygg Liv's insurance policyholders as a first step of a pilot form.

Education level

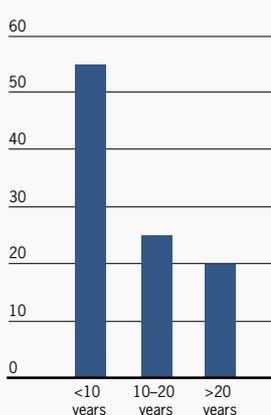
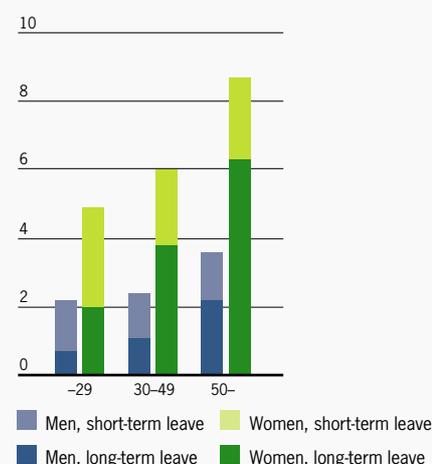


No. of employees

Distributed by age and gender

**Years of service**

%

**Sick-leave¹⁾ SEB in Sweden**Short and long-term leave by gender
Of regular working hours, %

1) Refers to the full year of 2003.

Equality and diversity

The SEB Group strives to offer equal opportunities and equal rights to all regardless of gender, national or ethnic origin, age, sexual inclination or faith. Globally, all units have set up goals for equality and have decided on action plans for implementation in co-operation with staff representatives.

According to the equality plan that was established in Sweden in 1998, the objective of a balanced distribution between women and men shall be achieved by 1 September, 2005. This means that neither gender shall be represented by less than 40 per cent at any level. The Group continuously works to attract more women to leading positions, and each time there is managerial recruitment, both genders must be represented among the three main candidates. Other measures in order to increase equality is the Group's mentor programme and the offering of home services such as cleaning and babysitting for employees with children below the age of eight years, as well as for senior managers.

During 2003, 37 per cent of all managers in the Group were women. Lithuania had the highest share of female managers or 53 per cent. 40 per cent (39) of all SEB managers in Sweden were women, which means that the target on the overall level has now been reached. The share was 51 per cent (51) for group and customer service managers and 36 per cent (34) for department and office managers. The share of women at top levels in Sweden is 24 per cent (25).

For the last three years, SEB's Group Chief Executive Lars Thunell has led a project group within SNS (The Centre for Business and Policy Studies) that is working with equality and women at top positions in Swedish business life.

The Group's remuneration system

A modern salary structure including fixed and variable salaries forms the basis of the Group's remuneration system. The setting of salary rates is individual. The fixed salary is based upon the complexity of work and the individual's work performance, experience and competence. Salaries shall be in line with the market and set in accordance with the local conditions prevailing in each respective country.

A basic principle is that part of the salary shall be variable and based upon performance, which means that it shall be possible to receive a bonus or commission. In June 2003, SEB made an agreement with the union representatives to the effect that all Swedish bank employees should have the possibility of receiving a maximum bonus payment of SEK 18,000 per year, which guarantees all Swedish employees a possible extra compensation if they are particularly successful in their work. This agreement means a definite end to the Swedish profit-sharing system.

Even higher bonus payments than the above exist at varying levels, although bonus payments are generally maximised to between 10 and 15 per cent of the annual salary for department managers and comparable staff. For senior managers and specialists – within trading for example – the variable part of the salary may be even greater.

Pension conditions vary from one country to the other. In Sweden, pension conditions are regulated through collective agreements. There are extremely few deviations from these conditions. To the extent that they do exist, they are only applicable to officers at Group Management level. The pension conditions of the Group Executive Management appear from Note 9.

SEB and Corporate Social Responsibility

As a bank, SEB forms an important part of society. SEB's activities are based upon the long-term confidence of its customers, employees and society. One of SEB's overriding goals is to be a good member of society in those countries in which the Group operates.

SEB shall stand for good ethics and contribute to sustainable development. The basis of this work consists of SEB's common values: Continuity, Commitment, Professionalism and Mutual respect.

In December 2003, SEB's Board of Directors adopted a Policy for Corporate Social Responsibility for the Group. SEB's social policy means taking long-term responsibility in the day-to-day work both for ethical issues that have a direct impact on SEB's customers' business and on employees as well as social responsibility in a broader perspective. The policy furthermore means that SEB supports the nine principles of the Global Compact of the UN and the OECD guidelines for multinational companies.

The following areas of priority mirror SEB's commitment to corporate social responsibility.

Ethics and sustainability

The overriding goal for SEB's sustainable business development is that its employees act in an ethical way and long-term in all its business transactions and contacts with different interested parties. Advisory issues are concerned, for example, where SEB has acted in advance of the forth-coming Swedish act on the licensing of advisers. As early as December 2003, all 900 advisers and asset managers of the Swedish retail operations had been licensed. In addition, the rest of the Bank's Swedish business units have about 100 licensed advisers and managers.

SEB's rules for ethical issues

SEB's rules for procedures regarding ethical issues shall serve as support of all employees, describing how they should act in

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 and make 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 the 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.

relation to customers and others. The rules are also applicable to those who are Board members, auditors, consultants and the like in any of the companies of the Group. All measures and decisions within SEB shall be in accordance with these rules. In case rules are missing or not satisfactory as guidelines, all measures and decisions shall always meet the highest requirements as regards ethical behaviour.

Furthermore, there are regulations within specific subject areas that supplement and clarify the principles of ethics policy such as measures against money laundering etc., certain employees' own securities transactions and conflicts of interest.

Bank secrecy

Facts about individual customers can only be used by those employees or units of the Bank which have a justified need for such information in order to perform his/its work. Such needs may exist in order for SEB to live up to legal requirements or to be able to offer adequate advice or service. Every employee has to sign a declaration of secrecy.

Treatment of personal information

In Sweden, the Act on Personal Information applies, which is based upon an EU-directive. The purpose of this Act is to protect individuals against infringements on their personal integrity when their personal information is treated. An important part of this protection is that the person concerned must be informed about the treatment of his/her personal information. Similar rules exist in other EU countries.

Integrity on the Internet

SEB's rigorous requirements with respect to the protection of integrity and security are of course also applicable to the handling of information on the Group's web-sites. On all SEB's web sites with personal information, SEB provides information about the purpose for which such information may be used.

Information security

In order to protect financial information as well as information about individual customers SEB has taken a number of measures which, together, contribute to a high degree of IT security and aim to stop unauthorised individuals from getting access to information in the Bank's systems. SEB uses advanced cryptographic technology in those web sites via which sensitive information can be transmitted. The handling of information is supervised actively and continuously.

Views and complaints

Customers who are critical of the information received from SEB or of the way a service has been rendered can turn to the SEB's complaints departments. These units have the obligation

to deal with complaints and to identify any possible system errors in a speedy, effective and uniform manner. In the first instance, however, viewpoints or complaints are handled directly by the employee or unit that has provided the information or service at issue.

SEB's role as a lender

SEB's role as a lender is very important for the development of society. SEB's credit policy describes the role and responsibility of the Group as a lender. The most important issues are those which deal with confidence in the customer, the purpose of the loan and environmental matters. SEB wishes to stress the responsibility for these matters even further. The common values of the Bank form the basis of a dialogue internally as well as with customers and the rest of society.

SEB's role as an asset manager

SEB Fonder (Mutual Funds) considers that every listed company must have its own ethics and environmental policy and make sure that it acts in compliance therewith. If a company violates these rules, SEB Fonder will investigate the situation and may sell its shareholding in the company, provided it is to the benefit of the unit-holders.

Ethical products

For many years, SEB has managed funds and handled discretionary mandates for customers who wish that their investments be subject to special ethical standards. The total value of such assets under management was approximately SEK 6bn at year-end 2003. Today, SEB Fonder manages nine Swedish funds, two German and one Finnish fund with an ethical profile, as well as several institutional customers' portfolios. Most of these observe the ethical guidelines of Global Ethical Standards (GES), with certain additional rules. This means that the funds are subject to regular control by independent parties to ensure that they comply with international standards regarding human rights, work, environment, bribes, corruption and weapons in order to avoid investments in companies that violate these rules.

SEB's role as an employer

The overall goal of SEB as an employer is to attract and develop competent employees, both specialists within various financial areas and experienced service-minded people for the daily work with customers. SEB takes a long-term view of its employees and their development. Since long, SEB has high ambitions as regards competence development, both in terms of specialist knowledge and leadership training. "Health at Work" is a special project that was started in 2003 for the purpose of reducing the number of people on long-term sick-leave. SEB continued its work on equality improvement during the year. (See further under section on SEB's employees on page 10).

Social commitment

Contributing to a positive social development is an important part of the Group's strategy. SEB contributes both centrally and through its different business areas by taking part in various charity projects. Youth, education, equality, diversity and sustainable development are areas of priority. The goal is that SEB's staff actively shall contribute knowledge and personal commitment.

SEB supports Mentor Sverige, a Swedish foundation engaged in drug prevention measures for the youth. Through this co-operation SEB employees get an opportunity of being mentors for pupils at the senior level of the compulsory school during one school year. This mentor-ship, which has proved rewarding both for the pupils and the mentors, was expanded during the year. In addition, a parental training programme was started in 2003 through which SEB employees are offered support in their role as parents. So far, training programmes have been carried out in Stockholm, Gothenburg and Malmö.

In 2003, SEB employees devoted more than 5,000 hours to these activities. In 2003 SEB contributed SEK 1.5m to Mentor Sverige's activities and signed a new three-year agreement with the foundation.

Moreover, the Group supports the Swedish foundation Etikakademien, a foundation for work ethics.

SEB Asset Management contributed SEK 1.7m to the WWF, the research fund of the Swedish Medical Society and to the Swedish Cancer Society, while its German operations supported research into ethical and sustainable investments.

SEB Finans (SEB's leasing company) co-operates closely for the past three years with Livslust, a Swedish foundation that runs a vocational school for young orphan people in Latvia. The work of this foundation is successful, engaging many people and customers in a clear and tangible way.

On a regional basis the Swedish retail operations co-operate with the Gothenburg School of Business. An integration project is under way in Malmö. Church collections from the Christmas concerts were spent on various charity projects such as Queen Silvia's Children's Hospital and a confirmation camp for disabled youth.

For several years, SEB Trygg Liv has 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" aims at proposing new ways of dealing with long-term sick-reporting. Together with BoViva, the first installation of safe living for the elderly was completed, comprising 119 apartments. Furthermore, an agreement has been concluded with the Stockholm City Mission for a rehabilitation project involving shelters for the gradual reintegration of the homeless and social outcasts back into a normal life. The corresponding investment amounts to SEK 200,000 per year.

In Germany, SEB AG distributes the Deutscher Städtebaupreis (German Urban Development Award). The award, worth 15,000 euro, is intended to support the revitalisation and restructuring of certain urban areas. SEB AG furthermore co-operates with a leading environmental foundation, OroVerde, which combines environmental work with social commitment.

In the Baltic States, SEB's three subsidiary banks make donations to various charity projects involving education and other youth activities, hospitals and culture, for example.

Environmental matters

According to the environmental policy that SEB adopted in 1995, the Group shall consider environmental aspects in its credit-granting activities and in the design of products and services.

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 to acting for, a better environment within their respective activities.

SEB's market value increased by 46 per cent during 2003

During 2003 the SEB share rose more than other Nordic bank shares. Earnings per share were SEK 8.22 (7.60). The proposed dividend is SEK 4.00 (4.00) per share.

Share capital

The SEB share is listed on the OM 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 2003, the value of the SEB share increased by 46 per cent, while the General Index rose by 30 per cent and the European Banking Index by 26 per cent. During the year, the total turnover in SEB shares amounted to almost 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.

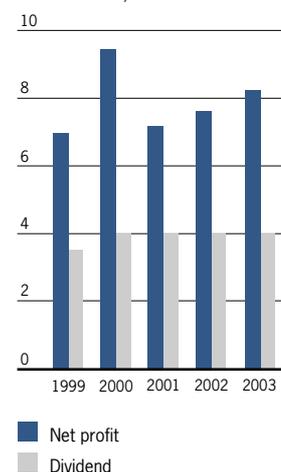
SEB share

Data per share	2003	2002	2001	2000	1999
Net profit, SEK ¹⁾	8.22	7.60	7.17	9.43	6.96
Shareholders' equity, SEK ¹⁾	69.88	65.27	62.86	59.06	50.12
Adjusted shareholders' equity, SEK ¹⁾	75.29	68.63	67.10	62.61	55.83
Net worth, SEK ¹⁾	77.79	70.29	67.05	62.60	58.41
Cash flow, SEK	3.38	4.49			
Dividend per A and C share, SEK	4.00	4.00	4.00	4.00	3.50
Year-end market price per Series A share, SEK	106.00	72.50	95.50	104.00	86.00
per Series C share, SEK	96.50	65.00	83.00	99.00	76.00
Highest price paid during the year per Series A share, SEK	107.00	110.00	119.50	127.50	105.07
per Series C share, SEK	96.50	99.50	110.00	117.00	96.57
Lowest price paid during the year per Series A share, SEK	66.50	66.00	61.00	77.50	69.30
per Series C share, SEK	61.00	58.50	55.50	68.50	62.59
Dividend as a percentage of result for the year, %	48.6	52.7	55.8	42.4	50.3
Yield, %	3.8	5.5	4.2	3.8	4.1
P/E	12.9	9.5	13.3	11.0	12.4

1) The employee stock option programmes may entail a limited dilution.

Net profit and dividend

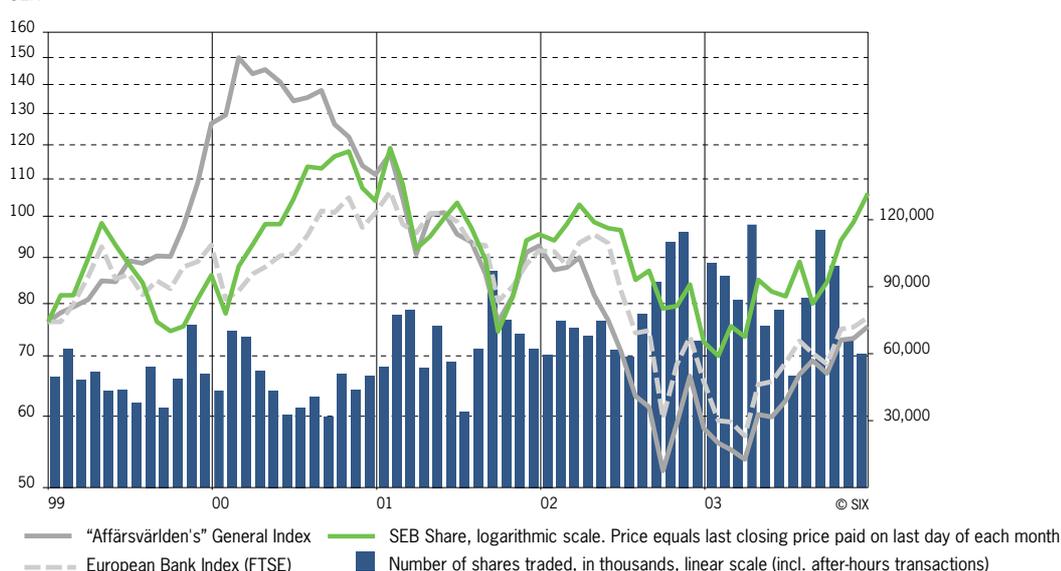
Per SEB share, SEK



Earnings per share in 2003 amounted to SEK 8.22. A dividend of SEK 4.00 is proposed.

SEB Share

SEK



Share capital

Share series	Number of shares	Number of votes	Percentage of capital	
			capital	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.

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

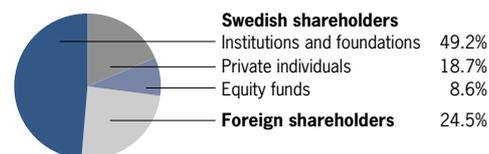
- The recorded share capital at 31 December, 1986 was still SEK 1,204m, since the proceeds from the rights issue were not paid in full until early 1987.
- The issue was directed at the member-banks of Scandinavian Banking Partners. Through splits in 1977 (2:1) and 1984 (5:1), the nominal value of the shares has been changed from SEK 100 to SEK 10.
- 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	42,314,914	6.01	270,636
501-1,000	20,747,883	2.94	28,775
1,001-2,000	21,093,331	2.99	14,968
2,001-5,000	24,653,570	3.50	8,082
5,001-10,000	12,262,108	1.74	1,764
10,001-20,000	9,103,812	1.29	651
20,001-50,000	11,935,479	1.69	387
50,001-100,000	10,270,079	1.46	141
100,001-	552,176,504	78.38	312
	704,557,680	100.00	325,716

Shareholder structure

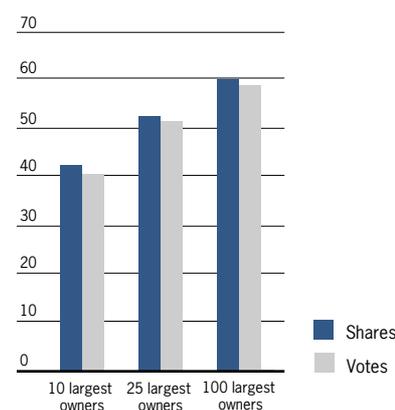
Percentage holdings of equity on 31 December 2003



The majority of the Bank's approximately 333,000 shareholders are private individuals with small holdings.

Ownership concentration

Largest owners' share of shares and votes, %



The SEB share on the OM Stockholm Stock Exchange

	2003	2002	2001	2000	1999
Year-end market capitalisation, SEKm	74,391	50,850	66,900	73,120	60,592
Volume of shares traded, SEKm	85,648	83,758	75,424	57,049	51,054

The largest shareholders¹⁾

December 31, 2003	No of shares	Of which Series C shares	Per cent of number of all shares votes	
Investor	138,272,295	0	19.6	20.4
Trygg Foundation	65,677,962	0	9.3	9.7
SEB Funds	15,103,929	0	2.1	2.2
AFA Försäkring	14,158,869	883,180	2.0	2.0
Alecta	12,649,697	5,674,960	1.8	1.1
Robur Funds	11,587,123	0	1.6	1.7
Wallenberg foundations	11,080,389	6,621,173	1.6	0.8
Skandia Liv	8,603,594	3,858,567	1.2	0.8
SHB/SPP Funds	8,117,173	0	1.2	1.2
Andra AP-fonden	8,019,703	139,841	1.1	1.2
AMF Pension	7,455,000	0	1.1	1.1
EB Foundation	6,210,993	100,000	0.9	0.9
Första AP-fonden	6,136,593	67,847	0.9	0.9
Tredje AP-fonden	4,715,918	0	0.7	0.7
Länsförsäkringar	3,999,054	0	0.6	0.6
Foreign shareholders	172,622,286	1,522,307	24.5	25.3

1) Excluding SEB as shareholder through repurchased shares to hedge employee stock option program

Nordic Retail & Private Banking

Focus on continued cost control and intensified sales.

FACTS NORDIC RETAIL & PRIVATE BANKING



Fleming Carlborg Head of division

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

- Retail Banking consists of SEB's 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 20 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 2.4 million charge, credit and banking 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 225,000 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, high 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.

The division has 1.5 million private customers, including 700,000 Internet customers, and 120,000 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.

	2003	2002
Percentage of SEB's total income	29	28
Percentage of SEB's operating result	33	34
Percentage of SEB's staff	26	25

Profit and loss account

SEKm	2003	2002	Change, per cent
Net interest income	4,247	4,169	2
Net commission income	3,326	3,095	7
Net result of financial transactions	151	111	36
Other operating income	173	202	-14
Total income	7,897	7,577	4
Staff costs	-2,900	-2,847	2
Pension compensation	326	432	-25
Other operating costs	-2,392	-2,418	-1
Amortisation of goodwill	-52		
Depreciation and write-downs	-55	-46	20
Restructuring costs		-65	-100
Total costs	-5,073	-4,944	3
Net credit losses etc	-194	-85	128
Intra-group minority interest	-17	-20	-15
Operating result	2,613	2,528	3
Cost/Income ratio	0.64	0.65	
Allocated capital, SEKm	9,100	7,200	
Return on capital, %	20.7	25.3	
Number of full time equivalents, average	4,744	4,837	

Increase of both sales and market shares

2003 started in a difficult market situation with a declining stock market. Since the second quarter however, income, especially commissions, has grown steadily, due both to market conditions and higher sales activities.

Market shares in key areas, such as household deposits and mortgages, continued to increase throughout 2003. This was a result of a combination of increased focus on customer satisfaction and cross-servicing.

The division's total lending volumes rose by 15 per cent, to SEK 178bn (155). This includes mortgage volumes of SEK 126bn (104), an increase of 21 per cent. SEB's total share of the private mortgage market in Sweden increased to 14.3 per cent (13.4). During the same period SEB's share of new sales to private customers rose to 17.4 per cent (15.6).

SEB's market share of private mortgages has steadily increased since 1995, when it was 9.6 per cent. Actual margins

on both fixed and floating rate mortgages have remained stable over the last years.

During 2003, SEB maintained its position as number one on the total market for household savings in Sweden. At the end of 2003, total deposit volumes amounted to SEK 117bn (110), an increase of 6 per cent compared to December 2002.

Customer satisfaction in focus

In the yearly external Swedish customer satisfaction survey, "Svenskt Kvalitetsindex", SEB showed some improvement among corporate customer and unchanged satisfaction among private customers.

More recent surveys show strong improvements among both corporate and private customers.

The reason for this positive development is a higher activity level and service combined with increased decision power closer to the customer. This has also led to a positive inflow of

new customers and increased employee motivation, which is one of the division's three focus areas.

Increased income and result

The division's total result rose by 3 per cent to SEK 2,613m.

Net interest income improved mainly due to the above-mentioned increase in volumes.

Commission income continued to improve between all quarters of 2003, mainly due to stock market related commissions.

Excluding Europay Norway that was acquired in late 2002, costs went down by 4 per cent. Since the launch of SEB's cost-reduction programme in 2001, the division's cost level has been reduced by SEK 1.2bn (20 per cent excluding Europay).

Excluding extraordinary recoveries, which were high in 2002, and a few major provisions towards the end of 2003, the underlying trend for credit losses remained stable and low.

Despite the result improvement, return on allocated capital was lower than in 2002 as the capital was increased due to higher volumes and goodwill from the acquisition of Europay Norway. Continued lending growth, particularly mortgages, leads to a more stable income mix, but requires more allocated capital.

Retail Banking – a stable business

Retail Banking's result was SEK 1,585m (1,615) – a decrease of 2 per cent compared to 2002. This was mainly due to the negative stock market development at the beginning of the year, and to increased IT-investments.

SEB's e-banking services continued to attract new customers – 48,000 new private customers during 2003.

Integration of e-banking and telephone services continued with the introduction of a new call-back-function enabling customers to ask for an advisor to call back before finalising a

transaction. SEB also launched the first third generation ("3G") mobile Internet banking service.

In the autumn of 2003, a number of activities was initiated in order to gain market shares among small companies. Examples are improved offerings – especially regarding e-banking services, working methods at the branch offices, and further development of advisory services including extensive telephone service.

Private Banking – improved result and strong market position

In January 2004, SEB Private Banking was ranked no. 1 in Sweden and no. 15 in Europe in the first Euromoney survey of 245 international private banks.

The result increased by 9 per cent to SEK 432m (395). This was due to both a positive development of business, resulting in increased net commission income, and a forceful reduction of costs. During 2003, the number of employees was reduced by 14 per cent to 590 (690).

Customer activity increased during the autumn, which had a positive impact both on brokerage fees and mutual fund sales.

Assets under management increased by 9 per cent to SEK 192bn, mainly due to higher market values on mutual funds and portfolio volumes, but also to a positive net inflow of assets, amounting to SEK 6.4bn.

SEB Kort – profitable expansion

SEB Kort's result increased by 15 per cent to SEK 596m (518). The positive result was a direct effect of the acquisition of Europay Norway in December 2002 and of the card volumes of the Danish department store Magasin Du Nord, acquired in January 2003, as well as increased sales.

Card volumes, excluding Europay and Magasin Du Nord, remained stable between the years. This was the combined effect of decreasing international business travel – which is an important factor for SEB Kort's business – and the underlying trend of general increased usage of cards. Total turnover for SEB Kort amounted to SEK 161bn (134).

Credit losses, including frauds, are low compared with international card companies. The acquisition of Europay Norway explains the increase to SEK 123m from SEK 88m in 2002.

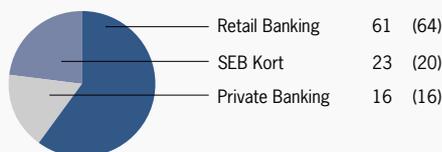
The integration of the Norwegian operations proceeded according to plan. Restructuring costs for the integration are included in the result.

Outlook

The ambition is to continue last years' growth strategy by improved offerings, increased competence, higher sales activities with the help of modern IT-support and decentralisation.

In addition, the objective is to increase the division's business in the Nordic area and co-operation with SEB's retail operations in Germany.

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



SEB's market share, private mortgages in Sweden



Corporate & Institutions

Strengthened market position, stable result.

FACTS CORPORATE & INSTITUTIONS



Annika Bolin Head of division

The division is responsible for large corporations, financial institutions as well as medium-sized companies. It comprises Merchant Banking and Enskilda Securities and operates in Sweden, Norway, Denmark, Finland, Germany, the UK, France, Luxembourg, Singapore, the US, China, Russia and Brazil.

	2003	2002
Percentage of SEB's total income	38	38
Percentage of SEB's operating result	55	60
Percentage of SEB's staff	18	17

Profit and loss account

SEKm	2003	2002	Change, per cent
Net interest income	4,603	4,593	0
Net commission income	3,659	3,678	-1
Net result of financial transactions	1,809	1,942	-7
Other operating income	207	298	-31
Total income	10,278	10,511	-2
Staff costs	-3,464	-3,456	0
Pension compensation	165	203	-19
Other operating costs	-2,171	-2,423	-10
Amortisation of goodwill	-56	-61	-8
Depreciation and write-downs	-111	-130	-15
Restructuring costs		-98	-100
Total costs	-5,637	-5,965	-5
Net credit losses etc	-186	-83	124
Write-downs of financial fixed assets	-14		
Intra-group minority interest	-26	-33	-21
Operating result	4,415	4,430	0

Cost/Income ratio	0.55	0.57
Allocated capital, SEKm	14,500	15,600
Return on capital, %	21.9	20.4
Number of full time equivalents, average	3,171	3,282

Positive market indicators

Despite periods of intense geopolitical uncertainty, the major trend in 2003 was an increased risk appetite and a narrowing of corporate and emerging market spreads. This underpinned a rise in stock prices during the year, although Government bond markets were volatile. Increased concern over deflation during the second quarter drove bond yields to historic lows, but optimism about the global recovery returned in the second half of the year. Bond yields consequently resumed their upward climb while central banks kept policy rates on hold at low levels after rate cuts in the first half of the year. The FX market experienced unusually sharp movements, with the US dollar at times coming under intense pressure. The Swedish EMU referendum affected market behaviour and position taking, but the krona was fairly stable in 2003 against the euro. Turnover in local FX and fixed income markets was higher in 2003 compared with the previous year. However, the Stockholm Stock Exchange experienced falling turnover although market values increased in the second half of the year.

Stable result for Corporate & Institutions

Despite a subdued initial outlook for 2003, business conditions improved and the division's result ended in line with that of 2002.

The operating result of Merchant Banking was somewhat better than in 2002. A slight rise in income was offset by marginally higher credit losses which remained low. Costs were unchanged. Both income and operating profit continued to rise within Merchant Banking's growth areas, more than compensating for the decrease within more mature areas.

Operating profit decreased at Enskilda Securities, with the effects of a cost-reduction programme partly offsetting a 23 per cent fall in income.

Both Merchant Banking and Enskilda Securities have further enhanced their leading market positions during the year.

Merchant Banking – high and stable result

The operating result for 2003 was SEK 4,288m (4,235). Net interest income and net commission income were stable, with almost identical income levels for all four quarters. In the fourth quarter, net result of financial transactions was strong mainly due to increased trading capital market activities and demand for structured finance solutions. Excluding pension compensation, costs were slightly lower in 2003 compared to 2002.

Credit losses were somewhat higher than in the previous year, but remained at low levels. Asset quality continued to be stable.

Growth in home markets

In 2003, Merchant Banking continued to consolidate its business in its home markets outside Sweden (Norway, Denmark, Finland and Germany). SEB cemented its position as the leading relationship bank in Sweden for large corporate clients, with top rankings in a number of quality and market share surveys.

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, 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 cash and liquidity portfolio
- Custody services
- Leasing and factoring products

For a number of years, Merchant Banking has reported stable and good results, with a low level of risk and stable credit quality. These results have been achieved through a combination of a strong focus on defined growth areas and intense rationalisation efforts to reduce fixed costs within mature areas. In the coming years, Merchant Banking intends to strengthen its presence in its home markets outside Sweden, i.e. primarily Norway, Finland, Denmark, Germany and the Baltic. At the same time, Merchant Banking will continue to concentrate on the client segments large/medium-sized companies and financial institutions. Investments will mainly be made within growth areas, while the rationalisation efforts within more mature areas will continue.

	2003	2002
Percentage of SEB's total income	33	32
Percentage of SEB's operating result	54	57
Percentage of SEB's staff	15	14

Profit and loss account

SEKm	2003	2002	Change, per cent
Total income	8,910	8,731	2
Total costs	-4,399	-4,378	0
Net credit losses etc	-183	-85	115
Write-downs of financial fixed assets	-14		
Intra-group minority interest	-26	-33	-21
Operating result	4,288	4,235	1

Cost/Income ratio	0.49	0.50
Allocated capital, SEKm	13,500	14,500
Return on capital, %	22.9	21.0
Number of full time equivalents, average	2,721	2,725

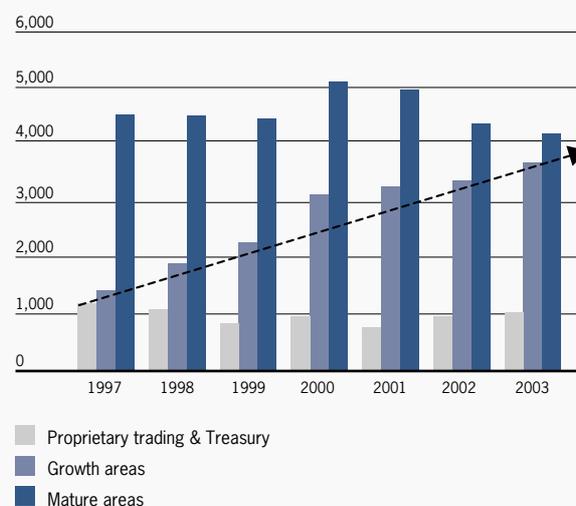
Financial institutions is an increasingly important customer segment. During 2003, SEB acquired a number of new clients, including banks, insurance companies and institutional clients.

A lot of effort has gone into improving the specialist know-how available to medium-sized companies. This was borne out by results from the Swedish survey KNIX Customer Loyalty index, which showed a substantial increase in customer satisfaction among these clients in 2003.

Norway had its best year to date, with a significant rise in new clients and increased business with existing clients. Further investments in areas such as structured finance, FX, debt capital markets, securities finance and fixed income will enhance SEB's position further.

Changed business mix – Merchant Banking

Operating income, SEKm



The Danish operations also had a successful year, and now provides trading capital market services to 150 domestic and international financial institutions. A local Foreign Exchange desk has been set up.

Merchant Banking continued to grow in Finland during 2003, with new clients especially from the financial institutions segment and the custody business.

The German operations are now structured along the same lines as Merchant Banking globally and offers a full range of products and services. These include offerings within Export & Project Finance, Securities Finance, Fixed Income and Debt Capital Markets, among others. In 2003, the result increased substantially. In addition to gaining a number of new customers, the operations profited from existing relationships. SEB's reputation in the German market was further enhanced by another exceptionally high set of results in the survey TRIM Customer Loyalty index.

Customer satisfaction is at record highs both for domestic customers and Nordic subsidiaries, particularly in cash management where the bank achieved the best customer satisfaction ranking of all banks active in Germany.

Strong product position

Merchant Banking remains in the forefront in the development and deployment of e-commerce technology. Several significant cash management agreements were signed in 2003. Electronic cash management solutions, including Online Cash Management (OCM), were ranked No.1 in Europe and No.2 globally at the annual Euromoney Technology Awards in November. In a customer poll of international cash management providers by the same magazine, the bank was ranked No.10 globally.

Through its three Baltic banks SEB has a leading position in the Baltic region. ICA AB, the largest food-retailing group in the Nordic region, chose SEB to be its cash management bank in the Baltic region.

Within the area trading capital markets Merchant Banking achieved strong results, with underlying growth stemming from higher levels of client facilitation and maintaining low levels of risk.

The proportion of FX transactions conducted via Trading Station, an Internet-based system for currency and fixed income trading, increased during 2003, averaging more than 50 per cent in the fourth quarter. Both Euromoney magazine and Corporate Finance magazine awarded SEB top rankings in FX. Securities Finance continued to deliver growth and income. In prime brokerage services, SEB was ranked fourth-largest prime broker in Europe, according to the EuroHedge magazine.

The Nordic corporations have been fairly inactive in the euro-bond market during 2003 due to reduced financing needs. In the international credit market, activity picked up. SEB had a major role in the refinancing of Ericsson and ABB and arranged syndicated loans for, among others, Eniro, Gunnebo, Metso, Oriflame, SAS, Vattenfall and Vin & Sprit. In the syndicated loan market, SEB was the leading arranger for Swedish borrowers and No.2 for Nordic borrowers.

Attractive structured investment products continue to be offered to institutional and retail investors. In Germany, successful retail issues were launched and distributed via the retail branch network.

Fixed Income & Swaps showed increased profit in the home markets, largely thanks to higher turnover of mortgage bonds. All euro government trading will be centralised to Germany from 2004.

With custody services now offered in seven markets, SEB is the leading provider in the Nordic and Baltic regions. Assets under custody rose to SEK 2,394bn from SEK 1,846bn. In July, Euromoney named SEB Best Custody House in the Nordic and Baltic regions. In European sub-custody surveys conducted by Global Investor Magazine, the bank was ranked No.1 in Sweden and Finland.

Structured finance picked up in the second half of 2003, with strong growth in new business. SEB also increased its market share, especially among large corporate clients. This resulted in a record year for export and project finance, among others, where the power and telecommunications sector proved particularly strong. SEB's leasing business – conducted by SEB Finans – showed stable growth. Acquisition finance revenues were boosted by a number of successful exits from mezzanine and equity investments.

After several years of stable and high profits, Merchant Banking now sees opportunities for stronger growth, particularly in the other Nordic countries and Germany.

Enskilda Securities – leader in the Nordic region

The operating result for Enskilda Securities in 2003 was SEK 127m (195). Total revenues for 2003 were SEK 1,368m (1,780), a drop of 23 per cent compared with 2002. Ongoing cost-reduction efforts lowered costs by 20 per cent in 2001, 21 per cent in 2002 and 22 per cent in 2003.

Enskilda Securities now employs 423 (494). Staff costs were down by 16 per cent compared with 2002.

Equity trading-related revenues fell by 19 per cent, reflecting the weak start to the year and low turnover volumes. On the Stockholm Stock Exchange, Enskilda Securities' most important market, turnover fell by 9 per cent with a drop in commission income, although the market value increased in the second half of the year. Slow equity capital markets have also had a negative impact on revenues.

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.

	2003	2002
Percentage of SEB's total income	5	7
Percentage of SEB's operating result	2	3
Percentage of SEB's staff	2	3

Profit and loss account

SEKm	2003	2002	Change, per cent
Total income	1,368	1,780	-23
Total costs	-1,238	-1,587	-22
Net credit losses etc	-3	2	
Operating result	127	195	-35
Cost/Income ratio	0.90	0.89	
Allocated capital, SEKm	1,000	1,100	
Return on capital, %	9.1	12.8	
Number of full time equivalents, average	450	557	

Corporate Finance put in a competitive performance although revenues were down on 2002. Activity in mergers and acquisitions increased, especially towards the end of 2003, however there were no IPOs in the Swedish market during the year.

Enskilda Securities strengthened its market-leading position in the Nordic region during 2003. Enskilda Securities' position in all major public surveys – be they international such as Extel, Institutional Investor or Euromoney; domestic, such as Financial Hearings or Affärsvärlden; or proprietary surveys, such as Prospera – has never been stronger.

In April, SEB acquired Orkla's 22.5 per cent holding in Enskilda Securities, which means that Enskilda Securities is now wholly owned by SEB. During the year Enskilda Securities closed its office in Paris.

Enskilda Securities is well positioned for 2004, with a significantly lower cost base and a streamlined organisation. 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.

Market share of Nordic stock exchanges

	Rankings 2003	Marketshare 2003
Stockholm	1	11.4%
Oslo	2	11.7%
Helsinki	5	4.6%
Copenhagen	5	6.9%

SEB AG Group

Weak economy puts pressure on net interest income.

FACTS SEB AG GROUP

As result of the ongoing optimisation and integration process within the SEB Group, the set-up of the business areas within SEB's German operation has been changed according to SEB's business model. The German Retail & Mortgage Banking division includes Retail, Real Estate as well as major subsidiaries of SEB AG Group like SEB Hypothekbank 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 Nordic European companies represented in Germany. Also structured project finance has become core business.

As of 2003, the responsibility for SEB Invest (mutual funds) has lied with the SEB Asset Management division.

Profit and loss account

SEKm	2003	2002	Change, per cent
Net interest income	3,926	4,192	-6
Net commission income	1,779	1,631	9
Net result of financial transactions	105	222	-53
Other operating income	254	298 ¹⁾	-15
Total income	6,064	6,343	-4
Staff costs	-2,717	-2,840	-4
Other operating costs	-1,643	-1,837	-11
Depreciation and write-downs	-250	-318	-21
Total costs	-4,610	-4,995	-8
Net credit losses etc	-635	-530	20
Write-downs of financial fixed assets	-2		
Net result from associated companies	40	-8	
Operating result	857	810	6
Cost/Income ratio	0.76	0.79	
Allocated capital, SEKm	11,200	11,200	
Return on capital, %	5.5	5.2	
Number of full time equivalents, average	3,815	3,968	

1) Other income excluding capital gain on sale of properties amounted to SEK 190m.

Expected recovery of the German economy in 2004

In 2003, Germany's gross domestic product decreased by 0.1 per cent, but initial signs of a recovery in economic activity are visible since the second half of 2003. A significant stimulus to economic activity is currently based on exports. Real-term growth in 2004 is expected to be around 1.6 per cent. The last few months have also shown signs of increased domestic demand as sentiment among households gradually improves. However, a further depreciation of the U.S. dollar would have a negative impact on the German economy's recovery process.

The long-awaited restructuring of the German banking industry has started to accelerate over the past years. The number of banks has been reduced by approximately 300, particularly through mergers of minor banks.

Improved operating result in spite of difficult market conditions

SEB's German operations (SEB AG Group) improved the operating result as well as the underlying profitability compared to 2002. The operating result increased by 22 per cent, excluding one-off items of SEK 108m in 2002. Major reasons for the improvement are strong commission income and a significantly lower cost level.

Net interest income decreased by 6 per cent compared to 2002, mainly due to low short-term interest rates and the introduction of a high-yield savings account. Lending volumes to the public increased slightly, to SEK 266bn, due to increased new sales within mortgage lending as well as growing lending business with institutional clients.

Net commission income improved by SEK 148m (9 per cent) compared to 2002. This was mainly due to successful cross-selling and strong structured project finance business with Merchant Banking customers.

Assets under management increased by 15 per cent, to SEK 124bn, compared to year-end 2002.

Total costs decreased by 8 per cent, to SEK 4,610m. Total full-time equivalents decreased to 3,815 from 3,968 in 2002.

In order to enhance the improved but still unsatisfactory profitability level, SEB will reduce costs further. A new profitability improvement programme was announced at year-end 2003. Improved profitability will be achieved through the following measures:

- Cost reduction including release of 400 full-time equivalents within the German Retail & Mortgage Banking Division.
- Revenue growth focused on savings/funds and mortgages
- Continued profit growth within the Merchant Banking operations.

This programme should increase profitability to above cost of capital by 2006.

German Retail & Mortgage Banking

New restructuring programme due to continued tough economic conditions.

FACTS GERMAN RETAIL & MORTGAGE BANKING



Dr. Thomas Altenhain
Head of division

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 to its target customers in Germany, 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.

	2003	2002
Percentage of SEB's total income	18	19
Percentage of SEB's operating result	7	6
Percentage of SEB's staff	19	19

Profit and loss account

SEKm	2003	2002	Change, per cent
Net interest income	3,398	3,702	-8
Net commission income	1,216	1,042	17
Net result of financial transactions	-17	122	-114
Other operating income	221	290 ¹⁾	-24
Total income	4,818	5,156	-7
Staff costs	-2,331	-2,506	-7
Other operating costs	-1,193	-1,347	-11
Depreciation and write-downs	-236	-302	-22
Total costs	-3,760	-4,155	-10
Net credit losses etc	-573	-529	8
Write-downs of financial fixed assets	-2		
Net result from associated companies	40	-8	
Operating result	523	464	13
Cost/Income ratio	0.78	0.81	
Allocated capital, SEKm	9,400	9,500	
Return on capital, %	4.0	3.5	
Number of full time equivalents, average	3,412	3,576	

1) Other income excluding capital gain on sale of properties amounted to SEK 182m.

Increased sales and reduced costs improved the result

The division's result improved significantly in 2003, particularly in the light of the fact that the result of 2002 contained a non-recurring capital gain of SEK 108m on sale of real estate. Higher commission income (+ 17 per cent) as well as lower costs (-10 per cent) affected the result favourably.

Net interest income decreased by 8 per cent. Although new sales of mortgage loans increased by 27 per cent, to SEK 8,5bn, the negative effects of low short-term interest rates and the high yield savings account introduced at year end 2002 could not be offset. Due to the weak real estate market in Germany, the division is focused on growth within selected areas and on improved asset quality. New sales towards target real estate customers amounted to SEK 7.8bn.

Net commission income increased by 17 per cent, mainly due to strong sales of funds including successful cross-selling activities towards high-yield account customers.

For the sixth time since 1997 SEB topped the customer satisfaction index in 2003 among all major German retail banks.

Net sales of funds continued to increase to SEK 15.7bn, or 64 per cent up on the comparable figure a year earlier. SEB ImmoInvest's real estate fund remained in focus. Sales of equity-related mutual funds increased, too. Net sales of SEB Invest's mutual funds rose to SEK 5.4bn (SEK 1.0bn in 2002).

Total costs were reduced by 10 per cent, to SEK 3,760m. The cost level between the third and fourth quarters was more or less unchanged. Staff costs were significantly lower in the fourth quarter due to dissolution of pension reserves of SEK 64m. Other operating costs were increased by the same amount in order to increase structuring reserves.

The number of employees, excluding temporary staff, was reduced to 3,412 (3,576). The cost/income ratio was improved to 0.78 (0.81).

Net credit losses remained stable and amounted to SEK 573m. SEB continued to build up reserves, mainly related to real estate lending.

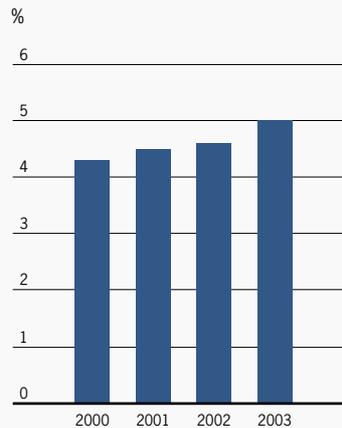
The sale of the shares in the Israeli bank ISCON was settled in 2003, with a limited positive effect on the result.

Customer retention



* The figures are not completely comparable with previous years due to changed method of measurements

Market shares ImmoInvest, SEB's German real estate fund



Net inflow during 2003 amounted to EUR 986m.

Underlying profitability improved – but overall level still unsatisfactory

In spite of significant improvements over the past years, the profitability of the division is not satisfactory and must be increased. A profitability improvement programme was therefore launched in December 2003. Strong improvements of the market conditions cannot be taken into account for the coming years, why an additional staff reduction of 400 full-time equivalents is necessary. Cost reductions will be achieved in the following areas:

- Branch management and sales force including service optimisation in the network of branches
- Central staff function and IT by exploiting synergies locally and across SEB Group
- Back office

The programme also comprises investments in IT, the branch network and back office functions in order to utilise further cost saving potential from synergies with the Nordic Retail & Private Banking division in Sweden.

Restructuring costs required to reach the cost reduction can not be fully covered by the existing restructuring reserves, emanating from the acquisition of BFG in 1999. The result for 2004 is therefore expected to be negatively affected by approximately SEK 300m due to restructuring costs.

SEB Asset Management

Increased net sales and improved performance.

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 management, private equity and hedge funds. The division has about 100 portfolio managers

and analysts. On 31 December 2003, total assets under management amounted to SEK 597bn.

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, Germany and the U.S. 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.

	2003	2002
Percentage of SEB's total income	5	6
Percentage of SEB's operating result	6	7
Percentage of SEB's staff	3	3

Profit and loss account

SEKmn	2003	2002 ¹⁾	Change, per cent
Net interest income	83	89	-7
Net commission income	1,235	1,423	-13
Net result of financial transactions	3	8	-63
Other operating income	18	12	50
Total income	1,339	1,532	-13
Staff costs	-550	-577	-5
Pension compensation	29	39	-26
Other operating costs	-330	-410	-20
Amortisation of goodwill	-7	-8	-13
Depreciation and write-downs	-26	-32	-19
Restructuring costs		-8	-100
Total costs	-884	-996	-11
Operating result	455	536	-15

1) Including Germany

Cost/Income ratio	0.66	0.65
Allocated capital, SEKmn	1,800	1,800
Return on capital, %	18.2	21.4
Number of full time equivalents, average	474	525

Decreased result

The result gradually improved during 2003. However, the annual result dropped, to SEK 455m (536) due to a shift of product mix in 2002 and lower average assets under management, which had a negative impact on income. Towards the end of the year, income increased in the fourth quarter, even though performance fees were limited.

Costs decreased by 11 per cent compared to last year due to staff reductions and cross-border integration. As a result of the cost-cutting programme, costs have been reduced by SEK 339m or 28 per cent since 2001. Staff was reduced by 12 per cent during 2003.

The German mutual fund entity, SEB Invest, with SEK 67bn assets under management and 113 employees, is part of the division since the beginning of 2003.

Strong net sales and improved market shares

Total accumulated net sales increased to SEK 16.8bn from SEK 2.6bn last year. The entities in Sweden and Germany have shown strong net sales of mutual funds. For 2003, SEB's net sales market share of mutual funds was 13.4 per cent (11.8) in Sweden, where the successful launch of fund-of-funds contributed. In Germany, the market share was 3.5 per cent (0.5). The market share is the highest ever in Germany and the highest in Sweden since 1999.

Due to recent market upturn and improved sales, assets under management increased by 9 per cent to SEK 597bn at year-end. The Swedish krona strengthened against the U.S. dollar by 17 per cent in 2003, with a negative impact on assets under management of SEK 8bn. Equities represented 35 per cent (32) and fixed income 56 per cent (58) of total assets under management. Mutual funds totalled SEK 213bn (175), corresponding to 36 per cent (32) of total assets under management.

Improved performance and client satisfaction

Performance improved considerably during 2003. More than 75 per cent of assets under management have outperformed benchmark including dividends and excluding administration fees. In Sweden, 73 per cent of the funds reported a higher return than the average reported by competitors for each respective fund category, compared with 34 per cent in 2002.

Customer surveys in the Nordic countries in 2003 showed that SEB Asset Management has improved in terms of customer satisfaction and strengthened its market position. SEB Asset Management is ranked number one or two in Sweden, Denmark and Finland, where it operates under the brand name of Gyllenberg.

The sale of SEB Asset Management America Inc. is still pending.

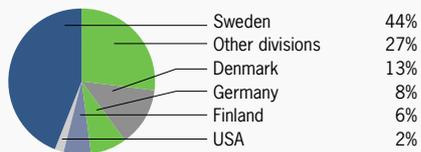
Strengthened by its achievements within key areas, the division will continue to focus on customer satisfaction, investment performance, profitability and customer activities in co-operation with other divisions.

Assets under management

Per product type, Division
Total amount SEK 597bn

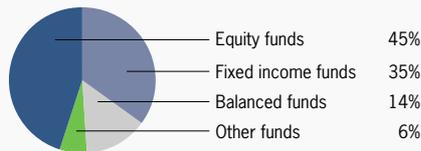


Per country, Group
Total amount SEK 822bn



Funds per product type

Total amount SEK 213bn



Assets under management per product type – Division

Total amount SEK 597 billion



SEB Asset Management manages 73% of the SEB Group's total assets under management.

SEB Baltic & Poland

Strong economic growth reflected in results.

FACTS SEB BALTIC & POLAND



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 1.5 million individual customers, whereof 600,000 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 77 branch offices.

	2003	2002
Percentage of SEB's total income	9	8
Percentage of SEB's operating result	11	10
Percentage of SEB's staff	23	22

Profit and loss account

SEKm	2003	2002	Change, per cent
Net interest income	1,370	1,377	-1
Net commission income	659	589	12
Net result of financial transactions	205	231	-11
Other operating income	108	66	64
Total income	2,342	2,263	3
Staff costs	-696	-706	-1
Pension compensation	2	2	
Other operating costs	-503	-452	11
Amortisation of goodwill	-49	-49	
Depreciation and write-downs	-196	-218	-10
Total costs	-1,442	-1,423	1
Net credit losses etc	-84	-138	-39
Write-downs of financial fixed assets	-3	-7	-57
Net result from associated companies	30	-11	
Operating result from insurance operations	16	28	-43
Operating result	859	712	21
Cost/Income ratio	0.62	0.63	
Allocated capital, SEKm	3,300	2,750	
Return on capital, %	18.7	18.6	
Number of full time equivalents, average	4,127	4,270	

Strong market growth

The economic growth of the Baltic States continued throughout 2003. Annualised GDP growth per the third quarter was 4.6 per cent in Estonia, 7.4 per cent in Latvia and 8.1 per cent in Lithuania.

The high economic growth is reflected in SEB's Baltic banks. By the end of December, the loan portfolio of SEB's Baltic banks totalled SEK 37bn, an increase of 32 per cent since the beginning of the year. The strongest growth was seen in the household sector and, in particular, within mortgage lending. Deposits rose by 9 per cent, to SEK 28bn. All three banks have a leading market position in their respective markets. Eesti Ühispank has a 35 per cent market share of lending and 28 per cent of deposits. The corresponding market shares of Latvijas Unibanka and Vilniaus Bankas, respectively, are 23 and 25 per cent¹⁾ for the former and 40 and 35 per cent for the latter.

Even though volumes are still relatively low, the market for other savings products than deposits experienced a strong increase in demand.

The division's assets under management were approximately SEK 6bn, an increase of 150 per cent since the beginning of the year. SEB's fund company in Poland, where SEB has a 5 per cent market share, reported particularly high growth rates.

This growth is expected to continue over the years to come as a result of new pension schemes and increased savings in general.

The three Baltic countries and Poland will join the EU in May 2004, which is expected to affect the economic climate favourably in coming years.

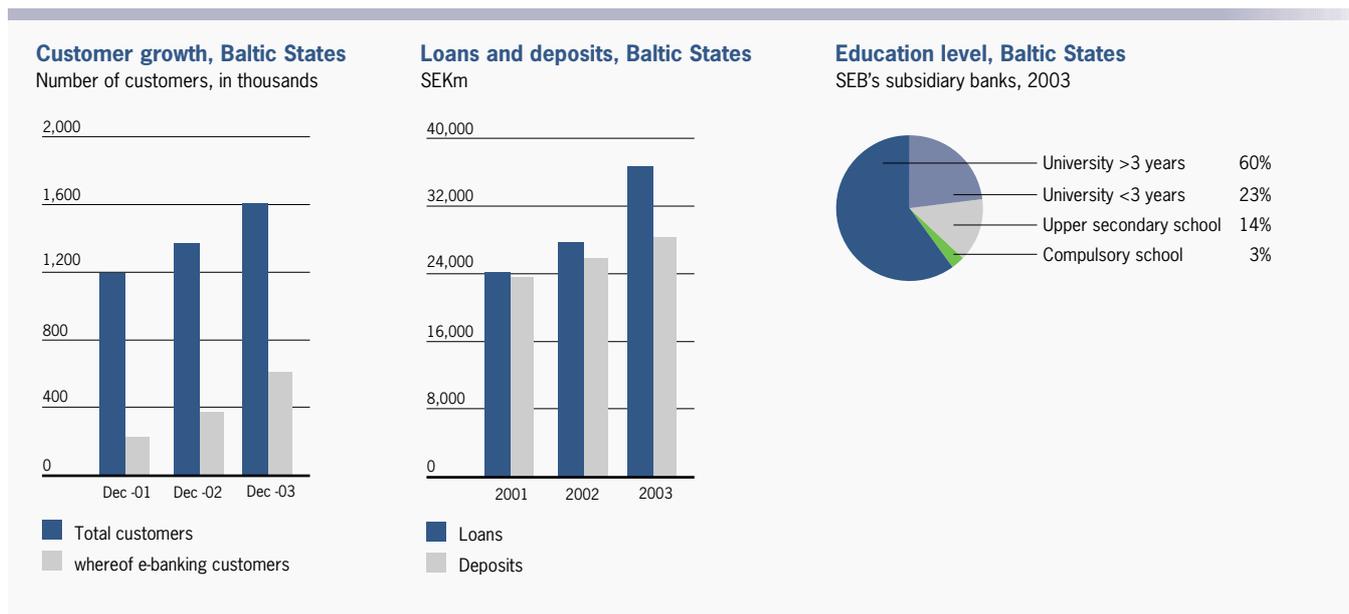
Client demand has resulted in an increased focus on Russia. During the spring SEB's representative office in Moscow was reopened and Eesti Ühispank's leasing company in St Petersburg was reactivated.

Result improvement

The result rose by 21 per cent, to SEK 859m (+25 per cent adjusted for currency effects).

The combination of increasing volumes and decreasing net interest margins resulted in a 6 per cent increase in income (adjusted for currency effects), to SEK 2,342m. The net interest margin was reduced during the year for several reasons: Short-term interest rates dropped during the year. The comparatively stronger growth in loans compared to deposits resulted in higher funding costs and the Baltic market was faced with a high level of competition, resulting in margin pressure.

1) In Latvia only deposits from Latvian residents are included.



Costs were 4 per cent higher than in 2002 (adjusted for currency effects) and totalled SEK 1,442m. The increased cost level was due to growth and investments. The cost/income ratio improved to 0,62 (0,63).

Net credit losses were SEK 84m (138) This improvement was mainly due to recoveries but also to improved asset quality. The division has fully adapted the Group's credit policy in order to maintain a high quality of the loan portfolio. The return on allocated capital was 18.7 per cent, or virtually unchanged compared with 2002 despite the fact that higher business volumes required more capital.

The partly owned Polish bank BOŚ contributed SEK 30m (-11) to SEB's operating profit.

Continued cross-servicing, high customer satisfaction

During 2003 the number of customers rose by 17 per cent, while the number of Internet customers increased by approximately 60 per cent, to 600,000.

The services offered to cross-border clients are steadily improved. During the year, many SEB customers operating in the Baltic region have become customers of the subsidiary banks.

According to independent surveys made in 2003, customer satisfaction improved during the year. The international magazine "The Banker" ranked Latvijas Unibanka as the best bank in Latvia in 2003, while Vilniaus Bankas was ranked as the best bank in Lithuania by both Euromoney and Global Finance.

Vilniaus Bankas changed its IT infrastructure radically during the year in order to improve operations.

SEB Trygg Liv

Strengthened market position, strong result improvement.

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 a little over 1 million customers. 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 respectively Gamla Livförsäkringsaktiebolaget SEB Trygg Liv. These companies are not consolidated with the SEB Trygg Liv Holding Group, which only receives a fee for the administrative and sales services provided.

	2003	2002
Percentage of SEB's staff	4	4
Percentage of SEB's operating result	2	

Profit and loss account

SEKm	2003	2002	Change, per cent
Total income	1,450	1,408	3
Total costs	-1,291	-1,354	-5
Result from associated companies	-10	-14	29
Operating result¹⁾	149	40	
Change in surplus values, net	1,739	1,303	33
Result from ongoing business²⁾	1,888	1,343	41
Change in assumptions	-94	-447	-79
Financial effects of short-term market fluctuations	296	-1,727	-117
Total result, net	2,090	-831	

Allocated capital, SEKm	4,300	3,900
Return, ongoing business, %	31.6	24.8
Number of full time equivalents, average	721	779

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. More detailed information about SEB Trygg Liv can be found in "Additional information", available on www.sebgroup.com

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.

Market leader within unit-linked insurance

SEB Trygg Liv's sales increased by 16 per cent, to SEK 27,650m (23,905). There was a gradual improvement during the year. Sales during the fourth quarter were 35 per cent higher than in the corresponding period of last year.

SEB Trygg Liv's sales focus is on unit-linked insurance, representing 85 per cent (74) of total sales. Sales of unit-linked insurance increased by 36 per cent. SEB Trygg Liv's market position was continuously improved during the year and resulted in a market leader position within new sales of unit-linked insurance. The market share was 29.1 per cent (21.2).

Sales of occupational pension represent close to 75 per cent of total sales and increased by more than 20 per cent. During 2003 SEB Trygg Liv became market leader within occupational pension unit-linked insurance, too. The strengthened position is a result of continuing efforts to make the business more long-term and less dependent on the general business cycle.

Improved co-operation with insurance brokers and other divisions of SEB as well as the forming of the Stora företag entity (Large companies), have contributed to the positive development. The proportion of total sales through insurance brokers was 65 per cent (52).

Sales of private pension insurance represent only 6 per cent of total sales, but increased by 36 per cent, deriving from unit-linked. The sales of endowment insurance, strongly affected by earlier years' negative stock market development, started to recover and increased by 5 per cent in total.

Premium income, that is paid-in premiums, decreased by 6 per cent, to SEK 13,223m (14,024). However, during the second half of the year total premium income increased by 2 per cent and, for the Swedish operations, by 7 per cent.

Unit-linked insurance accounts for two thirds of premium income. In addition to premium income, payments into Individual Pension Savings (IPS) totalled SEK 629m (644) and into Premium Pension SEK 584m (539).

The best result to date

The operating result from unit-linked insurance increased to SEK 149m (40) and was the best result ever. Growing asset values from unit-linked, an increasing share of equity funds and higher sales volumes explain the increase in income. Lower administration and other costs compensated for higher sales commissions.

The result that includes change in surplus values, "Result from ongoing business", SEK 1,888 (1,343), was the best ever, due to higher sales volumes and improved product profitability. The surplus value – present value of written insurance policies – is calculated to better evaluate the insurance operations. Total surplus value (value of in force business) amounted to SEK 5.2bn at the end of 2003. These values are not included in the SEB Group's consolidated profit and loss account or balance sheet. For more details, see Note 56.

Volumes

SEKm	2003	2002
Sales volume¹⁾ insurance		
Total	27,650	23,905
Traditional life insurance	4,039	5,974
Unit-linked insurance	23,611	17,931
Premium income		
Total	13,223	14,024
Traditional life insurance	4,410	4,974
Unit-linked insurance	8,813	9,050
Assets under management		
Total	228,000	210,500
Traditional life insurance	171,600	165,400
Unit-linked insurance	56,400	45,100

1) Measured as weighted volume: single premiums + 10 times regular premiums

The sales margin for new business improved substantially and was 18.1 per cent, compared to 15.9 per cent in 2002 and 11.1 per cent in 2001. As a result of improved margins and increased sales volumes, new business profit increased to SEK 500m (380).

Other activities in 2003

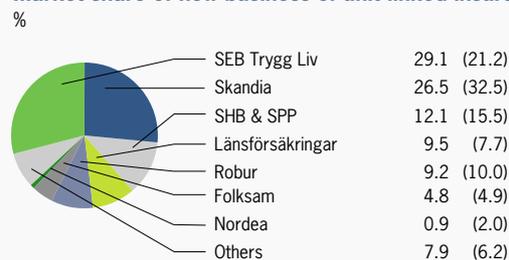
Due to falling stock markets earlier, customer increasingly demanded flexible solutions through which investment changes could be made without personal action on the part of the customer. Accordingly, two new fund-in-funds were made available within unit-linked insurance. During 2004, new services will be offered in order to help customers make reinvestments.

Extensive work for preparing the introduction of right to transfer insurance policies was carried out during the whole year. At mid-year 2003, transfer rights were introduced for private pension insurance within unit-linked insurance and, effective on 1 January 2004, for parts of the collectively agreed-upon occupational pension within unit-linked insurance. Transfer rights for other occupational pensions will be introduced in the second half of 2004. As regards traditional insurance, the policyholder organisation Trygg-Stiftelsen has earlier voted against such rights.

Continued efforts were made to make the processing of customer matters more efficient and the established goals as to how fast matters should be handled were achieved. Another example of increased service was the gradual improvement of written information. The importance of this was emphasised by a debate in the media during the year. Intensified efforts are planned for improving customer information in 2004. In addition, new sales routines will be introduced so that customers gain better knowledge about the insurance schemes they purchase. This is fully in line with the advisory responsibility that becomes effective in 2004.

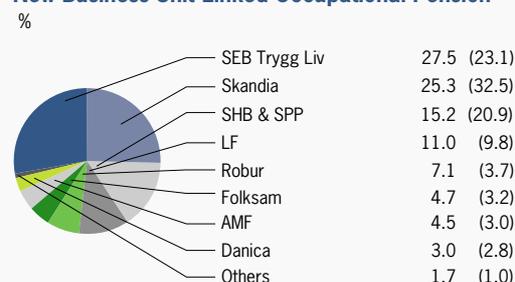
The Welfare Analysis unit was formed in 2001 in order to monitor trends in the Swedish welfare system and to determine which role and what needs SEB Trygg Liv could fulfil in this respect. This unit contributed competence and provided a basis for discussions on topical issues during the year. At the end of the year, a pilot study was started called Trygg Hälsoplan (Trygg Health Plan) for the purpose of reducing

Market share of new business of unit-linked insurance



Source: The Swedish Insurance Federation

New Business Unit-Linked Occupational Pension



Source: The Swedish Insurance Federation

sickness absence and associated costs within companies. This should supplement the new health and medical care insurance schemes that SEB Trygg Liv has on offer.

The safe-living concept called BoViva in the town of Halmstad was ready for occupation in 2002 and a successor to the concept has been planned and negotiated during 2003. The purpose of the concept is to offer SEB Trygg Liv's customers added value in the form of safe living for the elderly. BoViva offers flats with tenancy rights and access to service and care. The ambition is to start two new BoViva installations during 2004.

Gamla and Nya Livförsäkringsaktiebolaget

The operations of Gamla and Nya Livförsäkringsaktiebolaget SEB Trygg Liv comprise traditional life insurance (i.e. not unit-linked insurance). These companies are run according to mutual principles, i.e. do not pay dividend and are therefore not consolidated in SEB Trygg Liv's or SEB's accounts. Gamla Livförsäkringsaktiebolaget is closed for new business while Nya Livförsäkringsaktiebolaget, which was established in 1997, is open for new business.

The positive development of the capital markets in 2003 increased the value of the assets and the collective consolidation ratio improved to 96 per cent (89) in Gamla Livförsäkringsaktiebolaget and to 99 (94) in Nya Livförsäkringsaktiebolaget. Before the upturn of the stock market gained momentum, the bonus rates were reduced from 1 to 0 per cent in the former company while it remained unchanged at 1 per cent in the latter.

The Boards of the two companies decided to reduce pension payments by 6 per cent on average from the third quarter. This measure was taken to ensure fairness between policyholders, since pension payments have exceeded the value of the insur-

Sales margin

SEKm	2003	2002
Sales volumes weighted (regular + single/10)	2,765	2,391
Present value of new sales (9% discount rate)	1,409	1,181
Selling expenses	-909	-801
Profit – new business	500	380
Sales margin	18.1%	15.9%

ance on the value statement and the shortfall affects other policyholders. No one-off reallocation, i.e. write-down of the value of the insurance policies, was made.

In addition, the Boards decided to set a new goal for the collective consolidation ratio: 100–115 per cent (previously 105–115 per cent). This lower limit is a better reflection of what is desirable and fair in the long run and is in line with prevailing standards within the industry.

According to the policy of the companies this consolidation ratio goal should be reached within a period of 36 months from the date on which it fell below this level. As per 1 October 2004, both Gamla and Nya Livförsäkrings-aktiebolaget should be back at a minimum consolidation ratio of 100 per cent.

Policyholder influence

Gamla Livförsäkringsaktiebolaget SEB Trygg Liv has a policyholder organisation, Trygg-Stiftelsen, for the purpose of ensuring policyholders' influence over the company. Trygg-Stiftelsen has the right to appoint two Board members in the company and, together with SEB, the Chairman of the Board, which con-

As per 31 December 2003	Gamla Liv	Nya Liv
Assets under management, SEKbn	162	10
Result of the period after tax on return, SEKm	11,025	109
Premium income, SEKm	2,980	1 430
Collective consolidation ratio ¹ , retrospective reserve, %	96	99
Bonus rate, %	0	1
Solvency ratio ² , %	155	108
Capital base, SEKm	52,186	753
Required solvency margin, SEKm	4,067	450
Solvency quota ³	12.9	1.7
Total return, %	9.9	4.1
Share/Exposure of equities in investment portfolio, %	34	3
Share of fixed income, %	58	97
Share of real estate, %	8	0

- 1) The collective consolidation ratio shows the company's assets in relation to its commitments to policyholders. The commitments include both guaranteed and not-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.

sists of five members. Moreover, Trygg-Stiftelsen has the right to appoint the majority of the members and the Chairman of the Finance Delegation, which is responsible for managing the assets of Gamla Livförsäkringsaktiebolaget.

Sensitivity analysis

A change of the discount rate by +1 percentage point/–1 percentage point changes the surplus value by SEK –656m/+765m. A change in the growth assumption rate of the fund units by +1/–1 percentage unit changes the surplus value by SEK +723m/–629m.

Report of the Directors

Financial Review of the Group

After several years of negative development the financial markets – and particularly the stock markets – recovered in 2003.

This – in combination with SEB's continued 3C change programme focusing on Customer satisfaction, Cross-servicing and Cost efficiency – had a positive impact on the SEB Group.

No major organisational changes were made during 2003. Since late 2001, the Group's activities are carried out through the following divisions:

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

Corporate & Institutions – through the Merchant Banking business area – is responsible for trading in currencies and interest-bearing instruments, cash management, export and project finance, custody services etc for large and medium-sized companies as well as financial institutions. Enskilda Securities comprises financial advisory services, equity trading and equity research.

German Retail & Mortgage Banking comprises the retail and real estate customers of the subsidiary bank SEB AG. The largest corporate and institutional clients form part of Merchant Banking, while the fund management is part of SEB Asset Management as from January 2003.

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

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

SEB Trygg Liv comprises life insurance and pension services and is focused on sales and administration of unit-linked.

The closure of SEB's remaining non-life insurance company in Poland was almost completed and most of its employees left in 2003.

Europay Norge A/S (Eurocard brand name in Norway) was acquired in late 2002 and fully integrated with SEB Kort's Norwegian operations during 2003.

In April, SEB acquired Norwegian Orkla's remaining holding of 22.5 per cent in Enskilda Securities, which thus became wholly owned by SEB again.

Result and profitability

SEB publishes both an operational and a statutory profit and loss account in accordance with the instructions of the Financial Supervisory Authority (FSA). The difference between these is that pension compensation is accounted for as a reduction of cost in the operational profit and loss account, while it is reported as an appropriation in the statutory accounts. Profit before and after tax is the same.

Effective in 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 according to the instructions of the FSA. SEB's insurance business consists mainly of life insurance, but also of non-life (run off only).

Total income

Total income decreased by 1 per cent, to SEK 27,071m (27,378).

Net interest income amounted to SEK 13,782m (13,719).

Increased volumes, particularly mortgage loans, offset the negative effects of lower short-term interest rates.

Net commission income increased by 2 per cent, to SEK 10,218m (9,975). Higher activity levels among customers had a positive impact on equity-related commissions, which accounted for approximately 40 per cent of net commission income in 2003. Income from corporate finance activities was negatively affected by the fact that there were no IPO's on the Swedish market in 2003.

The increase in assets under management had a positive effect on net commission income, too. Assets under management rose by 11 per cent to SEK 822bn (742). Net inflow during the year was SEK 36bn (20) while the change in value was SEK 44bn. Commission income related to payments increased by 13 per cent.

Net result of financial transactions was SEK 2,084m (2,409), of which foreign exchange trading accounted for 1,896m (1,410). Lower activity during the summer months and uncertainty prior to the euro referendum had a negative impact, whereas the last quarter of the year recovered to last year's level.

Other income decreased to SEK 987m (1,275), mainly due to lower capital gains compared to 2002.

Total costs

Total costs including pension compensation decreased by 4 per cent, to SEK 18,135m (18,949). Excluding pension compensation, costs were reduced by 6 per cent, to SEK 18,793m (19,897).

Staff costs, gross, decreased by 1 per cent, to SEK 11,157m (11,297) due to staff reductions. The average number of full time equivalents in December 2003 was 17,832, a decrease of approximately 2,160 since June 2001, which was the basis for SEB's cost reduction programme.

Compensation from pension funds was reduced by almost one third, to SEK 658m (948).

Other operating costs were reduced by 11 per cent, to SEK 6,191m (6,923). External IT-costs amounted to SEK 1,508m (1,784). Total IT-costs (defined as a calculated cost for all IT-related activities including costs for own personnel) were SEK 3.5bn (3.5).

There were no major restructuring costs in the Group during 2003. Minor amounts are accounted for in the profit and loss accounts of the divisions Nordic Retail & Private Banking and SEB Asset Management.

Further restructuring in Germany

In spite of significant improvements during the past years and even though SEB performed better than its German competitors, the result of the German Retail & Mortgage division is still unsatisfactory. The division has therefore launched a profitability improvement programme, which includes a staff reduction of 400 full time employees. This will lead to additional restructuring costs of about SEK 300m, mainly during 2004.

Operational Profit and Loss Account, quarterly basis

SEKm	2003:4	2003:3	2003:2	2003:1	2002:4
Net interest income	3,498	3,520	3,387	3,377	3,543
Net commission income	2,718	2,576	2,484	2,440	2,459
Net result of financial transactions	640	412	542	490	654
Other operating income	257	190	268	272	273
Total income	7,113	6,698	6,681	6,579	6,929
Staff costs	-2,817	-2,725	-2,789	-2,826	-2,733
Pension compensation	194	146	157	161	189
Other operating costs	-1,661	-1,522	-1,489	-1,519	-1,778
Amortisation of goodwill	-153	-153	-160	-150	-137
Depreciation and write-downs	-210	-201	-201	-217	-232
Total costs	-4,647	-4,455	-4,482	-4,551	-4,691
Net credit losses etc. ¹⁾	-330	-273	-189	-214	-278
Write-downs of financial fixed assets	-43	-1	-16	-4	-20
Net result from associated companies	32	-8	-5		-75
Operating result from insurance operations ²⁾	69	43	-16	-18	10
Operating result	2,194	2,004	1,973	1,792	1,875
1) Including change in value of seized assets					
2) Result from SEB Trygg Liv, non-life and pertaining goodwill amortisation of which SEB Trygg Liv	64	62	15	8	1
Changes in surplus values, net	464	818	213	244	196

Key figures

	2003	2002
Return on equity, %	12.3	12.0
Return on total assets, %	0.45	0.44
Return on risk-weighted assets, %	1.10	1.08
Earnings per share (weighted average number) ¹⁾ , SEK	8.22	7.60
Cost/income ratio	0.67	0.69
Cost/income ratio, excl non-operating items ²⁾	0.67	0.70
Credit loss level, %	0.15	0.13
Reserve ratio for doubtful loans, %	66.3	70.8
Level of doubtful loans, %	0.52	0.47
Total capital ratio, %	10.23	10.47
Core capital ratio, %	7.97	7.88
Risk-weighted assets, SEKbn	535	503
Number of full time equivalents, average	18,067	19,003
Number of e-banking customers, thousands	1,614	1,332
Assets under management, SEKbn	822	742

1) Issued number of shares 704,557,680 of which SEB has repurchased 7.0 million Series A shares in May 2002 and 6.2 million Series A shares in May 2003 for the employee stock option programme.

2) Costs excluding pension compensation, amortisation of goodwill and restructuring costs.

New accounting principles for pension-related costs

On 31 December 2003, total assets of SEB's pension funds amounted to SEK 13.2bn (12.9) while commitments were SEK 10.6bn (10.3). Accordingly, the excess value was SEK 2.6bn (2.6).

The introduction of new accounting principles, SFASC 29 (IAS 19), as from 2004 will have an impact on pension costs in the Group accounts. The major change implies that the net of the value of pension funds and pension commitments must be consolidated into the Group's balance sheet and a number of actuarial assumptions must be made. SEB's analyses indicate that the Group's excess value according to the new rules will be around SEK 1.7bn as of January 2004. The change is expected to affect profit before tax for 2004 negatively by approxi-

mately SEK 250m, compared to current accounting principles. Initially, the net effect on equity after deferred tax will be an increase by about SEK 1.3bn. The changed amounts compared to indications made in the third quarter report are mainly due to better than forecasted developments of the European pension funds.

The introduction of IAS 19 in 2004 is the main foreseen change due to the introduction of IAS for publicly traded assets in European companies in 2005. Two other areas that could have an impact on the accounts are IAS 39 Financial Instruments: Recognition and Measurement and IAS 22 Business combinations. The SEB Group closely follows developments in these areas and is prepared for a possible change in principles but will await the final standards.

Credit losses

Lower recoveries than last year and a build-up of reserves in Germany were the main reasons for the increase in net credit losses, including change in value of seized assets, to SEK 1,006m (828). Incurred losses and provisions for probable losses totalled SEK 2,576m (2,085), whereas recoveries and dissolution of reserves, including the country risk reserve, amounted to SEK 1,595m (1,266).

The Group's credit loss level remained stable at 0.15 per cent (0.13). Asset quality remained stable.

Insurance operations

SEB Trygg Liv's operating result increased to SEK 149m (40). This is the division's best result up to now and has been included in the Group's result.

SEB Trygg Liv's result from on-going business (including change in surplus values but excluding financial effects of short-term market fluctuations), was SEK 1,888m (1,343).

Changes in surplus values in life insurance operations are reported as part of SEB Trygg Liv's total result, but not included in the Group's operating result. The change in surplus value and its effects are described in the section of SEB Trygg Liv on pages 28–30.

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 78m (-56).

The non-life result amounted to SEK 102m (68).

Operating result

Operating result including pension compensation increased by 7 per cent, to SEK 7,963m (7,412), whereas the result excluding pension compensation rose by 13 per cent, to SEK 7,305m (6,464).

Tax costs

Total tax amounted to SEK 2,247m (2,057). Of this, SEK 1,402m (1,133) represented taxes paid, SEK 761m (842) deferred tax and SEK 84m (82) taxes for previous years. The total tax rate was 28,2 per cent (27,8).

Net profit

SEB's profit after tax increased by 7 per cent, to SEK 5,704m (5,318). Return on equity improved to 12.3 (12.0). Earnings per share increased to SEK 8.22 from 7.60 (weighted average number of shares).

Earnings per share and return on equity		
	2003	2002
Net profit (after tax), SEKm	5,704	5,318
Earnings per share, SEK	8.22	7.60
693,514,940 shares, weighted number		
Return on equity, %	12.3	12.0
Average equity, SEKm	46,182	44,365

Financial structure

Assets

At year-end 2003, SEB's total assets amounted to SEK 1,279bn (1,241).

Credit portfolio

Total credit exposure, including contingent liabilities and derivatives contracts, amounted to SEK 1,040bn (1,000), of which loans and leasing excluding repos amounted to SEK 776bn (731).

The credit portfolio growth remained related to Swedish household mortgage lending, the public sector in Germany and the three Baltic subsidiary banks. Lending to the corporate sector increased in local currency, but remained stable in Swedish kronor due to the strong development of the krona, mainly against the U.S. dollar. Since year-end 2002, risk-weighted assets for credit risk have increased by 6 per cent, to SEK 490bn (462).

Geographical distribution

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

Exposure on emerging markets was stable at SEK 11.8bn net (9.8), after deduction for provision for possible credit losses.

Doubtful loans

On 31 December, *doubtful loans*, gross, amounted to SEK 10,877m (11,002), of which SEK 8,632m (8,862) were non-performing

loans (loans where interest and amortisation are not paid) and SEK 2,245m (2,140) performing loans. The reserve ratio was 66 per cent (71). The lower reserve ratio reflects a reduced need for collective reserves as volumes related to these risk classes have declined, particularly in the Nordic area. In addition there has been a shift from collective to specific reserves.

The volume of assets taken over amounted to SEK 117m (130).

Derivatives

At year-end 2003, the notional value of the Group's derivatives contracts totalled SEK 5,502bn (5,066) (including exchange-traded derivatives contracts). The corresponding credit risk equivalent to this contract volume is built up of the positive closing gains that arise when outstanding contracts are valued at market. This amount represents the claim that SEB has in the event of a bankruptcy. The value may be reduced, since SEB enters into netting agreements with its counter-parties, which means that the Bank can offset liabilities, so-called negative closing gains, against claims. Finally, a standard add-on is made, depending upon type of contract, currency and remaining maturity, which reflects the potential risk. On a net basis, the total credit risk equivalent at year-end was SEK 50.0bn (56.3). The counter-parties are mainly Swedish and international banks of very high quality as well as central banks.

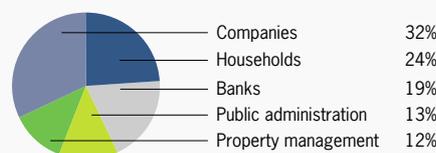
The bulk of the derivatives instruments form part of the trading book, which means that they are valued at market on a continuous basis. The remaining 4 per cent of the portfolio consists of interest swaps, which are subject to hedge accounting for the purpose of protecting the real value of the Bank's fixed-interest deposits and lending and, as a consequence, shareholders' equity from interest rate fluctuations. Since the underlying assets/liabilities shall not be valued at market, according to current accounting practice, the changes in value in the hedging derivatives are not reported either. These values are reported in Note 49. The efficiency of the hedge accounting is measured continuously within the framework of SEB's interest risk management.

The positive and negative closing gains are reported on a gross basis on the balance sheet under other assets and liabilities, disregarding any netting agreements.

Credit portfolio

In total SEK 1,040bn

Distribution per sector



Geographical distribution



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

	Total				Loans och leasing		Contingent Liabilities and Commitments		Derivatives ⁴⁾	
	2003	%	2002	%	2003	2002	2003	2002	2003	2002
Banks¹⁾	194.6	18.7	194.8	19.4	132.0	118.4	29.6	35.5	33.0	40.9
Companies	331.2	31.9	326.7	32.7	178.7	179.4	138.6	134.7	13.9	12.6
Finance and insurance	45.7	4.4	41.2	4.1	13.9	14.3	23.3	20.4	8.4	6.5
Trade, hotels and restaurants	38.3	3.7	35.9	3.6	25.6	22.7	12.3	12.9	0.4	0.3
Transportation	29.7	2.9	30.2	3.0	23.4	24.3	6.1	5.8	0.2	0.1
Other service sectors	38.0	3.7	42.8	4.3	21.6	25.0	15.3	16.1	1.1	1.7
Construction	11.4	1.1	11.0	1.1	5.4	5.6	5.9	5.1	0.1	0.3
Manufacturing	75.2	7.2	84.9	8.5	31.4	35.2	41.9	47.7	1.9	2.0
Other	92.9	8.9	80.7	8.1	57.4	52.3	33.8	26.7	1.8	1.7
Property Management	132.6	12.8	123.0	12.3	117.7	108.8	13.2	12.9	1.7	1.3
Public Sector²⁾	134.4	12.9	127.3	12.7	120.0	114.8	13.1	11.1	1.3	1.4
Households	246.8	23.7	228.3	22.9	227.3	209.1	19.5	19.1	0.0	0.1
Housing loans ³⁾	173.9	16.7	155.6	15.6	173.9	155.6	0.0	0.0	0.0	0.0
Other	72.9	7.0	72.7	7.3	53.4	53.5	19.5	19.1	0.0	0.1
Total credit portfolio	1,039.6	100.0	1 000.1	100.0	775.7	730.5	214.0	213.3	49.9	56.3
Repos	119.0		108.8							
Credit institutions	59.5		42.7							
General public	59.5		66.1							
Bonds and other interest bearing securities	189.3		195.8							

1) Including Nation Debt Office

2) Including state and municipality owned companies

3) Excluding housing loans through the Baltic subsidiaries of the Banks 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.

The major portion of the Group's derivatives engagements is related to contracts with a short remaining maturity which, in turn, 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.

Credit Exposure¹⁾, Emerging Markets, SEKbn

Emerging Markets	31 Dec 2003	31 Dec 2002
Asia	7.1	4.2
China	2.1	1.2
Hong Kong	2.0	0.3
Latin America	1.9	2.5
Brazil	0.8	0.9
Mexico	0.5	0.7
Eastern and Central Europe	1.1	1.8
Russia	0.2	0.4
Africa and Middle East	2.5	2.5
Iran	1.3	0.8
Turkey	0.3	0.4
Total – gross	12.7	11.0
Reserve	0.9	1.2
Total – net	11.8	9.8

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

Securities portfolios

At year-end 2003, the market value of the trading portfolios of the SEB Group was SEK 186.7bn (192.2). This year's lower level is a reflection of normal business activities. Holdings in these portfolios, which are classified as financial current assets, are valued at market. The portfolios consist of immediately liquid securities in euro, U.S. dollars and other important currencies.

The investment portfolio had a book value of SEK 2.5bn (3.8) at year-end. It is classified as a fixed asset and valued at amortised acquisition value.

Intangible fixed assets, including goodwill

At year-end 2003 intangible fixed assets totalled SEK 10.5bn (10.8), 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, and the Group's build-up of banking activities in the Baltic countries and Poland during the period 1998–2001 and the investment in Europay Norge.

At year-end 2003, remaining goodwill in connection with the Trygg-Hansa acquisition was SEK 5.7bn, the Baltic acquisitions SEK 1.9bn and Europay Norge SEK 0.9bn, to which goodwill in connection with other acquisitions of SEK 1.8bn should be added.

Further information is found in Note 29.

Liabilities and shareholders' equity

Deposits and borrowing

The financing of the Group consists of deposits from the general 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 decreased by SEK 5.5bn, or by more than 1per cent, to SEK 494.0 (499.5). The goal of the SEB Group is that maximum 30 per cent of non-liquid assets shall be financed with the help of short-term debt. On 31 December 2003, this percentage, internally called the core gap, was 10.9 per cent (6.7).

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 company, 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 2003, the effect of the securitisation on the SEB Group's capital adequacy ratio was marginal.

Three Crowns Funding

SEB administers a special purpose company, 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 1.8bn and the programme is maximised to USD 2bn.

Covered Bonds

On 13 november 2003 the Swedish parliament passed a law permitting banks and credit institutions to issue covered bonds for the funding of real estate lending. The law will come into effect on 1 July 2004. This funding method has not previously been used in Sweden; it will give investors in such bonds a preferential right in a bankruptcy situation. With covered bonds, Swedish banks and credit institutions will be able to offer investors debt instruments with very low risk, and thus compete on equal terms with countries where this funding method is already established.

Within the Group, SEB Hypothekbank AG regularly finances assets by issuing so-called Pfandbriefe on the German market. SEB currently investigates how to utilise the new possibility in its Swedish operations.

Shareholders' equity

Shareholders' equity amounted to SEK 45.7bn (44.3) at the opening of 2003, of which SEK 2,818m (2,818) was used for dividend purposes in accordance with the resolution of the Annual General Meeting of April 2003.

In accordance with the Board resolution of 7 May 2003, SEB has acquired 6.2 million of its own Series A shares at a price of SEK 79.50 for hedging of the employee stock options programme as decided by the Annual General Meeting on 10 April 2003. In compliance with regulations, the value of the acquired shares has been eliminated against shareholders' equity. At year-end 2003, shareholders' equity amounted to SEK 48.5bn (45.7).

Capital adequacy

The SEB Group is a financial group that comprises companies engaged in banking, finance, securities and insurance operations. The capital adequacy rules are applicable to each individual company of the Group that has a licence to carry on banking, finance or securities operations. In addition, these rules shall be complied with the financial group of undertakings, i.e. by all such companies within the Group at consolidated level. Companies engaged in insurance operations shall meet the solvency requirements, but are not subject to the capital adequacy rules.

Group objective

SEB's long-term goal is to maintain a minimum core capital ratio of 7 per cent and a total capital ratio of 10.5 per cent. These goals reflect the Bank's ambitions in the international money and capital markets. See further page 86.

Composition of capital base

The capital base of the financial group of undertakings amounted to SEK 54.7bn (52.7) at year-end 2003. Core capital was SEK 42.6bn (39.7).

Core capital consists of shareholders' equity plus minority interests after deduction for acquisition goodwill and the dividend amount proposed by the Board of Directors. In addition, the Bank's so-called core capital contribution of EUR 200m, or SEK 1.8bn, has been included. Such contributions may be included up to maximum 15 per cent of core capital after deduction for goodwill and previously issued core capital contributions.

In addition to core capital, the capital base may include subordinated debt up to a maximum of 100 per cent of core capital. Deductions for investments, including goodwill, in companies that are not consolidated within the financial group of undertakings, including insurance companies, shall be made from the supplementary capital. For SEB the deduction of SEK 8.9bn (9.2) is mainly due to the acquisition of the Trygg-Hansa Group in 1997.

Risk-weighted assets

The combined risk-weighted volume of assets, off-balance-sheet commitments and market risk positions totalled SEK 535bn at year-end 2003 (503). The increase of SEK 32bn is mainly due to increased credit volumes in the Swedish mortgage business and in the SEB Baltic & Poland division plus a few large deals within the Corporate & Institutions division.

Capital adequacy ratio

By year-end 2003, the total capital ratio was 10,2 per cent (10.5) and the core capital ratio 8.0 per cent (7.9). Considering that the lowest permissible total capital ratio and core capital ratio is 8 and 4 per cent, respectively, both requirements were met by a wide margin.

According to Swedish rules, deductions for investments, including goodwill, in insurance operations shall 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 full deduction from the core capital, would lead to a core capital ratio of 6.9 per cent and an unchanged total capital ratio. Some rating institutions and analysts prefer this way of calculation.

Further information about capital adequacy and capital base is found in Note 53.

Rating

SEB continuously focuses on improving the Group's rating. The efforts to control costs, increase sales and more effectively utilise capital is beginning to pay off in this area.

In January 2003, Moody's upgraded its long-term rating for SEB to A1 from A2 and, in February 2004, by yet another step, to Aa3. Standard & Poor's upgraded SEB to A from A- in December, 2003. Improved ratings are 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 2004).

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

Risk taking and risk management form part of SEB's business. The Group's profitability is directly dependent on its ability to evaluate, manage and price risks that arise as a result of customer related business. Moreover, SEB supplies solutions and support to customers' own risk management.

The Group's risk and capital management aims at minimising volatility in financial outcome. It shall furthermore secure the financial stability of the Group through the maintenance of sufficient capital strength. 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 cornerstones in the Group's risk and capital management. This will create – and maintain – confidence in the business of the Group among regulators, customers and investors, thereby contributing to shareholder value.

A continuous focus on capital-related issues has made it possible for the Bank to expand its business during the last several years without a parallel increase in risk levels. Credit risk is by far the largest risk component, and the bank puts large efforts into structuring customer offerings in ways that optimise capital utilisation. Market risk is now largely associated with customer-driven business and accordingly the bank closed down its proprietary trading activities a few years ago. Insurance risk levels are largely related to accumulated savings volumes, and can be mitigated e.g. by applying appropriate fee structures. Management of operational and business risk is integrated into the divisions' operations. Capital planning, based on the economic capital concepts described below, is integrated into the strategic business planning. In all, the bank is confident it will be able to continue to expand its business activities, with a prudent risk and capital management framework as articulated in policies and mandates from the Board.

Regulatory developments

The industry now meets with several parallel regulatory initiatives, such as capital adequacy, disclosure, insurance regulation, 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 seeing 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.

From 2005, changes in the valuation and disclosure of financial instruments will affect large portions of the Group's business, following the standards IAS 32 and IAS 39 from the International Accounting Standards Board. Already in 2004, new such rules apply for pension liabilities via the SFASC 29 (IAS 19).

New capital adequacy rules are being finalised by the Basel Committee and the EU Commission. 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 of banks will be subject to stricter scrutiny by the regulatory authorities. The new accord aligns well with SEB's internal rating system and economic capital framework.

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. The work in 2003 has prepared for completion of the bulk of implementation activities during 2004 and 2005.

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. Regulatory recognition of SEB's risk and capital management systems will give advantages in pricing, funding and capital utilisation. The Group has analysed costs and benefits with Basel II, e.g. by taking part in regulators' world-wide Quantitative impact study. Findings support the Group's long-term strategies as concerns geographical presence and the development of product, customer and risk diversification profiles.

Further developments in 2003

The Group's policies in the areas of risk, capital and liquidity have been reviewed and updated during the year. To enhance analysis and control of net interest income the internal transfer pricing system has also been updated.

During the year, SEB entered the CLS Bank as a settlement member. CLS, Continuous Linked Settlement, is a system for settlement of foreign exchange transactions, which reduces the settlement risk, improves liquidity management and cuts costs. In September 2003 the Scandinavian currencies were connected to the system, meaning that the Bank can settle a large portion of its foreign exchange business through the CLS.

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 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) 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 relation between risk and capital, and the responsibilities as regards the management and follow-up of risk. *The Treasury Committee* monitors the development of market and liquidity risks.

With a few exceptions handled by the Board of Directors or the Credit Committee of the Board, *the Group Credit Committee* (GCC) is the highest credit-granting body within the Bank. The GCC also prepares credit instruction and credit policy recommendations to the Board and the Credit Committee of the Board. The *credit organisation* has an independent position, as illustrated by the fact that the Group Credit Officer reports directly to the Group CEO and is a member of the Group Executive Committee; 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 handle credit matters exclusively. Significant

exceptions from the credit policy of the Group must be referred to a higher level in the decision-making hierarchy.

Responsibility for operative risk management in the Group rests with *the divisions*, to be the most efficient. Each division and division head is thus fully responsible for making sure 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.

Group Risk Control (GRC) carries out the Group-level independent risk control, and ensures the existence and quality of risk control carried out in the divisions. GRC reports to ALCO, which is chaired by the CEO. 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. *Internal Audit*, an independent unit reporting directly to the Board of Directors, reviews and evaluates the efficiency and integrity of the risk management referred to above.

Shareholders' equity, capital requirements and economic capital

Good risk management notwithstanding, it is in the nature of business that unexpected losses arise at times, requiring the Group to keep capital buffers.

The regulatory capital requirements serve as one measure of the necessary capital buffer to meet the risks. Internally, SEB also works with so-called economic capital, which is a statistically based risk measurement. Both these measurements are continuously compared to the Group's shareholders' equity. The ratio between shareholders' equity and economic capital gives an indication of the Group's ability to take on additional risks in new business.

Economic capital – CAR

The purpose of the control model of the Bank is to assess how much capital is needed to carry on various business activities. The greater the risk, the larger risk buffer is needed. This capital need, the economic capital, is called Capital at Risk (CAR) within SEB. CAR is calculated for the types of risk to which the Group is exposed.

Average and reasonably expected losses are regarded as an operational expense, which mainly should be covered through a correct pricing of transactions. The quantification of risk capital requirements is focused on unexpected losses. The calculations are based on statistical probability calculations for various types of risk on the basis of historical data. Given that it is impossible to provide protection against all possible risks, SEB has chosen a probability level of 99.97 per cent, which mirrors the capital requirements for a AA-rating.



When all risks of a large group are combined, considerable so-called diversification or portfolio effects will arise, since it is highly improbable that all possible losses should occur at the same time. Due to diversification effects between the risks of the various divisions, the Group's total CAR becomes considerably lower than if the divisions should be independent.

The Group's total, diversified CAR was SEK 39.6bn (37.0) at the end of the year. The diagram shows the relative size of the risk components.

The Group's capital policy prescribes the allowed CAR level, relative to available capital. Increases during 2003 were mainly volume-based and in line with the decided business plan.

Risk-based management and control model

Allocation of capital to divisions is an integral part of the yearly planning and budgeting process. CAR and the statutory capital requirements (given assumed business volumes) are important elements of the analysis. Profitability is measured by relating the reported result to the allocated capital. This enables comparisons between 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. The following table shows the capital allocated to each division for the year as well as risk-weighted assets at year-end.

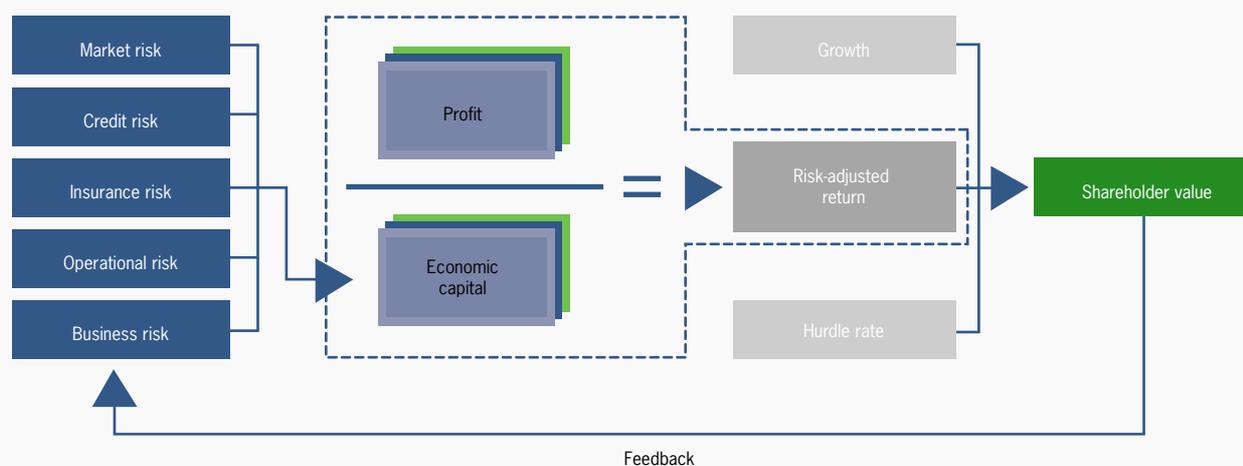
	Allocated capital, SEKm	Risk-weighted assets, SEKbn
Nordic Retail & Private Banking	9,100	136
Corporate & Institutions	14,500	207
German Retail & Mortgage Banking	9,400	135
SEB Asset Management	1,800	
SEB Baltic & Poland	3,300	47
SEB Trygg Liv	4,300	
Other	500	10
Total	42,900	535

There is no individual measure – or individual model – that can measure all the various risks of the Group. Each risk is measured and controlled with the help of various methods and tools, specially designed for each particular type of risk and its relative importance, after which the results are linked together in the management and control model.

Risks and risk management

SEB defines risk as *the possibility of a negative deviation from an expected financial outcome*. Risk management comprises all activities relating to risk analysis, risk-taking and risk control, i.e. the systems that the Group has at its disposal in order to identify, measure, analyse, report and control 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.

The Group's risk-based control model



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, which represents the single largest risk of the Group, refers to all claims on companies, banks, public institutions and private individuals. The claims consist mainly of loans but also of contingent liabilities and such commitments as letters of credit, guarantees, security loans, credit commitments and counter-party risks arising through derivatives and foreign exchange contracts. Settlement risk, within foreign exchange trading for example, is also classified as a credit risk and is treated in the same way as other types of credit exposure.

The credit policy of the Group is based on the principle that all lending shall be based on credit analysis and be proportionate to the repayment capacity of the customer. In addition, the customer shall be known to the Group in order to make it possible to evaluate both the capacity and character of the customer. In order to manage the credit risk on each individual customer or group of customers a total limit is decided, subject to continuous review. The limit represents the maximum exposure that the Group accepts on one particular customer, based upon such customer's financial standing, existing business relations and amount of transactions. Limits are also decided for the total exposure on countries.

Depending upon such factors as the risk class of a counter-party and the nature and complexity of the transaction, collaterals and netting agreements are used to a varying extent. All total limits are subject to at least one review per year by a credit authority. High-risk engagements are subject to more frequent reviews so that possible problem loans can be identified at an early stage. The sooner weaknesses can be identified, the greater the probability to find constructive solutions.

Furthermore, reviews of the aggregate credit portfolio are made on a regular basis. The credit portfolio is regularly analysed from different angles; by sector, geography, risk class, product type, size, etc. This facilitates an efficient analysis of possible problem areas in the portfolio. In addition, specific analyses are made when market developments require a more careful examination of certain sectors (e.g. real estate, telecom industry and emerging markets).

The Group has developed a statistical method for measuring and monitoring various risks, CAR, that supplements its traditional credit risk management. It is used for the purpose of evaluating the size of unexpected losses for which risk capital must be kept and represents yet another dimension of the follow-up of the portfolio. This method is based upon the following three components:

1. *Probability of a default.* The counter-parties are classified according to a scale consisting of 15 risk classes. This scale has been calibrated against the scales of the international rating institutes.
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) or through estimated market values plus an increase for future, possible exposure (derivatives and foreign exchange contracts) and is applicable both to on- and off-balance-sheet items.
3. *Loss in the event of a default.* Evaluation of how much the Group could recover 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.

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 given default.

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.

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's ALCO allocates the market risk mandate of the Board of Directors to each division which, in turn, allocates the limits obtained among those business units which possess special competence within the relevant area. Most 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 is a statistical method that 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. The VaR model has the advantage of handling various types of market risks in a homogeneous way, which facilitates comparison, measurement and control. In addition, VaR reflects the diversification effects existing between different foreign exchange, equity and fixed income markets.

In 2001, the Financial Supervisory Authority gave its approval for the Group 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. Average VaR has increased slightly since 2002 due to higher market volatility.

The accuracy of the model is checked through backtesting on a daily basis. On the chosen 99 per cent level, actual profit & loss should typically come out lower than the VAR measure

SEKm	Min	Max	31 Dec 2003	2003 Average	2002 Average
Interest risk	37	193	59	105	91
Foreign exchange risk	4	90	26	23	24
Equity risk	1	43	4	10	16
Diversification			-25	-32	-38
Total	37	191	64	106	93

1–3 times per year. The graph below shows backtesting results (using a one-day, not 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 sensitivity measures of interest rate, 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 crash scenarios as well as the risk level of the portfolio without diversification effects.

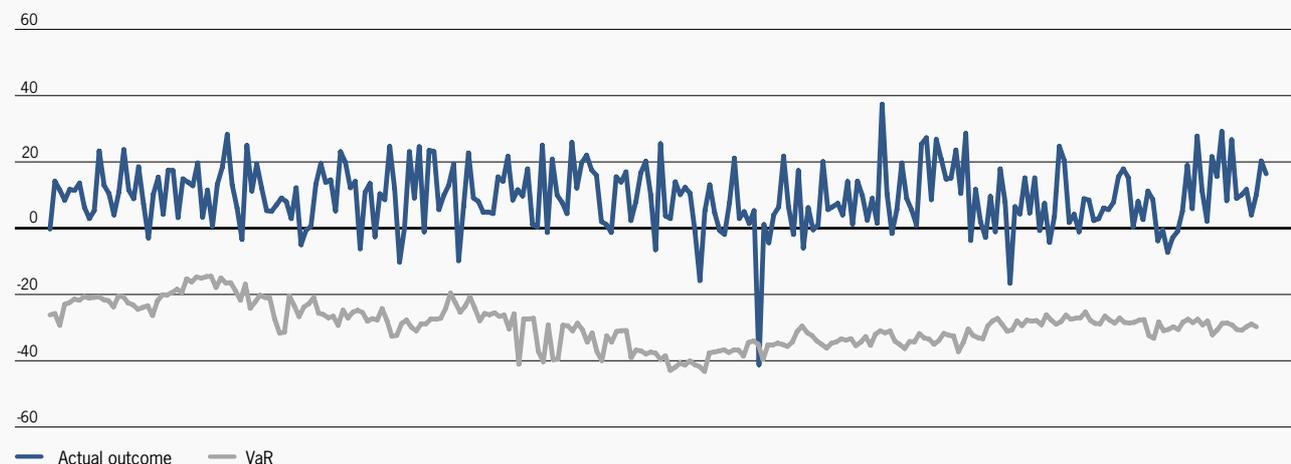
Interest rate risk is the single most important market risk of the Group. It arises as a result of the fact that the fixed interest rate periods for assets, liabilities and derivatives differ in tenor. Interest rate risk is measured with the help of VaR, but positions are also analysed versus various 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 (2,500) decrease in value of the Group's interest-bearing assets and liabilities, including derivatives, at year-end. The value change according to this measure ("delta-1") would affect the Group's result only as concerns the market-valued segments of the business. Such a decrease in value could also be countered by the opportunities, in an environment with higher interest rates, to receive a larger net interest income – e.g. from many deposit products.

The delta-1 measure is relatively static and gives a limited view of the actual risk. VaR offers the advantage of better capturing all types of movements in the interest curve, e.g. turning, rising/flattening. VaR is also more flexible as far as the

VaR

Back testing 2003



scope of interest movements is concerned and takes into account that shifts in the interest curve look different in high- or low-interest markets.

Foreign exchange risk arises both through the Bank's foreign exchange trading in various international marketplaces 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 result by SEK 22m at year-end.

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 result by SEK 131m 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 starting point for the risk measurement is the surplus value analysis, as regularly reported by the business area. The risk level is closely associated with the aggregate savings volume; it increased during 2003 due to sales efforts and to a positive equity market.

Life insurance risks are controlled with the help of a 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.

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).

The central risk and security organisations of the Group together with the risk managers of the divisions have developed policy documents, instructions and contingency plans to minimise operational risks in the 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. Methods for registering and classifying operational incidents have been developed, as well as a formalised process for the divisions to perform operational risk self-assessment.

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. 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.

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

SEB also measures the Group's business risk, defined as the risk of lower revenues due to an unexpected shortfall 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 managed through good strategic planning.

Asset and liability management

The Group's risk management and risk quantification are also used to ensure a proactive analysis and management of its balance sheet and profit and loss level. This includes the following:

- Analysis and measures to ensure liquidity and capital supply, and to handle the structural interest and foreign exchange risks on the balance sheet.
- Cost-effective funding of the assets, with an on-going analysis of the net interest income earned
- Control that the Group complies with existing directives and rules

The capital base and the liquidity are optimised through combinations of various financial instruments and techniques such as securitisation and credit derivatives, issues of bonds and other securities and through a decrease/ increase of balance sheet volumes.

Interest and foreign exchange exposure

Interest rate risk exists in practically all operations of the Group. The risk is handled by the Treasury department, which matches interest risk in term loans and deposits with the help of the internal pricing system.

The Treasury department also handles the structural foreign exchange positions that arise on the balance sheet of the Group, for example as a result of equity investments in subsidiaries outside Sweden when the corresponding financing is not made in the currency of the share capital.

Liquidity risk and financing

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

The Group maintains such liquidity that it can meet current payment obligations, while having payment capacity for un-

Repricing periods

SEKm	<3m	3-6m	6-12m	1-3 yrs	3-5 yrs	>5 yrs	Total
Lending to credit institutions	131,412	15,508	7,063	17,343	5,772	2,210	179,308
Lending to the public	396,201	40,642	35,556	94,283	72,894	67,883	707,459
Interest-bearing securities	94,270	10,754	7,287	35,106	16,768	25,084	189,269
Other assets	44,226	55,124	22,404	29,340	16,855	35,408	203,357
Total assets	666,109	122,028	72,310	176,072	112,289	130,585	1,279,393
Liabilities to credit institutions	222,017	17,014	6,458	10	1,343	10	246,852
Deposits/borrowing from the public	415,048	14,806	11,136	13,487	16,048	23,511	494,036
Securities issued	74,125	31,541	10,737	58,894	26,937	16,273	218,507
Sub-ordinated liabilities	4,913	594	370	2,059	4,657	11,668	24,261
Other liabilities	59,260	22,114	6,574	55,764	40,098	63,463	247,273
Shareholders' equity						48,464	48,464
Total liabilities and shareholders' equity	775,363	86,069	35,275	130,214	89,083	163,389	1,279,393
Interest rate sensitivity, net	109,254	-35,959	-37,035	-45,858	-23,206	32,804	
Cumulative interest rate sensitivity	109,254	73,295	36,260	-9,598	-32,804		

foreseen events. 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 Bank and thus transformed into liquid funds with immediate effect. As a complement, 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 financial markets, instruments, currencies, geographical areas, etc. The Group also uses liquidity limits for its operational control.

Liquidity is measured and reported with the help of a number of different measurements and techniques. Important aspects are short-term pledging capacity, analysis of future cash flows, scenario analysis and the ratio between stable and less stable assets and liabilities.

By setting targets for its medium- and long-term borrowing in relation to its lending, the Group creates balance sheet stability. As an example, liabilities due within three months should be fully funded with assets that are available within the same horizon. Here, the Group's traditionally stable deposit base in the retail business and the currency mix on the balance sheet are taken into account. Liquidity management also includes an emergency plan, which ensures that even very strained liquid-

ity situations can be handled in a satisfactory manner. The Group's presence in the international markets and its own international network is an important part of the emergency plan.

Capital management

The objective of the Group's capital management is defined in its capital policy. Shareholders' return requirements shall be balanced against the capital requirements of the authorities, the demands of debt investors and other counter-parties as regards SEB's rating, as well as against the economic capital that represents the total risk of the Group. A certain capability for strategic action could be added as well as a safety margin over and above what the formal capital model prescribes – covering e.g. the potential of a sharp decline in the macro-economic environment.

These aspects are gathered in the management and control model of the Group described earlier. Thus, capital management is directly dependent upon the business goals and the Group's rating. Capital is managed centrally, while meeting local requirements as regards statutory capital or legal capital. Dividends, securitisation, credit derivatives, investments, new issues, repurchases, etc. are important measures that affect the capital level and relevant ratios. The alternatives are evaluated on a regular basis.

Corporate Governance

Clear distribution of responsibility

The ability to preserve confidence among customers, lenders, shareholders and others is of decisive importance for SEB. A clear and effective structure for responsibility distribution and control plays an important part in this connection. The purpose of such a structure is also to avoid conflicts of interest. This is why SEB attaches great importance to the creation of clear roles for its officers and decision-making bodies for example within its corporate finance activities, asset management operations and insurance operations.

The Board of Directors has the overall responsibility for the activities of the Bank and the Group and decides on the nature of the business and the business strategies and goals. The Board makes sure that the activities are organised in such a way that the accounts, management of funds and financial conditions in all other respects are controlled in a satisfactory manner and that all risks inherent in the activities of the Group are identified and defined as well as measured, monitored and controlled, all in accordance with external and internal rules, including the Articles of Association of the Bank. The Board is also responsible for the follow-up and control of the activities.

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 of Directors. The President reports to the Board.

The Board of Directors exercises its governance and control through a number of policies and instructions. Also the President exercises his governance and control through specific policies and instructions. The purpose of SEB's policies and instructions is to clarify the distribution of responsibility and to

bring about the importance of an ethical approach throughout the whole Group.

The Group has three control functions, independent of the business operations: Internal Audit, Compliance and Risk Control.

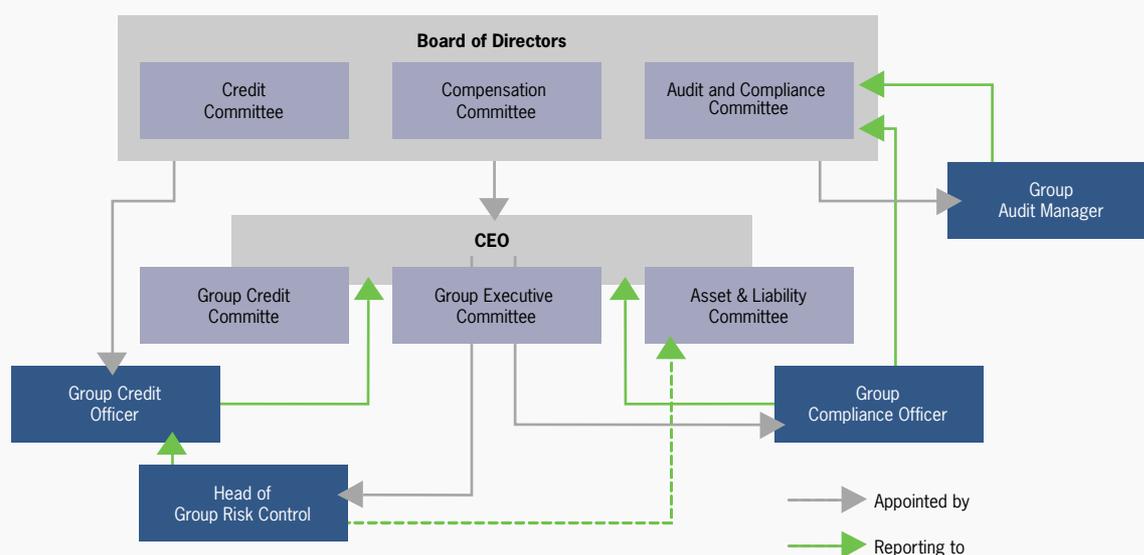
Board of Directors

The Board members are appointed by the shareholders at the Annual General Meeting for a term of office that lasts until the end of 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 2003, the Board of Directors had nine members and one deputy member, elected by the Annual General Meeting and two members and two deputies appointed by the employees. The President was the only Board member, appointed by the Annual General Meeting, who was equally an officer. The composition of the Board of Directors as from the Annual General Meeting in 2003 appears from the table on page 45.

A special procedure for nominating the Board members was decided at the Annual General Meeting in 2003 according to which the four largest shareholders during the fourth quarter of 2003 should appoint one representative each to, jointly, under the guidance of the Chairman of the Board, prepare a proposal for Board members to be presented at the Annual General Meeting for decision. According to the decision by the Annual General Meeting the names of the persons appointed representatives should be announced, which announcement was made through a special press release dated 22 October, 2003. The representatives appointed were: Jacob Wallenberg,

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.

Investor, Hans Mertzig, Trygg-Stiftelsen, Ramsay Brufer, Alecta and Torgny Wännström, AFA Försäkring.

The Board members are trained and guided within the area, including listed company directors' responsibilities. They are regularly offered the opportunity of discussing with the Chairman of the Board, the President and the Company Secretary. During 2003, the Board members have attended a seminar, arranged by the Stockholm Exchange, regarding the listing agreement, listing requirements and insider trading issues. The work performed by the Board and its Directors is evaluated on a continuous basis.

The Board of Directors has adopted rules of procedures that regulate the role and working forms of the Board. During 2003, nine Board meetings were held. External audit representatives were present at the meetings that adopted the annual accounts and the semi-annual accounts. Essential matters that have been handled 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 and budgets
- Capital, risk and financing issues, including risk limits
- 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
- Follow-up of strategic and financial goals
- Follow-up of external and internal audit activities
- Follow-up of risks inherent in Group activities
- Risk control organisation

The Board appoints the Chairman of the Board as well as the President and his Deputy. It furthermore appoints the Executive Vice Presidents, the Group Credit Officer, the members of the Group Executive Committee and the Group Audit Manager.

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. 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 of the Board. The work of the Board committees is regulated through instructions adopted 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 also includes the issuance of credit policies and the adoption of minor changes in the Credit Instructions of the Board. The Credit Committee also makes decisions on individual credit matters of principal or major importance. 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 has held nine meetings during the year.

The Audit and Compliance Committee of the Board maintains regular contact with the external and internal auditors of the Bank and makes sure that observations and remarks from the auditors are taken care of. It also deals with the accounts and interim reports and any changes in the accounting rules, assesses the external auditors' independence and prepares a proposal for new auditors prior to the election of auditor by the Annual General Meeting. The Committee furthermore 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 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 has held four meetings during the year. The external auditors attended two of these meetings.

The Compensation Committee of the Board prepares, for decision by the Board of Directors, 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 by the Board of Directors. The Committee also prepares matters regarding incentive programmes and pension plans. The Committee furthermore discusses personnel matters of strategic importance and monitors the overall pension liability of the Group. 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 has held five meetings during 2003.

President

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 of Directors. 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. Lars H. Thunell is the President and Group Chief Executive. His Deputy during 2003 has been Lars Lundquist, who is Chief Financial Officer, Executive Vice President, a deputy Board member and a member of the Group Executive Committee.

The President is the chairman of three different committees organised to focus 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 importance or importance as to principles. During 2003, the GEC and the IT-Committee included the following members – in addition to Lars H Thunell as Chairman: Heads of Division Annika Bolin, Fleming Carlborg, Harry Klagsbrun and Anders Mossberg, Deputy Group Chief Executive and Chief Financial Officer

Board of Directors as from the Annual General Meeting 2003

Name	Elected	Position	Credit Committee	Audit- and Compliance Committee	Compensation Committee	Remuneration
Jacob Wallenberg	1997	Chariman	●	●	●	1,400,000
Marcus Wallenberg	2002	Deputy Chariman				425,000
Gösta Wiking	1997	Deputy Chariman	●	●	●	825,000
Penny Hughes	2000	Director			●	450,000
Urban Jansson	1996	Director	●			650,000
Tuve Johannesson	1997	Director				350,000
Hans-Joachim Körber	2000	Director				350,000
Carl Wilhelm Ros	1999	Director	●	●		650,000
Lars H Thunell	1997	Director, President and Group Chief Executive	●			—
Lars Lundquist	2003	Deputy Director, Deputy President and Deputy Group Chief Executive				—
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				—

● Chariman ● Deputy Chairman ● Director

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	887,997	1.12 ¹⁾	82.40 ¹⁾	1999–2006	2002-02-15
2000	368	4,816,456	4,150,173	1	91.50	2000–2007	2003-03-01
2001	874	6,613,791	5,908,062	1	118.00	2001–2008	2004-03-05
2002	1029	6,790,613	6,545,208	1	106.20	2002–2009	2005-03-07
2003	792	6,200,000	6,078,676	1	81.30	2003–2010	2006-02-27
Total		25,374,857	23,570,116				

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 Exchange during a period of ten banking days in connection with the decision and the publication of the Bank's annual accounts.

Lars Lundquist, Head of Group Staff Lars Gustafsson and Group Credit Officer Liselotte Hjorth, all of whom are Executive Vice Presidents. The GEC has held 27 meetings during 2003.

The Group Credit Committee (GCC) is – next to the Credit Committee of the Board – the highest credit-granting body of the Group. 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 *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 structure and governance 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, for decision by the Board.

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, after consultations with the GEC.

Internal audit, compliance and risk control

The *Internal Audit function of the Group* is an independent examining function, directly subordinated to the Board, 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 of Directors and the President. The Group Audit Manager reports regularly to the Audit and Compliance Committee of the Board and informs the President and the GEC on a regular basis.

The purpose of the compliance activities of the Group is to make sure that all the various operations of the Group are conducted in accordance both with external and internal applicable laws, rules and directives. The task of the Group Compliance Officer, who belongs to Group Legal, is to assist the Board and the President on compliance matters and to co-ordinate the administration of such matters within the Group. The Group Compliance Officer reports regularly to the Audit and Compliance Committee of the Board and informs the President and the GEC regularly about major events within compliance concerning the whole Group.

Through the *risk control function* of the Group the risks of the Group, primarily credit risks, market risks, operational risks, business risks and liquidity risks, are monitored. (See further on page 37).

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

Board of Directors

The Annual General Meeting decides the total compensation amount for the members of the Board. This compensation is then 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 2003 appears from the table on page 45. The compensation is paid out on a running basis during the mandate period.

The President and the Group Executive Committee

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

The compensation to the President and the members of the Group Executive Committee is paid in the form of fixed and variable salary, employee stock options and other benefits such as company car as well as pension benefits. The size of the variable salary is related to the fulfilment of certain quantitative and qualitative goals that have been set. It is maximised, either to a certain percentage of the fixed salary or to a certain amount. The variable salary of the President cannot be more than 50 per cent of his fixed annual salary. Employee stock options form part of the total package of compensation. As a principle, the estimated value of allotted stock options must not exceed 75 per cent of the fixed annual salary of the President and approximately 50 per cent of the fixed annual salary of the other members of the Executive Committee.

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

Employee stock option programme

During the years 1999–2003, the Board of Directors decided to launch employee stock option programmes as part of the total incentive package offered to senior officers, key individuals and certain specialists (a total of 5 per cent of all employees). The purpose of the stock option programmes is to stimulate a long term engagement in SEB, to strengthen the overall view of SEB and to deepen the sense of participation, to stimulate the value increase in SEB and to offer opportunities of taking part of SEB's long term success and value creation. The employee stock option programmes constitute one way of keeping other salary costs down for SEB.

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. Allotment has presumed freezing or reduction of cash salary (fixed and/or variable salary). The employee stock options are subject to special tax rules, which means that those who have been allotted stock options will not

be subject to tax before they exercise their options. When exercised, the value of the employee stock options, calculated as the difference between exercise price and the share market price when the option is exercised, is treated as the holder's earned income; the corresponding social security contributions will be paid by the Bank. The size of the programmes appears from the table on page 45 and the number of employee stock options allotted to the President and the Group Executive Committee appears from Note 9.

Employee stock options cannot be sold nor pledged which means that they do not have any market value. However, an estimated value has been calculated according to an established option model. When calculating this estimated value the fact that the options cannot be exercised during the first three years has been considered. The estimated value at the time of allotment under each respective programme has varied between SEK 15 and 17 per employee stock option.

Of the total number of employee stock options under the 2003 stock option programme, the President and the Group Executive Committee were allotted approximately 15 per cent and other senior officers, key individuals and specialists approximately 85 per cent.

In February 2004, the Board resolved to propose that the Annual General Meeting should decide on a new employee stock option programme for 2004, based upon maximum 6,200,000 employee stock options, mainly on conditions and principles similar to those applicable to the 1999–2003 programmes, to approximately 700 senior officers and key individuals. The employee stock option programme proposed by the Board for 2004 meets with the SEB employee stock option plan established earlier. At allotment, the Group Executive Committee is estimated to receive about 1,100,000 employee stock options including the President. The remaining approximately 5,100,000 options is estimated to be allocated to approximately 700 senior officers and key individuals. The options are proposed to have a term of seven years and to be used to acquire one Class A share in the Bank per option, alternatively the possibility to receive a cash amount after an initial qualifying period of three years. The exercise price of each share is proposed to be SEK 120, an amount corresponding to 110 per cent of the average closing price of Class A shares in the Bank on the Stockholm Exchange in the period as from and including 13 February to and including 26 February 2004. An amendment is proposed to limit the cash amount payable under the programme, to SEK 220 per option, and a corresponding limitation of the number of shares that may be acquired by the optionholder under the programme. It is further proposed to include that the Bank shall prematurely terminate the programme, if the market price for the Class A shares in SEB during the exercise period is equal to or above the limit (based on the closing listed price at the Stockholm Exchange), with a right for the optionholders to receive a cash amount or a recalculated number of shares corresponding to the limit. The estimated value of the options under the programme is calculated to be approximately SEK 17 per option.

Including the 2004 programme, the total number of employee stock options outstanding (1999–2004) will comprise approximately 29,700,000 shares, which corresponds to approximately 4.3 per cent of the total number of SEB shares outstanding. Recurrent programmes would amount to a total of approximately 5 per cent of the shares in SEB.

The price increase that may arise during the validity of the employee stock options and the associated social costs represent a risk to the Bank. As regards the 1999–2001 programmes, this risk has been hedged through swap agreements with third parties. The cost of these hedging arrangements is calculated as the difference between the dividend level of the SEB share and the running financing cost for the number of underlying shares. Due to the hedging arrangement, shareholders' equity will be fully compensated and remain intact. The 2002 and 2003 employee stock option programmes have been hedged through a repurchase of own shares according to a decision by the Annual General Meeting (see below). The social costs are hedged through swap agreements.

It is proposed to hedge also the proposed 2004 employee stock option programme through a repurchase of own shares and through swap agreements as regards the social costs.

Repurchase of own shares

The 2003 Annual General Meeting authorised the Board of Directors to decide to repurchase own shares in the stock market. On 8 May 2003, 6,200,000 Class A-shares (nominal value SEK 10) were purchased at the average price of SEK 79.50 (exercise price: SEK 81.30). The repurchased shares replaced an existing hedging arrangement in the form of a swap agreement. The shares will be used for delivery to those employee stock option holders who exercise their stock options under the 2003 programme. Shares that are not used for that purpose may be sold in the stock market.

The number of own shares held by the Bank appears from 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%
Total	13,200,000			

1) Average price at time of purchase

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.

SEB's Board of Directors has decided to propose to the Annual General Meeting to authorise the Board of Directors to decide to repurchase own shares in the stock market during the period up to the 2005 Annual General Meeting in order to hedge the Bank against the costs of the 2004 employee stock option programme. Such authorisation will comprise the purchase of maximum 6,200,000 Class A shares corresponding to approximately 1 per cent of all the shares in the Bank. It is proposed that the resolution of the Annual General Meeting should also allow the transfer of repurchased shares to the employee stock option holders under the 2004 programme according to the conditions of the programme. The Board of Directors should also be given a mandate to sell in the stock market, during the period up to the 2005 Annual General Meeting, the shares which have been repurchased under the 2002, 2003 and 2004 programmes that are not used for delivery to the stock option holders. Purchases and sales in the stock market may only be made at a price within the price interval registered on the Stockholm Exchange at each time, which means the interval between the highest bid price and the lowest asked price.

The Board has furthermore decided to propose that the Annual General Meeting authorise the Board to decide to repurchase own shares on the Stockholm Exchange during the period up to the 2005 Annual General Meeting in order to create possibilities for the improvement of the capital structure of the Bank. This authorisation is proposed to comprise 20,000,000 Class A shares and/or Class C shares, totalling a purchase price not exceeding SEK 2,300,000,000. Purchases may only be made in the stock market at a price within the price interval registered on the Stockholm Exchange at each time, which means the interval between the highest bid price and the lowest asked price.

As in previous years and according to Chapter 4, § 5 of the Act (1991:981) on Securities Business, the Board of Directors has decided to propose to the Annual General Meeting to decide that the Bank – in addition to the abovementioned repurchase and during the period up to the next Annual General Meeting – may purchase own Class A shares and Class C shares on a continuous basis in its securities business up to such a number as at each time means that the holding of such shares does not exceed three per cent of all the shares in the Bank. The price of purchased shares shall equal the market price prevailing at each time.

Previously repurchased shares and the new proposed repurchases of own shares are accommodated within the limit, 10 per cent of the total number of shares in SEB, that is permitted under applicable law.

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 regulations of the Swedish Financial Supervisory Authority ("FSA") and the prevailing recommendations of the Swedish Financial Accounting Standards Council ("SFASC"), whenever allowed under the FSA directives.

New accounting principles

The new accounting principles of the SFASC, effective as from 2003, have been taken into consideration without causing any essential change in SEB's financial reporting. Segment reporting follows the earlier business area reporting but includes certain additional information (see below under Segment reporting and Note 57). Buildings held for investment purposes appear among the subsidiaries but not in the parent company (see below under Tangible fixed assets). Events that have occurred after the closing date are described in the annual report.

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 Bank 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 Bank's normal credit quality standards but is not classified as doubtful. The Bank'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.

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 other liabilities. 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 rule 24. The transition from earlier accounting principles has not led to any significant change.

Intangible fixed assets

Development expenditures are capitalised only if it results 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 has been determined. If the book value 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 taxable and reported result and between written-down and book values of assets and liabilities lead to deferred tax claims and tax liabilities. 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. Such provisions are examined every closing date and adjusted, if necessary.

Pension commitments

The pension commitments of the Group with respect to preferential pensions are covered by the pension funds of the Group, through insurance or through allocations on the balance sheet.

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.

Pensions

Imputed pension costs are reported as staff costs in the profit and loss account in accordance with prevailing regulations for Swedish companies whose pension commitments are covered by pension funds. Such imputed pension costs are classified as appropriations.

Swedish companies that have pension funds compensate themselves for pension disbursements made, for pension-related social charges paid on behalf of the beneficiaries of each respective pension fund and for other pension fees from their pension funds, provided the financial position of the pension funds makes this possible. Pension disbursements and compensation from the pension funds are also reported among appropriations.

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. 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 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. 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 2002, unless otherwise stated. Percentage changes refer to comparisons with 2002, unless otherwise stated.

Re-classification of the figures for 2002 has been made in relation to the 2003 form of presentation.

Exchange rates for SEB's home markets

	Profit and loss account			Balance sheet		
	2003	2002	Change, %	2003	2002	Change, %
DKK	1.228	1.233	0	1.219	1.232	-1
EEK	0.583	0.585	0	0.580	0.585	-1
EUR	9.124	9.160	0	9.072	9.149	-1
NOK	1.142	1.220	-6	1.077	1.258	-14
LTL	2.643	2.648	0	2.627	2.65	-1
LVL	14.252	15.784	-10	13.562	14.937	-9
SEK	1.000	1.000	0	1.000	1.000	0

Operational Profit and Loss Account

Group

SEKm	2003	2002	Change, %
Net interest income	13,782	13,719	0
Net commission income	10,218	9,975	2
Net result of financial transactions	2,084	2,409	-13
Other operating income	987	1,275	-23
Total income	27,071	27,378	-1
Staff costs	-11,157	-11,297	-1
Pension compensation	658	948	-31
Other operating costs	-6,191	-6,923	-11
Amortisation of goodwill	-616	-544	13
Depreciation and write-downs	-829	-933	-11
Restructuring costs		-200	-100
Total costs	-18,135	-18,949	-4
Net credit losses etc ¹⁾	-1,006	-828	21
Write-downs of financial fixed assets	-64	-29	121
Net result from associated companies	19	-104	
Operating result from insurance operations ²⁾	78	-56	
Operating result	7,963	7,412	
Taxes	-2,247	-2,057	9
Minority interests	-12	-37	-68
Net profit for the year	5,704	5,318	7
1) Including change in value of seized assets			
2) Result from SEB Trygg Liv, non-life and pertaining goodwill amortisation of which SEB Trygg Liv	149	40	
Change in surplus values, net	1,739	1,303	33

Operational Profit and Loss Account by division

2003, SEKm	Nordic Retail & Private Banking	Corporate & Institutions	German Retail & Mortgage Banking	SEB Asset Management	SEB Baltic & Poland	SEB Trygg Liv	Other incl. eliminations	SEB-Group
Net interest income	4,247	4,603	3,398	83	1,370		81	13,782
Net commission income	3,326	3,659	1,216	1,235	659		123	10,218
Net result of financial transactions	151	1,809	-17	3	205		-67	2,084
Other operating income	173	207	221	18	108		260	987
Total income	7,897	10,278	4,818	1,339	2,342		397	27,071
Staff costs	-2,900	-3,464	-2,331	-550	-696		-1,216	-11,157
Pension compensation	326	165		29	2		136	658
Other operating costs	-2,392	-2,171	-1,193	-330	-503		398	-6,191
Amortisation of goodwill	-52	-56		-7	-49		-452	-616
Depreciation and write-downs	-55	-111	-236	-26	-196		-205	-829
Total costs	-5,073	-5,637	-3,760	-884	-1,442		-1,339	-18,135
Net credit losses etc ¹⁾	-194	-186	-573		-84		31	-1,006
Write-downs of financial fixed assets		-14	-2		-3		-45	-64
Net result from associated companies	-17	-26	40		30		-8	19
Operating result from insurance operations						149	-87	78
Operating result	2,613	4,415	523	455	859	149²⁾	-1,051	7,963

1) Including change in value of seized assets.

2) Result from on-going business in SEB Trygg Liv amounted to SEK 1,888m (1,343), of which change in surplus values net SEK 1,739m (1,303).

Statutory Profit and Loss Accounts

SEKm	Note	GROUP			PARENT COMPANY		
		2003	2002	Change, %	2003	2002	Change, %
Income							
Interest income	1	43,671	49,094	-11	20,027	24,824	-19
Leasing income	2				781	658	19
Interest costs	3	-29,889	-35,375	-16	-15,018	-19,738	-24
Dividends received	4	126	86	47	1,337	895	49
Commission income	5	12,356	11,775	5	5,091	5,010	2
Commission costs	6	-2,138	-1,800	19	-875	-868	1
Net result of financial transactions	7	2,084	2,409	-13	1,570	1,734	-9
Other operating income	8	861	1,189	-28	897	655	37
Income from banking operations		27,071	27,378	-1	13,810	13,170	5
Costs							
Administrative costs	9	-17,348	-18,220	-5	-9,271	-9,518	-3
Depreciation and write-downs of tangible and intangible fixed assets	10	-1,445	-1,477	-2	-340	-291	17
Restructuring costs	11		-200	-100		-109	-100
Costs from banking operations		-18,793	-19,897	-6	-9,611	-9,918	-3
Profit from banking operations, before credit losses		8,278	7,481	11	4,199	3,252	29
Net credit losses	12	-981	-819	20	-121	-88	38
Change in value of seized assets	13	-25	-9	178		5	-100
Write-down of financial fixed assets	14	-64	-29	121	-416	-405	3
Net result from associated companies	15	19	-104				
Operating profit from banking operations		7,227	6,520	11	3,662	2,764	32
Operating result from insurance operations	16	78	-56				
Operating profit		7,305	6,464	13	3,662	2,764	32
Pension compensation	17	658	948	-31	590	745	-21
Profit before appropriations, tax and minority interests		7,963	7,412	7	4,252	3,509	21
Appropriations	17				-1,533	-1,406	9
Tax for the year	18	-2,163	-1,975	10	-355	-358	-1
Other taxes	18	-84	-82	2	-80	-118	-32
Minority interests	19	-12	-37	-68			
Net profit for the year		5,704	5,318	7	2,284	1,627	40
Earnings per share, SEK		8.22	7.60				
Weighted number of shares, million		694	700				

The employee stock option programmes may entail a limited dilution.

Balance Sheets

31, December

SEKm	Note	GROUP			PARENT COMPANY		
		2003	2002	Change, %	2003	2002	Change, %
Assets							
Cash and deposits with central banks	20	9,707	13,469	-28	2,099	6,460	-68
Eligible Treasury Bills etc.	21	76,409	87,842	-13	28,680	44,960	-36
Lending to credit institutions	22	179,308	150,380	19	228,077	226,682	1
Lending to the public	23	707,459	680,206	4	219,643	231,531	-5
Bonds and other interest-bearing securities	24	112,860	108,137	4	130,022	111,992	16
Shares and participations	25	11,297	9,006	25	7,478	3,117	140
Shares and participations in associated companies	26	1,254	1,642	-24	1,048	1,048	
Shares and participations in Group companies	27				47,580	45,742	4
Assets in insurance operations	28	62,742	52,318	20			
Intangible fixed assets	29	10,486	10,829	-3			
Tangible assets	30	3,889	4,229	-8	12,687	11,989	6
Other assets	31	96,032	111,870	-14	92,934	103,799	-10
Prepaid expenses and accrued income	32	7,950	11,184	-29	3,658	6,627	-45
Total		1,279,393	1,241,112	3	773,906	793,947	-3
Liabilities, provisions and shareholders' equity							
Liabilities to credit institutions	33	246,852	234,289	5	197,619	234,673	-16
Deposits and borrowing from the public	34	494,036	499,542	-1	302,822	295,057	3
Securities issued, etc.	35	218,507	205,156	7	48,047	48,985	-2
Liabilities in insurance operations	36	60,641	50,163	21			
Other liabilities	37	166,652	159,084	5	159,966	149,098	7
Accrued expenses and prepaid income	38	11,696	13,197	-11	2,967	4,944	-40
Provisions	39	8,211	8,337	-2	167	433	-61
Total liabilities and provisions		1,206,595	1,169,768	3	711,588	733,190	-3
Subordinated liabilities	40	24,261	25,326	-4	21,567	22,245	-3
Minority interests	41	73	322	-77			
Untaxed reserves	42				13,430	11,897	13
Share capital		7,046	7,046		7,046	7,046	
Restricted reserves		29,512	27,822	6	12,345	12,794	-4
Retained earnings		6,202	5,510	13	5,646	5,148	10
Net profit for the year		5,704	5,318	7	2,284	1,627	40
Total shareholders' equity	43	48,464	45,696	6	27,321	26,615	3
Total		1,279,393	1,241,112	3	773,906	793,947	-3
Memorandum items							
Collaterals pledged for own liabilities	44	89,464	119,002	-25	68,839	91,689	-25
Other pledged collaterals	45	78,902	69,498	14	29,591	24,387	21
Contingent liabilities	46	41,022	43,646	-6	39,601	39,124	1
Commitments	47	179,514	179,039	0	125,710	127,565	-1

Cash flow analysis

SEKm	GROUP			PARENT COMPANY		
	2003	2002	Change, %	2003	2002	Change, %
Interest received	46,353	48,765	-5	22,721	25,310	-10
Interest paid	-32,013	-36,185	-12	-16,955	-19,503	-13
Commission received	12,356	12,027	3	5,042	5,323	-5
Commission paid	-2,138	-2,436	-12	-755	-878	-14
Net received from financial transactions	2,059	2,400	-14	1,570	1,739	-10
Other income	2,428	1,270	91	1,385	670	107
Paid expenses	-16,743	-19,570	-14	-7,829	-10,171	-23
Taxes paid	-1,935	-1,266	53	-939	-1,019	-8
Cash flow, from the profit and loss statement	10,367	5,005	107	4,240	1,471	188
Increase (-)/decrease (+) in trading portfolios	-4,565	-49,437	-91	-12,750	-49,324	-74
Increase (+)/decrease (-) in issued short term securities	7,754	11,599	-33	-4,826	-2,014	140
Increase (-)/decrease (+) in lending to credit institutions	-37,969	15,496		-11,345	-9,400	21
Increase (-)/decrease (+) in lending to the public	-40,580	-60,042	-32	4,419	-14,617	
Increase (+)/decrease (-) in liabilities to credit institutions	26,561	23,998	11	-23,546	42,292	
Increase (+)/decrease (-) in deposits and borrowings from the public	5,950	44,660	-87	15,686	28,859	-46
Change in other balance sheet items	25,386	13,616	86	23,395	14,186	65
Cash flow, current operations	-7,096	4,895		-4,727	11,453	-141
Sales of shares and bonds		334	-100	207	1,905	-89
Sales of intangible and tangible fixed assets	212	473	-55		43	-100
Dividends and Group contributions	16	26	-38	2,882	2,541	13
Investments in subsidiaries				-2,715	-6,731	-60
Investments in shares and bonds	1,605	-814		-473	-1,719	-72
Investments in intangible and tangible assets	-1,227	-2,013	-39	-1,048	-2,182	-52
Cash flow, investment activities	606	-1,994	-130	-1,147	-6,143	-81
Issue of securities and new borrowings	69,236	42,401	63	15,611	8,659	80
Repayment of securities	-57,586	-39,338	46	-6,106	-9,333	-35
Dividend paid	-2,818	-2,818		-2,818	-2,818	
Cash flow, financing activities	8,832	245		6,687	-3,492	
Cash flow for the period	2,342	3,146	-26	813	1,818	-55
Liquid funds at beginning of year	13,469	11,633	16	6,460	5,701	13
Exchange rate differences in liquid funds	-824	38		-650	250	
Exchange rate differences in balance sheet items	-5,280	-1,348		-4,523	-1,309	
Cash flow for the period	2,342	3,146	-26	813	1,818	-55
Liquid funds at end of period ¹⁾	9,707	13,469	-28	2,100	6,460	-67

1) Liquid funds at end of period

Cash	4,239	4,800		1,720	1,788	
Deposits with central banks	5,468	8,669		380	4,672	
Total	9,707	13,469		2,100	6,460	

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

SEKm, unless otherwise stated.

1 Interest income

	Group		Parent company	
	2003	2002	2003	2002
Lending to credit institutions	4,133	6,066	5,772	8,436
Lending to the general public	32,816	35,727	8,796	11,086
Interest-bearing securities ¹⁾	7,210	6,797	5,055	4,939
Other interest income ²⁾	-488	504	404	363
Total	43,671	49,094	20,027	24,824
1) Of which, classified as current assets.	5,431	6,643	4,965	4,761
2) Refers principally to interest rate swaps connected to hedge accounting.				
Interest income from Group companies			4,059	5,266
Average rate of interest on lending to the general public	4.99%	5.43%	4.05%	4.67%

2 Leasing income¹⁾

	Parent company	
	2003	2002
Leasing income	781	658
Leasing depreciation according to plan	-281	-204
Total	500	454

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

3 Interest costs

	Group		Parent company	
	2003	2002	2003	2002
Liabilities to credit institutions	-5,502	-8,336	-5,311	-7,663
Deposits and borrowing from the general public	-12,493	-15,376	-6,202	-8,090
Interest-bearing securities	-8,283	-8,523	-1,041	-1,497
Subordinated liabilities	-1,429	-1,512	-1,114	-1,310
Other interest costs	-2,182	-1,628	-1,350	-1,178
Total	-29,889	-35,375	-15,018	-19,738
Interest payable relating to Group companies			-1,531	-1,561
Average rate of interest on deposits from the general public	2.67%	3.34%	2.36%	3.16%

Net interest earnings

Interest income	43,671	49,094	20,027	24,824
Leasing income			781	658
Interest costs	-29,889	-35,375	-15,018	-19,738
Leasing depreciation according to plan			-281	-204
Total	13,782	13,719	5,509	5,540

4 Dividends received

	Group		Parent company	
	2003	2002	2003	2002
On Shares/participations (Note 25)	101	56	21	5
On Shares/participations from associated companies (Note 26) ¹⁾	25	30	3	26
On Shares/participations from Group companies (Note 27)			1 313	864
Total	126	86	1,337	895

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

5 Commission income

	Group		Parent company	
	2003	2002	2003	2002
Payment commissions	4,156	3,693	1,110	1,182
Lending commissions	940	796	640	480
Deposit commissions	170	123	67	66
Guarantee commissions	198	201	122	130
Securities commissions	5,183	5,279	2,155	2,361
Other commissions	1,709	1,683	997	791
Total	12,356	11,775	5,091	5,010

6 Commission costs

	Group		Parent company	
	2003	2002	2003	2002
Payment commissions	-1,279	-1,065	-488	-509
Securities commissions	-198	-226	-61	-61
Other commissions	-661	-509	-326	-298
Total	-2,138	-1,800	-875	-868

7 Net result of financial transactions

	Group		Parent company	
	2003	2002	2003	2002
Shares/participations	494	275	92	584
Interest-bearing securities	804	666	883	430
Other financial instruments	-340	-200	-138	-598
Realised result	958	741	837	416
Shares/participations	507	-97	10	3
Interest-bearing securities	-337	696	-331	616
Other financial instruments	-946	-567	-540	-435
Unrealised changes in value	-776	32	-861	184
Exchange rate fluctuations	1,896	1,410	1,594	1,070
Debt redemption	6	226		64
Total	2,084	2,409	1,570	1,734

8 Other operating income

	Group		Parent company	
	2003	2002	2003	2002
Capital gains on fixed assets	297	444	106	93
Other income	564	745	791	562
Total	861	1 189	897	655

9 Administrative costs

	Group		Parent company	
	2003	2002	2003	2002
Staff costs	-11,157	-11,297	-5,239	-5,153
Other costs	-6,191	-6,923	-4,032	-4,365
Total	-17,348	-18,220	-9,271	-9,518

Note 9 ctd. Administrative costs

Staff costs	Group		Parent company	
	2003	2002	2003	2002
Salaries and remuneration	-7,798	-7,818	-3,544	-3,431
Imputed pension costs	-319	-309	-272	-262
Pension premiums paid	-485	-525	-65	-89
Payroll overhead	-1,993	-2,021	-1,111	-1,068
Profit share		-117		-75
Other staff costs	-562	-507	-247	-228
Total	-11,157	-11,297	-5,239	-5,153

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 235m (656) for early retirement have been charged to the pension funds of the Bank.

Other operating costs

Costs for premises	-1,697	-1,943	-922	-1,030
Data costs	-1,508	-1,784	-1,672	-1,689
Stationery	-307	-345	-160	-185
Travel and entertainment	-331	-349	-164	-181
Postage and telecommunications	-386	-456	-177	-196
Consultants	-405	-385	-223	-222
Marketing	-436	-499	-144	-234
Information services	-250	-250	-117	-137
Other operating costs	-871	-912	-453	-491
Total	-6,191	-6,923	-4,032	-4,365

Fees and expense allowances to appointed auditors and audit firms^{1) 2)}

Pricewaterhouse Coopers	32	28	6	5
BDO Feinstein Revision ³⁾	1	1	1	1
Audit assignments	33	29	7	6
Pricewaterhouse Coopers	8	15	2	4
Deloitte & Touche ³⁾		37		5
Other assignments	8	52	2	9

1) The audit has been performed in a mutual process with the internal audit team of SEB. The cost for internal audit 2003 is SEKm 99 (107).

2) The parent company includes the foreign branches.

3) The auditor appointed by the Financial Supervisory Authority was employed by Deloitte & Touche in 2002.

Salaries, remuneration and benefits of the top management and the members of the Group Executive Committee

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

Salaries, remuneration and other compensation to the top management, carried as an expense, SEK

	Fixed salary		Variable salary		Remuneration		Benefits		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
<i>Chairman of the Board</i>										
Jacob Wallenberg					1,400,000	1,300,000	38,659	85,975	1,438,659	1,385,975
<i>Director</i>										
Tuve Johannesson					350,000	275,000	10,000*	-	360,000	275,000
<i>President</i>										
Lars H Thunell	5,315,634	5,284,319	2,300,000	2,100,000			214,908	163,356	7,830,542	7,547,675
	5,315,634	5,284,319	2,300,000	2,100,000	1,750,000	1,575,000	263,567	249,331	9,629,201	9,208,650

*Congratulatory donation

Under the pension agreement of the President, pension is payable from the age of 58. The pension plan is predefined and inviolable. 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. The size of the pension is maximised. Pensionable income consists of fixed salary plus 50 per cent of the average of the 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.

To the other members of the Group Executive Committee (eight officers during three months, thereafter seven officers in addition to Lars H. Thunell) the salaries and benefits specified in the table below have been paid in total.

Compensation to the Group Executive Committee, carried as an expense, SEK

	Fixed Salary		Variable Salary		Benefit		Total			
	2003	2002*	2003	2002*	2003	2002*	2003	2002*		
<i>President</i>										
Lars H Thunell			5,315,634	5,284,319	2,300,000	2,100,000	214,908	163,356	7,830,542	7,547,675
Group Executive Committee (eight persons during 3 months, thereafter seven excl the President)	23,605,085	28,168,541	17,919,600	21,446,000	1,064,406	1,123,233	42,589,091	50,737,774		

* The number and persons partly different from 2003.

Note 9 ctd. Administrative costs

	Employee stock options (calculated value) 2003		Pension costs		Total	
	2003	2002*	2003	2002*	2003	2002*
<i>President</i> Lars H Thunell	3,474,270	3,937,506	10,093,025	9,654,767	13,567,295	13,592,273
Group Executive Committee (eight during 3 months, thereafter seven excl the President)	10,696,980	14,623,247	24,416,280	32,849,456	35,113,260	47,472,703

* The number and persons partly different from 2003.

As regards pension benefits and severance pay the following is applicable to the members of the Group Executive Committee (excluding Lars H. Thunell). The pension plan is predefined and inviolable. Retirement pension is payable, varying, from the age of 57 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 fixed 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 between 12 and 24 months' salary. The Bank has the right to make deductions from such severance pay of any cash payments that the relevant Executive may receive from another employer or through his/her own business.

The pension cost relating to the President SEK 10,093,025, and the total pension costs relating to the rest of the Group Executive Committee SEK 24,416,280, has been charged to staff costs. This amount has in all essentials been absorbed through a surplus in the pension funds.

Employee stock option programme

The first employee stock option programme of the Group was introduced in 1999 as part of an incentive package for senior officers and certain key individuals. After that, employee stock option programmes have also been decided for the years 2000-2003. The Board of Directors has proposed that the Annual General Meeting shall resolve on an employee stock option programme for 2004. The programmes are described in more detail on page 46.

The following table shows how many employee stock options of each respective programme that have been allotted to the President and the total number of stock options that have been allotted to the other members of the Group Executive Committee (seven officers in addition to Lars H Thunell as per 31 December 2003). As a principle, the calculated value of allotted employee stock options shall not exceed 75 per cent of the yearly fixed salary for the President and approx. 50 per cent of the yearly fixed salary for the other members of the Group Executive Committee.

Employee Stock Options to the President and the Group Executive Committee	1999	2000	2001	2002	2003	Total
<i>President</i> Lars H Thunell	158,333	262,500	231,618	231,618	231,618	1,115,687
<i>Other members of the Group Executive Committee (7 persons)¹⁾</i>	339,999	497,499	488,360	766,073	707,249	2,799,180

Employee stock options cannot be sold nor pledged, which means that they do not have any market value. However, the calculated value for the 2003 programme according to the Black & Scholes' model at the time for the allotment was SEK 15 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 has to be considered. The calculated value of the stock options allotted to

the President during 2003 amounted to SEK 3,474,270 and the corresponding calculated value of the stock options allotted to the Group Executive Committee during 2003 amounted to SEK 10,696,980.

The social costs in 2003 related to the employee stock option programme totalled SEK 75,683,685 which has been charged to staff costs. The hedging effect of the corresponding amount has been added to shareholders' equity.

Salaries and remuneration	Group		Parent company	
	2003	2002	2003	2002
Boards of Directors, Managing Directors and deputy CEO	-374	-370	-11	-10
Other employees in Sweden	-4,409	-4,502	-2,876	-2,746
Other employees outside Sweden ¹⁾	-3,334	-3,290	-657	-675
Charged to insurance operations	319	344		
Total	-7,798	-7,818	-3,544	-3,431

1) Of which SEK 481m refers to employees in Rest of Nordic region, SEK 2,567m in Rest of Europe and SEK 286m in Rest of world for 2003.

Loans to Executives

Managing Directors and Deputy Managing Directors	110	157	17	20
Boards of Directors	181	201	20	13
Total	291	358	37	33

Pension commitments to Executives

Pension disbursements made	66	63	26	27
Change in commitments	27	69	22	51
Commitments at year-end	1 120	1 090	541	492

The above commitments are covered by the Bank's pension funds or through Bank-owned endowment assurance schemes.

Pension funds	Pension commitments		Market value of asset ¹⁾	
	2003	2002	2003	2002
SB-stiftelsen, Skandinaviska Enskilda Bankens pensionsstiftelse	4,812	4,639	5,715	5,735
EB-stiftelsen, Skandinaviska Enskilda Bankens pensionsstiftelse	5,263	5,088	6,886	6,622
SEB Kort AB:s pensionsstiftelse	161	152	174	179
SEB IT Partner AB:s pensionsstiftelse	225	205	247	228
SEB IT Service AB:s pensionsstiftelse	185	175	191	176
Total	10,646	10,259	13,213	12,940

1) Deduction from the funds assets have been made for the profit share that is charged to the companies results and for which they have the right to compensate themselves the next year.

Note 9 ctd. Administrative costs

Average number of employees	Group		Parent company	
	2003	2002	2003	2002
Parent company	6,658	6,973	6,658	6,973
Swedish subsidiaries	2,291	2,398		
Non-Swedish subsidiaries	9,118	9,632		
Total	18,067	19,003	6,658	6,973

Number of hours worked 11,410,480 12,004,020

Average number of employees 2003	Group		Parent company	
	Men	Women	Men	Women
Brazil	2	2	2	2
China		2		2
Denmark	207	170	56	33
Estonia	370	1,008		
Germany	2,011	2,056		
Great Britain	147	94	100	60
Finland	141	143	37	42
France	15	20	6	17
Ireland	8	7		
Latvia	376	820		
Lithuania	591	1,074		
Luxembourg	98	79		
Norway	236	258	74	44
Poland	29	24		
Switzerland	7	3		
Singapore	28	47	27	47
Spain	3	2		
Sweden	4,135	5,119	2,803	3,919
USA	51	28		
Total	8,455	10,956	3,105	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	
	2003	2002	2003	2002
Amortisation of goodwill	-616	-544		
Other intangible fixed assets	-98	-44		
Office equipment	-673	-832	-59	-87
Equipment leased to clients			-281	-204
Properties for own operations	-55	-54		
Investment properties	-3	-3		
Total	-1,445	-1,477	-340	-291

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.

11 Restructuring costs

	Group		Parent company	
	2003	2002	2003	2002
Merger costs				
Restructuring costs		-49		-25
Provision to restructuring reserve ¹⁾		-151		-84
Total		-200		-109

1) Provision to restructuring reserve

Salaries and remuneration	-82	-42
Costs for premises	-13	-4
Other costs	-56	-38
Total	-151	-84

12 Net credit losses

	Group		Parent company	
	2003	2002	2003	2002
Write-downs and provisions for loans to credit institutions to the general public	-2,576	-2,085	-358	-442
Write-downs and provisions	-2,576	-2,085	-358	-442
Reversals and recoveries of loans to credit institutions to the general public	1,595	1,266	237	354
Reversals and recoveries	1,595	1,266	237	354
Total	-981	-819	-121	-88
<i>Specific provision for individually appraised loans:</i>				
Reported write-down, incurred losses	-1,845	-1,845	-317	-501
Reversal of previous provisions for probable losses, reported as incurred losses in current years accounts	1,257	1,155	246	427
Reported provision for probable losses	-1,741	-1,240	-288	-343
Recovered from losses incurred in previous years	330	415	51	134
Reversal of previous provisions for probable losses	577	564	69	137
Net cost	-1,422	-951	-239	-146
<i>Collective provision for individually appraised loans:</i>				
Allocation to/withdrawal from reserve	456	-25	118	-25
<i>Provisions for homogenous groups of loans:</i>				
Reported write-down, incurred losses	-183	-130		
Reported provision for possible losses, net	6	5		
Recovered from losses incurred in previous years	53	36		
Net cost	-124	-89		
<i>Transfer risk reserve:</i>				
Allocation to/withdrawal from reserve	56	161		83
<i>Contingent liabilities:</i>				
Allocation to/withdrawal from reserve	53	85		
Net credit losses	-981	-819	-121	-88

13 Change in value of seized assets

	Group		Parent company	
	2003	2002	2003	2002
Properties taken over	1	3		
Other assets taken over	1	5		5
Realised change in value	2	8		5
Properties taken over	-20	-4		
Other assets taken over	-7	-13		
Unrealised change in value	-27	-17		
Total	-25	-9		5

14 Write-down of financial fixed assets

	Group		Parent company	
	2003	2002	2003	2002
Repono Holding AB (formerly Trygg Hansa AB)			-328	-353
BD Ventures Ltd		-5		-5
Knight Roundtable Europe Ltd		-6		-6
Frontville AB	-14		-14	
GSTPA Global Straight Through Processing AG	-4		-4	
SEB Asset Management Fondsmæglerelskab A/S				-16
SEB Baltic Holding AB				-6
SEB Fondholding AB			-31	-9
SEB TFI SA				-10
Scandinavian Securities AB			-2	
b-business Partners b.v.	-27		-27	
Other	-19	-18	-10	
Total	-64	-29	-416	-405

15 Net result from associated companies¹⁾

	Group	
	2003	2002
Bank Ochrony Środowiska (BOŚ)	14	-62
VPC	36	19
Other	-31	-61
Total	19	-104

1) Net of goodwill amortisation.

16 Operating result from insurance operations

	Group	
	2003	2002
Non-life operations	102	68
Life operations	-24	-124
Total	78	-56

Profit and loss account for the insurance operations is drawn up in accordance with the Annual Accounts Act for Insurance Companies (AAIC) is shown in note 56.

17 Appropriations incl pension compensation

	Group		Parent company	
	2003	2002	2003	2002
Recovery of imputed pension premiums	319	309	272	262
Compensation from pension funds, social charges and paid pension premiums	339	518	318	400
Compensation from pension funds, pension disbursements	1,000	897	1,000	897
Compensation from pension funds, profit sharing system		121		83
Pension disbursements	-1,000	-897	-1,000	-897
Pension compensation	658	948	590	745
Appropriations to/utilisation of untaxed reserves			-282	159
Release of value adjustment account for lending				1
Difference between book and scheduled depreciation			-1,251	-1,566
Appropriations			-1,533	-1,406
Total	658	948	-943	-661

18 Taxes

	Group		Parent company	
	2003	2002	2003	2002
<i>Major components of tax costs:</i>				
Current tax	-1,402	-1,133	-508	-290
Deferred tax	-761	-842	153	-68
Tax for the year	-2,163	-1,975	-355	-358
Tax regarding previous years	-84	-82	-80	-118
Other taxes	-84	-82	-80	-118
Total	-2,247	-2,057	-435	-476

Relationship between tax costs and accounting profit before tax:

Net profit for the year	5,704	5,318	2,284	1,627
Taxes and minority	2,259	2,094	435	476
Accounting profit before tax	7,963	7,412	2,719	2,103
Tax at the applicable rate of parent company	-2,230	-2,075	-761	-589
Tax effect of local tax rates for subsidiaries	98	-26		
Tax effect of costs that are not tax deductible	-329	-358	-163	-278
Tax effect of revenue that are not taxable	298	484	569	509
Total	-2,163	-1,975	-355	-358

Disclosure of temporary differences¹⁾

Deferred tax liabilities	6,513	5,832	101	275
Deferred tax assets ²⁾	1,490	1,712	21	42
Deferred tax liabilities, net	5,023	4,120	80	233

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	
	2003	2002
Minority's shares of subsidiaries result	-12	-37
Total	-12	-37

20 Cash and deposits with central banks

	Group		Parent company	
	2003	2002	2003	2002
Cash	4,239	4,800	1,719	1,788
Balances with foreign Central Banks	5,468	8,669	380	4,672
Total	9,707	13,469	2,099	6,460

21 Eligible Treasury Bills etc¹⁾

	Group		Parent company	
	2003	2002	2003	2002
Eligible Treasury Bills	52,261	67,107	28,007	44,210
Other eligible securities	24,148	20,735	673	750
Total	76,409	87,842	28,680	44,960
Remaining maturity				
– maximum 1 year	19,320	33,232	4,835	21,301
– 1–5 years	36,043	33,518	16,210	10,808
– 5–10 years	15,375	18,739	3,864	11,802
– more than 10 years	5,671	2,353	3,771	1,049
Total	76,409	87,842	28,680	44,960
Average remaining maturity (years)	3.56	3.12	4.61	3.25
Positive difference between book values and nominal amounts	1,690	2,447	1,354	2,038
Negative difference between book values and nominal amounts	-488	-317	-29	-199

note 21 ctd. Eligible Treasury Bills etc¹⁾

Issuers	Group 2003			Group 2002		
	Accrued acquisition value	Book value	Market value	Accrued acquisition value	Book value	Market value
Swedish State						
Swedish municipalities				1	1	1
Foreign States						
Other foreign issuers	4	4	4	5	5	5
Fixed assets	4	4	4	6	6	6
Swedish State	8,533	8,146	8,146	13,555	13,132	13,132
Swedish municipalities	670	673	673	743	749	749
Foreign States	44,302	44,114	44,754	54,225	53,975	54,689
Other foreign issuers	23,489	23,472	23,652	20,048	19,980	19,959
Current assets	76,994	76,405	77,225	88,571	87,836	88,529
Total	76,998	76,409	77,229	88,577	87,842	88,535

Issuers	Parent company 2003			Parent company 2002		
	Accrued acquisition value	Book value	Market value	Accrued acquisition value	Book value	Market value
Swedish State						
Swedish municipalities				1	1	1
Foreign States						
Other foreign issuers						
Fixed assets				1	1	1
Swedish State	8,533	8,146	8,146	13,555	13,132	13,132
Swedish municipalities	670	673	673	743	749	749
Foreign States	20,068	19,861	19,861	31,336	31,078	31,078
Other foreign issuers						
Current assets	29,271	28,680	28,680	45,634	44,959	44,959
Total	29,271	28,680	28,680	45,635	44,960	44,960

1) Detailed information about the criteria used to classify these securities is provided under Accounting principles.

22 Lending to credit institutions

	Group		Parent company	
	2003	2002	2003	2002
Remaining maturity				
– payable on demand	96,162	102,232	90,303	101,278
– maximum 3 months	39,083	11,465	80,244	96,331
– 3 months – 1 year	15,156	5,519	18,385	12,341
– 1–5 years	21,330	23,328	31,531	11,618
– more than 5 years	7,577	7,836	7,614	5,114
Total	179,308	150,380	228,077	226,682
of which repos	59,530	42,685	60,891	51,987
Average remaining maturity (years)	0.86	1.02	0.84	0.47

23 Lending to the public

	Group		Parent company	
	2003	2002	2003	2002
Remaining maturity				
– payable on demand	64,840	63,562	39,589	44,257
– maximum 3 months	119,253	123,399	72,093	76,522
– 3 months – 1 year	88,451	93,382	28,266	33,570
– 1–5 years	250,469	212,012	58,556	54,438
– more than 5 years	184,446	187,851	21,139	22,744
Total	707,459	680,206	219,643	231,531
of which repos	59,514	66,131	59,117	66,071
Average remaining maturity (years)	3.77	3.81	1.88	1.70

24 Bonds and other interest-bearing securities¹⁾

	Group		Parent company	
	2003	2002	2003	2002
Issued by public agencies	1,102			
Issued by other borrowers	111,758	108,137	130,022	111,992
Total	112,860	108,137	130,022	111,992
Listed securities	109,965	106,706	130,022	111,992
Unlisted securities	2,895	1,431		
Total	112,860	108,137	130,022	111,992
Remaining maturity				
– maximum 1 year	28,813	40,190	40,783	45,644
– 1 – 5 years	51,065	45,956	57,605	45,847
– 5 – 10 years	8,186	5,776	7,289	4,312
– more than 10 years	24,796	16,215	24,345	16,189
Total	112,860	108,137	130,022	111,992
Average remaining maturity (years)	4.00	3.61	4.55	3.75
Positive difference between book values and nominal amounts	1,571	1,037	1,527	975
Negative difference between book values and nominal amounts	-1,610	-1,137	-1,440	-1,111

Issuers	Group 2003			Group 2002		
	Accrued acquisition value	Book value	Market value	Accrued acquisition value	Book value	Market value
Swedish mortgage institutions				150	150	150
Other Swedish issuers;						
– non-financial companies				4	4	4
– other financial companies	2	2	2	3	3	3
Other foreign issuers	2,452	2,525	2,524	3,566	3,596	3,604
Fixed assets	2,454	2,527	2,526	3,723	3,753	3,761
of which subordinated (debentures)	254	254	254	307	307	306
Swedish mortgage institutions	41,627	41,497	41,497	37,328	37,166	37,166
Other Swedish issuers;						
– non-financial companies	2,653	2,648	2,648	1,589	1,582	1,582
– other financial companies	2,221	2,219	2,219	1,650	1,648	1,648
Foreign States	1,122	1,088	1,134	2,893	2,892	2,938
Other foreign issuers	62,948	62,881	62,884	61,075	61,096	61,092
Current assets	110,571	110,333	110,382	104,535	104,384	104,426
of which subordinated (debentures)	2	2	2	1,383	1,566	1,569
Total	113,025	112,860	112,908	108,258	108,137	108,187

Issuers	Parent company 2003			Parent company 2002		
	Accrued acquisition value	Book value	Market value	Accrued acquisition value	Book value	Market value
Swedish mortgage institutions				150	150	150
Other Swedish issuers;						
– non-financial companies				4	4	4
– other financial companies	2	2	2	3	3	3
Other foreign issuers	343	343	343	397	397	397
Fixed assets	345	345	345	554	554	554
of which subordinated (debentures)	254	254	254	307	307	306
Swedish mortgage institutions	53,887	53,757	53,757	43,782	43,620	43,620
Other Swedish issuers;						
– non-financial companies	2,526	2,519	2,519	1,465	1,457	1,457
– other financial companies	2,221	2,219	2,219	1,635	1,633	1,633
Other foreign issuers	71,248	71,182	71,182	64,772	64,728	64,728
Current assets	129,882	129,677	129,677	111,654	111,438	111,438
of which subordinated (debentures)	2	2	2	14	14	14
Total	130,227	130,022	130,022	112,208	111,992	111,992

1) Detailed information about criteria used to classify these securities is provided under Accounting principles.

25 Shares and participations¹⁾

	Group		Parent company	
	2003	2002	2003	2002
Listed securities	9,393	6,487	6,066	1,913
Unlisted securities	1,904	2,519	1,412	1,204
Total	11,297	9,006	7,478	3,117
A. Trading portfolio and other shares, current assets	10,085	7,932	6,642	2,314
B. Shares and participations taken over for protection of claims, current assets	72	80	42	44
C. Other shares and participations, fixed assets	1,140	994	794	759
Total	11,297	9,006	7,478	3,117

A. Trading portfolio and other shares, current assets					
	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Trading portfolio shares			5,725.1		
*Arexis AB, Mölndal	SEK	0.2	39.6		27
*Ascade Holding AB, Stockholm	SEK	0.1	21.5		31
*Ben Rad AB, Stockholm	SEK	0.8	7.2		22
*Biotage AB, Uppsala	SEK	2.7	36.5		5
*Carmen Systems AB, Gothenburg	SEK		1.9		1
*Chinsay AB, Stockholm	SEK	0.3	0.3		19
*Cobolt AB, Stockholm	SEK		12.2		17
*Cresco TI Systems N.V. Curacao, Netherlands Antilles	EUR	1.4	37.4		26
*Crossroad Loyalty Solutions AB, Gothenburg	SEK	0.1	13.0		30
EAC Investco Ltd, Guernsey	GBP		37.1	1.4	
EQT Scandinavia Limited, Guernsey	GBP		3.0		5
*Fält Communications AB, Kalix	SEK	1.5	20.7		37
*HMS Networks AB, Halmstad	SEK	0.2	23.3		5
*IBX Integrated Business Exchange, Stockholm	SEK	3.0	53.4		21
*InDex Pharmaceuticals AB, Stockholm	SEK	0.2	20.0		21
*Information Mosaic Ltd, Dublin (Ireland)	EUR	2.5	37.4		16
*InnKap 1, Gothenburg	SEK		0.1		
*InnKap 2 Partners KB, Gothenburg	SEK		1.3		
*InnKap 3 Sweden KB, Gothenburg	EUR		10.3		3
*Interpeak AB, Stockholm	SEK		13.2		19
*Kreatel Communication AB, Linköping	SEK	0.8	48.2		32
*KTH Seed Capital KB, Stockholm	SEK		1.4		
*LightUp Technologies AB, Huddinge	SEK	0.1	18.0		23
*Mamma Mia Las Vegas Ltd Partnership	USD		1.3		
*Modul 1 Data AB, Solna	SEK	0.3	1.5		2
*Neoventa Medical AB, Gothenburg	SEK	5.4	39.6		44
*Novator AB, Stockholm	SEK	0.2	27.2		38
*NuEvolution A/S, Copenhagen	DKK	0.5	14.5		9
*Phaseln AB, Stockholm	SEK	0.1	9.0		29
*Prodacapo AB, Örnsköldsvik	SEK	0.1	23.3		15
*ProstaLund AB, Lund	SEK	0.1	35.1		8
*Quiatech AB, Uppsala	SEK	0.1	14.0		20
*Radians Innova AB, Gothenburg	SEK		0.2		
*Robolux AB, Lidingö	SEK	1.9	13.9		45
*Spotfire Inc, Cambridge, USA	USD		1.1		
*Sreg.com AB, Helsingborg	SEK	0.9	28.9		21
*Time Care AB, Stockholm	SEK	0.4	19.2		34
*Wavium AB, Stockholm	SEK	0.7	18.2		47
*WeSpot AB, Lund	SEK	0.2	21.1		33
*Vitrolife AB, Gothenburg	SEK	0.2	5.2		1
*XCounter AB, Danderyd	SEK	1.2	42.0		10
Other		0.4	144.6		
Parent company holdings			6,642.0	1.4	
* Investment shares according to §15 A in the Swedish Banking Business Act					
Holdings of subsidiaries			3,443.7	39.7	
Group holdings			10,085.7	41.1	

Notes

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				100
Boliden AB, Upplands Väsby	SEK	4.1	29.4		3
Gamelestadent Intressenter AB, Gothenburg	SEK				17
IFA Ship AB, Stockholm	SEK	0.1	0.1		100
Raffles Holding, Cayman Islands	GBP	1.0	13.0		
Parent company holdings			42.5		
Holdings of subsidiaries			29.6	7.1	10
Group holdings			72.1	7.1	

* 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 per cent, 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				
Adacra AB, Stockholm	SEK				
Adela Investment Company S. A. Luxembourg	USD	2.8			3
Amagerbanken A/S, Copenhagen	DKK	66.8	273.0	13.7	
Ankar Asia Partners L.P., Cayman Island	USD		1.8		8
Ankar Capital Asian Partners Ltd, Cayman Island	USD				
Arcot Systems Inc, San Francisco	USD		43.1		4
Askembla Growth Fund KB, Stockholm	SEK		14.2		25
Banco Finasa de Investimento SA, Sao Paulo	BRL	21.4			4
b-business Partners b.v., Amsterdam	EUR	0.2	276.2		5
BD Ventures Ltd, Jersey	USD				7
Brf Centrum, Hofors	SEK				
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	SEK		0.2		
Brf Räfsan 13, Stockholm	SEK		0.4		
Brf Sälgen 7, Stockholm	SEK		1.4		
Brf Tellusborg, Stockholm	SEK		0.4		
Brf Vedbäraren 19, Stockholm	SEK		4.6		
Chicago Board of Trade, Chicago, USA	USD		7.9		
Chicago Metal Exchange, Chicago	USD		31.6		
CLS Group Holdings AG, Zürich	CHF	3.4	38.3		2
DebiTech AB, Stockholm	SEK	0.2	10.7		18
eAF PTE Ltd, Singapore	USD		3.9		2
EBA Clearing Company, Paris	EUR				
Euroclear Clearance System S. C., Brussels	USD				
Euroclear plc, Zurich	EUR	0.1	5.7	5.2	3
Exchange System Technology Ltd, Great Britain	GBP		6.7		12
Fastighets AB Inedal, Stockholm	SEK	0.8	1.7		6
Frontville AB, Stockholm	SEK	0.3			15
ICICI Bank Limited, Bombay	INR	0.3			
Intercontinental Exchange Inc, Atlanta, USA	GBP		1.6		
Knight Roundtable Europe Limited, Jersey	USD				1
Köbenhavn Fondbörs, Copenhagen	DKK	0.1	0.1	0.1	
London Clearing House Ltd	GBP	0.3	3.8		
Norsk Tillitsmann AS, Oslo	NOK	0.5	0.6	0.2	5
NRC Business Company Limited, Bangkok	THB				12
OM Gruppen AB, Stockholm	SEK		0.2		
S.W.I.F.T., Brussels	EUR	0.1	0.8		1
SIFIDA, Luxembourg	USD	0.2			1
SSI Serach Ltd, Sutton (GB)	GBP		10.1		50
Tradeplex Limited, London	GBP		13.6		25
Verdipapirsentralen Holding ASA (VPS), Oslo	NOK	2.9	24.1		6
Parent company holdings			793.7	19.2	
Holdings of subsidiaries			345.9	33.8	
Group holdings			1,139.6	53.0	

1) Detailed information about criteria used to classify these securities is provided under Accounting principles. Detailed information will be provided by the Bank upon request.

26 Shares and participations in associated companies¹⁾

	Group		Parent company	
	2003	2002	2003	2002
Listed securities	862	983	785	785
Unlisted securities	392	659	263	263
Total	1,254	1,642	1,048	1,048
of which, holdings in credit institutions	871	1,272	814	814

	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Bank Ochrony Środowiska (BOŚ), Warszaw	PLN	28.9	785.1	0.4	22
Bankomatcentralen AB, Stockholm	SEK	0.1	0.2		22
BGC Holding AB, Stockholm	SEK		3.7	2.1	33
Haugerud Regnskap A/S, Hønefoss	NOK	0.1	11.7		34
Privatgirot AB, Stockholm	SEK	0.2	0.1		24
Svensk Bostadsfinansiering AB, BOFAB, Stockholm	SEK	25.0	29.3		50
Upplysningscentralen UC AB, Stockholm	SEK	0.3	0.3		27
VPX matching AB, Stockholm	SEK	6.3	11.5		25
Värdepapperscentralen VPC AB, Stockholm	SEK	14.8	206.2		25
Parent company holdings			1,048.1	2.5	
Holdings of subsidiaries			406.6	24.1	
Group adjustment			-200.6	-2.1	
Group holdings			1,254.1	24.5	

1) Detailed information about criteria used to classify these securities is provided under Accounting principles. Detailed information will be provided by the Bank upon request.

27 Shares and participations in Group companies¹⁾

	Parent company	
	2003	2002
A. Swedish subsidiaries	21,111	19,167
B. Foreign subsidiaries	26,469	26,575
Total	47,580	45,742
of which holdings in credit institutions	32,843	32,843

A. Swedish subsidiaries					
	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Aktiv Placering AB, Stockholm	SEK	0.1	0.1		100
Enskilda Kapitalförvaltning SEB AB, Stockholm	SEK	0.3	0.3		100
Enskilda Securities Holding AB, Stockholm	SEK	50.1	373.9	5.0	100
Enskilda Securities Holding AB, Stockholm (debenture loan)	SEK	150.0	150.0		
Enskilda Securities Holding AB, Stockholm (debenture loan)	EUR	11.0	99.9		
Försäkringsaktiebolaget S E Captive, Stockholm	SEK	100.0	100.0		100
Repono Holding AB, Stockholm	SEK	695.1	6,897.2	114.0	100
SEB AB, Stockholm	SEK	1,176.5	2,535.8		100
SEB Asset Management Aktiefbolag, Stockholm	SEK		1.3		100
SEB Baltic Holding AB, Stockholm	SEK	14.0	13.3		100
SEB BoLån AB, Stockholm	SEK	200.0	6,781.0	170.0	100
SEB BoLån AB, Stockholm (debenture loan)	SEK	1,725.0	1,725.0		
SEB Fastighetsservice AB, Stockholm	SEK	0.1	0.1		100
SEB Finans Holding AB, Stockholm	SEK	2.5	2.5		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	1,660.0	81.0	100
SEB Kort AB, Stockholm (debenture loan)	SEK	100.0	100.0		
SEB Strategic Investments AB, Stockholm	SEK	1.0	1.2		100
Skandinaviska Kreditaktiefbolaget, Stockholm	SEK	0.1	0.1		100
Team SEB AB, Stockholm	SEK	0.5	0.5		100
Total			21,111.2	370.0	

note 27 ctd. Shares and participations in Group companies ¹⁾

B. Foreign subsidiaries					
	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Ane Gyllenberg Ab, Helsinki	EUR	0.5	465.4	36.3	100
Eesti Ühispank, Tallin	EEK	665.6	1,365.2		100
Eesti Ühispank, Tallin (debenture loan)	EUR	17.0	154.2		
FinansSkandic Leasing (SEA) Pte Ltd, Singapore	SGD	0.1	0.4		100
Interscan Servicos de Consultoria Ltda, Sao Paulo	BRL	2.3			100
Latvijas Unibanka, Riga	LVL	37.1	946.4		100 ²⁾
Latvijas Unibanka, Riga (debenture loan)	EUR	14.0	127.0		
Latvijas Unibanka, Riga (convertible debenture loan)	USD	16.0	116.0		
Scandinavian Finance BV, Amsterdam	EUR	1.0	8.4		100
SEB AG, Frankfurt	EUR	775.2	17,944.3	725.8	100
SEB AG, Frankfurt (debenture loan)	EUR	8.0	72.1		
SEB Asset Management America Inc, Stamford	USD		95.9		100
SEB Hong Kong Trade Services Ltd, Hong Kong	HKD				99
SEB Invest Fondsmæglerelskab A/S, Copenhagen	DKK	9.0	136.1		100
SEB Investment Management AG, Zürich	CHF	0.1	2.3		100
SEB NET S.L., Barcelona	EUR				100
SEB Private Bank S.A., Luxembourg	EUR		1,198.7	181.4	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	500.0	707.9		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		31.2		100
Skandinaviska Enskilda Banken Funding Inc, Delaware	USD		0.1		100
Skandinaviska Enskilda Ltd, London	GBP	49.3	751.1		100
Skandinaviska Enskilda Reinsurance, Luxembourg	EUR	1.2	8.2		100 ²⁾
Vilniaus Bankas, Vilnius	LTL	154.4	1,620.6		100
Vilniaus Bankas, Vilnius (debenture loan)	EUR	15.0	136.1		
Total			26,468.3	943.5	
Parent company holdings			47,579.5	1,313.5	

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 represent approximately 1 per cent in respective bank.

28 Assets in insurance operations

	Group	
	2003	2002
Investments	1,577	3,001
Investments for account of policyholders	57,458	45,477
Other claims and assets	3,707	3,840
Total	62,742	52,318

29 Intangible fixed assets

	Group		Parent company	
	2003	2002	2003	2002
Goodwill	10,265	10,699		
Other intangible fixed assets	221	130		
Total	10,486	10,829		

Goodwill

Opening balance	14,715	13,579		
Acquisitions during the year	569	1,193		
Group adjustment	37			
Exchange rate differences	-296	-57		
Acquisition value	15,025	14,715		
Opening balance	-4,016	-3,328		
Current year's depreciations ¹⁾	-763	-691		
Exchange rate differences	19	3		
Accumulated depreciations	-4,760	-4,016		
Book value	10,265	10,699		
1) Of which reported as Operating result from insurance operations	-147	-147		

Other intangible assets

Opening balance	356	214	87	87
Acquisitions during the year	97	49		
Group adjustment	12	94		
Reclassification ¹⁾	566			
Sales during the year	-60			
Exchange rate differences	-22	-1		
Acquisition value	949	356	87	87
Opening balance	-226	-157	-87	-87
Current year's depreciations	-98	-57		
Group adjustment	-5	-13		
Reclassification ¹⁾	-464			
Accumulated depreciations on current year's sales	54			
Exchange rate differences	11	1		
Accumulated depreciations	-728	-226	-87	-87
Book value	221	130		

1) Computer programs have been reclassified from tangible assets with SEK 90m in SEB AG and SEK 12m in Eesti Ühispank.

30 Tangible assets

	Group		Parent company	
	2003	2002	2003	2002
Office equipment	2,019	2,337	114	154
Equipment leased to clients ¹⁾			12,570	11,828
Properties for own operations	1,707	1,703	2	6
Investment properties	118	139		
Properties taken over for protection of claims	45	50	1	1
Total	3,889	4,229	12,687	11,989

1) Equipment leased to clients are reclassified to lending in the Group

Office equipment

Opening balance	7,767	8,125	2,045	2,077
Acquisitions during the year	689	728	19	11
Group adjustment	23	121		
Reclassification ²⁾	-566			
Sales during the year	-586	-1,092	-102	-43
Exchange rate differences	-85	-115		
Acquisition value	7,242	7,767	1,962	2,045
Opening balance	-5,430	-5,418	-1,891	-1,851
Current year's depreciations ¹⁾	-755	-892	-59	-87
Current year's write-downs	-15	-9		
Group adjustment	-23	-121		
Reclassification ²⁾	464			
Accumulated depreciations on current year's sales	492	941	102	47
Exchange rate differences	44	69		
Accumulated depreciations	-5,223	-5,430	-1,848	-1,891
Book value	2,019	2,337	114	154

1) Of which reported against reserve

2) Computer programs have been reclassified to intangible assets with SEK 90m in SEB AG and SEK 12m in Eesti Ühispank.

Equipment leased to clients¹⁾

Opening balance			12,600	10,485
Acquisitions during the year			1,023	2,115
Acquisition value			13,623	12,600
Opening balance			-772	-568
Current year's depreciations			-281	-204
Accumulated depreciations			-1,053	-772
Book value			12,570	11,828

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.

Properties for own operations

Opening balance	2,335	2,721	6	6
Acquisitions during the year	160	147		
Sales during the year	-236	-480	-4	
Exchange rate differences	-38	-53		
Acquisition value	2,221	2,335	2	6
Opening balance	-624	-786		
Current year's depreciations	-42	-45		
Current year's write-downs	-13	-9		
Accumulated depreciations on current year's sales	158	202		
Exchange rate differences	7	14		
Accumulated depreciations	-514	-624		
Book value	1,707	1,711	2	6
Tax value, real properties	2	4	2	4
of which, buildings	2	3	2	3

Tax value refers only to properties in Sweden.

note 30 ctd. Tangible assets

Investment properties ¹⁾	Group		Parent company	
	2003	2002	2003	2002
Opening balance	147	147		
Acquisitions during the year	1			
Sales during the year	-11			
Exchange rate differences	-2			
Acquisition value	135	147		
Opening balance	-16	-13		
Current year's depreciations	-3	-3		
Accumulated depreciations on current year's sales	2			
Accumulated depreciations	-17	-16		
Book value	118	131		

1) 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.

Net operating earnings from properties taken over for protection of claims

External income	7	6		
Operating costs	-2	-2		
Total	5	4		

Properties taken over for protection of claims

Opening balance	50	87	1	1
Acquisitions during the year	20	6		
Sales during the year	-25	-43		
Acquisition value	45	50	1	1
Book value	45	50	1	1

Net operating earnings from properties taken over for protection of claims

External income	2	1		
Operating costs	-2	-1		
Total				

Assets taken over for protection of claims

Buildings and land	45	50	1	1
Shares and participations	72	80	42	44
Total	117	130	43	45

31 Other assets

	Group		Parent company	
	2003	2002	2003	2002
Current tax assets	661	615	328	337
Deferred tax assets ¹⁾	1,490	1,712		
Claims on securities settlement proceeds	6,967	10,234	6,788	9,734
Market value, derivatives	84,366	97,186	78,988	90,649
Other	2,548	2,123	6,830	3,079
Total	96,032	111,870	92,934	103,799

1) Deferred tax assets comprise nearly SEK 1.2bn (1.5) of calculated deferred tax regarding SEB AG. The expected development of taxable income, the foreseeable future and known German tax laws has then been considered. Maximum amount is SEK 1.7 bn (2.0).

32 Prepaid expenses and accrued income

	Group		Parent company	
	2003	2002	2003	2002
Prepaid expenses/accrued other income	2,612	2,991	854	1,814
Accrued interest income	5,338	8,193	2,804	4,813
Total	7,950	11,184	3,658	6,627

33 Liabilities to credit institutions

	Group		Parent company	
	2003	2002	2003	2002
Remaining maturity				
– on demand	111,991	105,704	95,270	90,008
– maximum 3 months	104,615	93,778	84,675	119,610
– 3 months – 1 year	13,981	21,300	14,644	23,294
– 1 – 5 years	5,094	4,231	179	382
– more than 5 years	11,171	9,276	2,851	1,379
Total	246,852	234,289	197,619	234,673
of which repos	17,920	38,596	18,683	37,390
Average remaining maturity (years)	0.60	0.56	0.25	0.19

34 Deposits and borrowing from the public

	Group		Parent company	
	2003	2002	2003	2002
Deposits ¹⁾	441,891	449,995	248,595	240,729
Borrowing	52,145	49,547	54,227	54,328
Total	494,036	499,542	302,822	295,057
Remaining maturity				
– repayable on demand	289,098	330,925	248,595	240,729
– maximum 3 months	93,617	57,601		
– 3 months – 1 year	11,016	10,245		
– 1 – 5 years	24,565	26,648		
– more than 5 years	23,595	24,576		
Deposits¹⁾	441,891	449,995	248,595	240,729
Average remaining maturity (years)	0.74	0.75		
Remaining maturity				
– repayable on demand	13,516	7,034	15,478	11,539
– maximum 3 months	22,556	26,093	22,610	26,582
– 3 months – 1 year	5,426	5,590	5,709	5,731
– 1 – 5 years	3,230	2,953	3,044	2,631
– more than 5 years	7,417	7,877	7,386	7,845
Borrowing	52,145	49,547	54,227	54,328
of which repos	27,509	37,547	27,480	37,537
Average remaining maturity (years)	1.73	1.90	1.65	1.72
Total	494,036	499,542	302,822	295,057

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	
	2003	2002	2003	2002
Bond loans	162,287	152,895	17,107	13,795
Certificates of deposit	56,220	52,261	30,940	35,190
Total	218,507	205,156	48,047	48,985
Remaining maturity				
– maximum 1 year	34,371	57,586	3,205	6,106
– 1–5 years	116,047	86,771	13,440	6,392
– 5–10 years	11,754	6,778	347	589
– more than 10 years	115	1,760	115	708
Bond loans	162,287	152,895	17,107	13,795
Average remaining maturity (years)	2.44	2.00	1.56	1.65
Remaining maturity				
– on demand	1,929	2,360	1,852	2,360
– maximum 3 months	46,088	43,485	21,052	27,873
– 3 months–1 year	7,914	5,331	7,747	3,953
– 1–5 years	289	1,085	289	1,004
– more than 5 years				
Other debt instruments issued	56,220	52,261	30,940	35,190
Average remaining maturity (years)	0.21	0.25	0.30	0.28
Total	218,507	205,156	48,047	48,985

36 Liabilities in insurance operations

	Group	
	2003	2002
Technical provisions	3,085	3,350
Provisions for account of policyholders	56,530	45,294
Other provisions and liabilities	1,026	1,519
Total	60,641	50,163

37 Other liabilities

	Group		Parent company	
	2003	2002	2003	2002
Current tax liabilities	429	861		2
Securities settlement proceeds, liabilities	56,871	35,729	6,755	35,281
Market value, derivatives	90,912	100,075	83,679	92,850
Other liabilities	18,440	22,419	69,532	20,965
Total	166,652	159,084	159,966	149,098

38 Accrued expenses and prepaid income

	Group		Parent company	
	2003	2002	2003	2002
Accrued interest expense	6,972	9,380	1,827	3,899
Prepaid income/accrued other expense	4,724	3,817	1,140	1,045
Total	11,696	13,197	2,967	4,944

39 Provisions

	2003	Group		Parent company	
		2002	2003	2002	
Deferred tax liabilities	6,513	5,832	80	233	
Reserve for off-balance sheet items	333	396	7	8	
Restructuring reserve ¹⁾	778	1,664	80	192	
Other provisions	587	445			
Total	8,211	8,337	167	433	

1) The restructuring reserves are presumed to be utilised during 2004.

40 Subordinated liabilities

	2003	Group		Parent company	
		2002	2003	2002	
Debenture loans	16,716	13,042	14,064	9,961	
Debenture loans, perpetual	7,545	12,284	7,503	12,284	
Total	24,261	25,326	21,567	22,245	

Parent company

Debenture loans	Currency	Original nom. amount	Book value	Rate of interest, %
1994/2009	USD	200	1,436	6.875
2000/2010	EUR	345	3,130	¹⁾
2000/2010	SGD	100	426	4.600
2002/2012	EUR	500	4,536	5.625
2003/2015	EUR	500	4,536	4.125

Total **14,064**

Debenture loans, perpetual

1990	EUR	52	473	¹⁾
1990	USD	100	435	¹⁾
1995	JPY	10,000	678	4.400
1996	GBP	100	1,290	9.040
1996	USD	150	788	8.125
1996	USD	50	186	¹⁾
1997	JPY	15,000	1,017	5.000
1997	USD	150	807	7.500
1999	EUR	200	1,814	6.750
2000	USD	100	15	¹⁾

Total **7,503**

Debenture loans issued by the parent company

21,567

Debenture loans issued by SEB AG	2,908
Debenture loans issued by SEB BoLån AB	1,725
Debenture loans issued by other subsidiaries	973
Intra-group holdings	-2,912

Total **24,261**

1) FRN, Floating Rate Note

41 Minority interests

	Group	
	2003	2002
Minority interests in subsidiaries	73	322
Total	73	322

42 Untaxed reserves¹⁾

	Parent company	
	2003	2002
Accrual fund	4,499	4,217
Excess depreciation of office equipment/leased assets	8,926	7,675
Other untaxed reserves	5	5
Total	13,430	11,897

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			Total
	Accrual fund	Excess depreciation	Other untaxed reserves	
Opening balance	4,376	6,109	6	10,491
Appropriations		1,566		1,566
Reversals	-159		-1	-160
Exchange rate differences				
Closing balance 2002	4,217	7,675	5	11,897
Appropriations	282	1,251		1,533
Reversals				
Exchange rate differences				
Closing balance 2003	4,499	8,926	5	13,430

43 Shareholders' equity

	Group		Parent company	
	2003	2002	2003	2002
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	28,466	26,145	12,086	12,086
Equity fund ¹⁾	32	15		
Translation differences	569	766		
Reserve for unrealised gains	445	896	259	708
Restricted equity	36,558	34,868	19,391	19,840
Group contributions ²⁾			1,566	1,656
Tax on Group contributions ²⁾			-439	-463
Result holding of own shares	15	6		
Swap hedging of employee stock option programme ³⁾	63	-430	63	-430
Eliminations of repurchased shares ⁴⁾	-1,155	-687	-1,155	-687
Translation differences	87	166	-60	-24
Other non-restricted equity	7,192	6,455	5,671	5,096
Net profit for the year	5,704	5,318	2,284	1,627
Non-restricted equity	11,906	10,828	7,930	6,775
Total	48,464	45,696	27,321	26,615

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) SEB has repurchased 7 million and 6.2 million Series A shares for the employee stock option programme as decided at the Annual General Meeting 2002 and 2003 respectively. These shares are booked at zero but the market value as of 31 December 2003 was SEK 1,399m (508).

Reserve for unrealised gains

Shares and participations	185	188		
Interest-bearing securities	90	307	90	307
Other	170	401	169	401
Total	445	896	259	708

Notes

note 43 ctd. Shareholders' equity

Change in shareholders' equity					
	Group		Parent company		
	Restricted equity	Non-restricted equity	Restricted equity	Non-restricted equity	
Opening balance	33,192	11,100	19,684	7,886	
Equity fund	15	-15			
Reserve for unrealised gains	43	-43	156	-156	
Dividend to shareholders		-2,818		-2,818	
Dividend own holdings of shares		93		93	
Group contributions				1,656	
Tax on Group contributions				-463	
Result holding of own shares		6			
Swap hedging of employee stock option programme		-342		-342	
Eliminations of repurchased shares		-687		-687	
Transfer, non-restricted/restricted equity	1,674	-1,674			
Translation difference	-56	-110		-21	
Net profit for the year		5,318		1,627	
Closing balance 2002	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	

44 Collaterals pledged for own liabilities

	Group		Parent company	
	2003	2002	2003	2002
Lending ¹⁾	177	8,532	177	8,532
Bonds	43,124	35,540	22,499	8,227
Repos	46,163	74,930	46,163	74,930
Total	89,464	119,002	68,839	91,689

1) Of which SEK 177m (273) 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	
	2003	2002	2003	2002
Shares in insurance premium funds	49,311	45,108		
Securities loans	29,591	24,390	29,591	24,387
Total	78,902	69,498	29,591	24,387

46 Contingent liabilities

	Group		Parent company	
	2003	2002	2003	2002
Guarantee commitments, credits	4,857	8,342	9,849	10,388
Guarantee commitments, other	26,762	27,209	21,515	21,628
Own acceptances	595	375	585	374
Total	32,214	35,926	31,949	32,390
Approved, but unutilised letters of credit	8,808	7,720	7,652	6,734
Total	41,022	43,646	39,601	39,124

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		Parent company	
	2003	2002	2003	2002
Forward securities contracts	787	360		
Deposits in other banks	4,336	6,999		
Commitments for future payments	5,123	7,359		
Granted, but non-disbursed loans	83,003	101,541	65,521	66,462
Unutilised part of approved overdraft facilities	60,505	29,391	30,598	28,184
Securities loans	30,048	34,076	29,591	32,919
Other	835	6,672		
Other commitments	174,391	171,680	125,710	127,565
Total	179,514	179,039	125,710	127,565

48 Lending and lending loss reserves

	Group		Parent company	
	2003	2002	2003	2002
Lending to credit institutions	179,308	150,380	228,077	226,682
Lending to the public	707,459	680,206	219,643	231,531
Total	886,767	830,586	447,720	458,213
Loans				
Normal loans	883,829	828,275	447,633	458,496
Non-performing doubtful loans	8,632	8,862	1,533	1,390
Performing doubtful loans	2,245	2,140	248	195
Loans prior to reserves	894,706	839,277	449,414	460,081
Specific reserves for individually appraised loans	-5,515	-5,593	-1,018	-1,013
Collective reserves for individually appraised loans	-1,553	-2,052	-505	-655
Reserves for homogenous groups of loans	-148	-144		
Transfer risk reserves	-723	-902	-171	-200
Reserves	-7,939	-8,691	-1,694	-1,868
Total	886,767	830,586	447,720	458,213

note 48 ctd. Lending and lending loss reserves

Loans by category of borrower, Group 2003	Credit institutions	Corporates	Property management	Public administration	Households	Total
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

Group 2002

Normal loans	151,198	249,967	104,950	114,718	207,442	828,275
Non-performing doubtful loans	215	4,018	3,078	25	1,526	8,862
Performing doubtful loans	62	1,185	739	32	122	2,140
Loans prior to reserves	151,475	255,170	108,767	114,775	209,090	839,277
Specific reserves for individually appraised loans	-203	-3,065	-1,660	-3	-662	-5,593
Collective reserves for individually appraised loans						-2,052
Reserves for homogenous groups of loans		-45			-99	-144
Transfer risk reserves	-892	-10				-902
Reserves	-1,095	-3,120	-1,660	-3	-761	-8,691
Total	150,380	252,050	107,107	114,772	208,329	830,586

Loans by category of borrower, Parent company 2003	Credit institutions	Corporates	Property management	Public administration	Households	Total
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	18,315	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

Parent company 2002

Normal loans	226,853	152,275	22,387	33,812	23,169	458,496
Non-performing doubtful loans	73	939	169		209	1,390
Performing doubtful loans	55	93	29		18	195
Loans prior to reserves	226,981	153,307	22,585	33,812	23,396	460,081
Specific reserves for individually appraised loans	-99	-695	-170		-49	-1,013
Collective reserves for individually appraised loans						-655
Transfer risk reserves	-200					-200
Reserves	-299	-695	-170		-49	-1,868
Total	226,682	152,612	22,415	33,812	23,347	458,213

note 48 ctd. Lending and lending loss reserves

Loans by geographical region¹⁾, Group 2003	The Nordic region	Germany	The Baltic region	Other	Total
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				-148
Transfer risk reserves	-171	-552			-723
Reserves	-1,142	-4,557	-428	-259	-7,939
Total	504,682	307,730	37,381	38,527	886,767

Group 2002

Normal loans	414,146	301,961	28,171	83,997	828,275
Non-performing doubtful loans	1,463	6,411	680	308	8,862
Performing doubtful loans	338	1,149	532	121	2,140
Loans prior to reserves	415,947	309,521	29,383	84,426	839,277
Specific reserves for individually appraised loans	-955	-3 939	-461	-238	-5,593
Collective reserves for individually appraised loans					-2,052
Reserves for homogenous groups of loans	-144				-144
Transfer risk reserves	-200	-702			-902
Reserves	-1,299	-4,641	-461	-238	-8,691
Total	414,648	304,880	28,922	84,188	830,586

1) Breakdown based on where the Group's business is carried out.

Loans by geographical region¹⁾, Parent company 2003	The Nordic region	Germany	The Baltic region	Other	Total
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

Parent company 2002

Normal loans	375,900			82,596	458,496
Non-performing doubtful loans	1,120			270	1,390
Performing doubtful loans	130			65	195
Loans prior to reserves	377,150			82,931	460,081
Specific reserves for individually appraised loans	-774			-239	-1,013
Collective reserves for individually appraised loans					-655
Transfer risk reserves	-200				-200
Reserves	-974			-239	-1,868
Total	376,176			82,692	458,213

1) Breakdown based on where the Parent company's business is carried out.

Notes

note 48 ctd. Lending and lending loss reserves

	Group 2003	Parent company 2003
Loans against collateral		
Mortgage, real property	311,438	24,698
Securities and deposits	18,068	15,402
State, central bank or municipality ¹⁾	119,420	27,126
Credit institutions ¹⁾	106,470	154,826
Unsecured loans	146,990	78,147
Other ²⁾	73,277	29,207
Loans prior to reserves	775,663	329,406
Repos	119,043	120,008
Reserves	-7,939	-1,694
Loans, net	886,767	447,720

1) Including guarantees from and loans to

2) Including floating charges, factoring, leasing.

	Group		Parent company	
	2003	2002	2003	2002
Loans with transfer risks				
Loans covered by the transfer risk reserve	885	1,199	306	364
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	885	1,199	306	364
Transfer risk reserve	-723	-902	-171	-200
Restructured loans current year				
Book value of loans prior to restructuring	370	175	306	112
Book value of loans after restructuring	319	175	264	112

Reclassified loans current year

Book value of doubtful loans which have regained normal status	1,302	1,264	174	790
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Doubtful claims

Non-performing doubtful loans	8,632	8,862	1,533	1,390
Performing loans	2,245	2,140	248	195
Doubtful loans gross	10,877	11,002	1,781	1,585
Specific reserves for probable lending losses	-5,663	-5,737	-1,018	-1,013
of which reserves for non-performing loans	-4,668	-4,620	-920	-843
of which reserves for performing loans	-995	-1,117	-98	-170
Collective reserves for individually appraised loans	-1,553	-2,052	-505	-655
Doubtful loans net	3,661	3,213	258	-83

Reserves not included in the above:

Reserves for transfer risks	-723	-902	-171	-200
Reserves for off-balance sheet items	-333	-396	-7	-8
Total reserves	-8,272	-9,087	-1,701	-1,876
Level of doubtful loans	0.52%	0.47%	0.12%	0.04%
Reserve ratio for doubtful loans	66.3	70.8	85.5	105.2
Non-performing loans on which interest is reported as income	103	185		

49 Derivative instruments

	Group		Parent company	
	2003	2002	2003	2002
Interest-related	36,678	28,984	32,129	24,053
Currency-related	45,909	65,313	45,442	64,662
Equity-related	1,779	2,889	1,417	1,934
Positive closing values or nil value	84,366	97,186	78,988	90,649
Interest-related	38,409	30,519	32,039	24,308
Currency-related	50,644	67,294	50,337	66,608
Equity-related	1,859	2,262	1,303	1,934
Negative closing values	90,912	100,075	83,679	92,850

Group 2003	Positive closing values or nil value			Negative closing values	
	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

Group 2002					
Options	93,930	783	783	694	694
Futures	1,094,566	1,717	1,717	1,696	1,696
Swaps	1,513,845	26,484	27,175	28,129	28,466
Interest-related	2,702,341	28,984	29,675	30,519	30,856
of which, cleared	20,039	2	2	14	14
Options	713,140	4,961	4,961	3,966	3,966
Futures	1,289,764	38,727	38,727	42,922	42,922
Swaps	327,136	21,625	21,998	20,406	20,447
Currency-related	2,330,040	65,313	65,686	67,294	67,335
of which, cleared					
Options	23,183	1,381	1,381	1,248	1,248
Futures	5,737	610	610	116	116
Swaps	4,377	898	898	898	898
Equity-related	33,297	2,889	2,889	2,262	2,262
of which, cleared	5,235	342	342	193	193
Total	5,065,678	97,186	98,250	100,075	100,453
of which, cleared	25,274	344	344	207	207

Notes

note 49 ctd. Derivative instruments

Parent company 2003	Positive closing values or nil value			Negative closing values	
	Nom. amount	Book value	Market value	Book value	Market value
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		
Parent company 2002					
Options	67,589	311	311	241	241
Futures	1,092,119	1,710	1,710	1,677	1,677
Swaps	1,416,015	22,032	22,723	22,390	22,727
Interest-related	2,575,723	24,053	24,744	24,308	24,645
of which, cleared	18,507				
Options	713,140	4,961	4,961	3,966	3,966
Futures	1,273,874	38,361	38,361	42,494	42,494
Swaps	321,727	21,340	21,713	20,148	20,189
Currency-related	2,308,741	64,662	65,035	66,608	66,649
of which, cleared					
Options	17,217	1,036	1,036	1,036	1,036
Swaps	4,377	898	898	898	898
Equity-related	21,594	1,934	1,934	1,934	1,934
of which, cleared					
Total	4,906,058	90,649	91,713	92,850	93,228
of which, cleared	18,507				

50 Fair value information

	Group 2003		Group 2002	
	Book value	Fair value	Book value	Fair value
Current assets				
Cash and Central Bank balances	4,239	4,239	4,800	4,800
Eligible Treasury Bills etc.	76,405	77,225	87,836	88,529
Bonds and other interest-bearing securities	110,333	110,382	104,384	104,426
Shares and participations	10,157	10,157	8,012	8,012
Assets in insurance operations	5,284	5,284	6,841	6,841
Tangible assets	45	45	50	50
Other assets	96,032	96,911	111,870	112,933
Prepaid expenses and accrued income	7,950	7,950	11,184	11,184
Total	310,445	312,193	334,977	336,775
Fixed assets				
Cash and Central Bank balances	5,468	5,468	8,669	8,669
Eligible Treasury Bills etc.	4	4	6	6
Lending to credit institutions	179,308	179,759	150,380	150,961
Lending to the general public	707,459	715,012	680,206	685,871
Bonds and other interest-bearing securities	2,527	2,526	3,753	3,762
Shares and participations	1,140	1,408	994	868
Shares and participations in associated companies	1,254	1,254	1,642	2,075
Assets in insurance operations	57,458	57,458	45,477	45,480
Intangible fixed assets	10,486	10,486	10,829	10,829
Tangible assets	3,844	3,844	4,179	4,111
Total	968,948	977,219	906,135	912,632
Assets	1,279,393	1,289,412	1,241,112	1,249,407
Liabilities and provisions				
Liabilities to credit institutions	246,852	247,252	234,289	234,854
Deposits and borrowings from the general public	494,036	495,396	499,542	500,758
Securities issued, etc.	218,507	222,113	205,156	209,553
Liabilities, insurance operations	60,641	60,641	50,163	50,163
Other liabilities	166,652	168,782	159,084	159,462
Accrued expenses and prepaid income	11,696	11,696	13,197	13,197
Provisions	8,211	8,211	8,337	8,337
Subordinated liabilities	24,261	24,381	25,326	25,451
Total	1,230,856	1,238,472	1,195,094	1,201,775

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 2003			Parent company 2002		
	Group companies	Associated companies	Total	Group companies	Associated companies	Total
Lending to credit institutions	103,035		103,035	130,724	4	130,728
Lending to the general public	8,021	4	8,025	2,142		2,142
Bonds and other interest-bearing securities	25,646		25,646	12,893	117	13,010
Total	136,702	4	136,706	145,759	121	145,880
Liabilities to credit institutions	27,892		27,892	51,022	6	51,028
Deposits and borrowings from the general public	5,886	20	5,906	5,094	31	5,125
Securities issued etc.				17		17
Total	33,778	20	33,798	56,133	37	56,170

52 Information regarding rental contracts for premises

	Group		Parent company	
	2003	2002	2003	2002
2003		1,114		531
2004	1,289	1,021	719	453
2005	1,174	876	643	387
2006	1,037	765	546	317
2007	952	734	502	315
2008	850	2,392	446	1,481
2009 and later	3,157		2,332	
Total	8,459	6,902	5,188	3,484

53 Capital adequacy

	Financial group of undertakings ¹⁾		Parent company	
	2003	2002	2003	2002
Calculation of capital base				
Shareholders equity in the balance sheet	48,464	45,696	28,108	27,550
Proposed dividend to be decided by the Annual General Meeting	-2,818	-2,818	-2,818	-2,818
Deductions from the financial group of undertakings ²⁾	-1,205	-1,277		
Shareholders equity in the capital adequacy	44,441	41,601	25,290	24,732
Core capital contribution	1,815	1,830	10,694	9,456
Minority interest ³⁾	1,630	1,843		
Goodwill ^{3) 4)}	-5,246	-5,587		
Core capital (tier 1)	42,640	39,687	35,984	34,188
Dated subordinated debts	16,978	13,231	14,064	9,961
Deductions for remaining maturity	-1,719	-1,451		
Perpetual subordinated debt	5,731	10,504	5,688	10,455
Supplementary capital (tier 2)	20,990	22,284	19,752	20,416
Deductions for investments in insurance companies ⁴⁾	-8,459	-8,788	-7,212	-7,334
Deductions for other investments outside the financial group of undertakings	-422	-459		-206
Capital	54,749	52,724	48,524	47,064

note 53 ctd. Capital adequacy

Calculation of capital requirement for different credit risks	Financial group of undertakings ¹⁾		Parent company	
	2003	2002	2003	2002
Balance sheet items				
Group A (0%)	186,612	212,644	217,636	236,093
Group B (20%)	147,159	114,077	51,571	35,577
Group C (50%)	214,985	196,713	10,463	12,199
Group D (100%)	307,618	297,864	107,486	108,621
Total investments	856,374	821,298	387,156	392,490
Group A (0%)				
Group B (20%)	29,432	22,815	10,314	7,115
Group C (50%)	107,493	98,356	5,232	6,099
Group D (100%)	307,618	297,865	107,486	108,621
Risk-weighted amount	444,543	419,036	123,032	121,835
Off-balance-sheet items				
Group A (0%)	83,126	81,567	59,316	58,425
Group B (20%)	327,667	237,458	93,578	101,244
Group C (50%)	19,110	19,172	3,393	5,843
Group D (100%)	82,621	76,575	65,104	31,921
Nominal amount	512,524	414,772	221,391	197,433
Group A (0%)	6,377	5,555	5,974	3,219
Group B (20%)	13,562	13,567	7,424	7,955
Group C (50%)	807	1,641	3,215	4,975
Group D (100%)	42,406	39,640	34,955	31,921
Recalculated amount	63,152	60,403	51,568	48,070
Group A (0%)				
Group B (20%)	2,712	2,713	1,485	1,91
Group C (50%)	404	821	1,607	2,488
Group D (100%)	42,406	39,640	34,955	31,921
Risk-weighted amount	45,522	43,174	38,047	36,000
Total risk-weighted amount for credit risks	490,065	462,210	161,079	157,835
Calculation of capital requirements for market risks				
Risk-weighted amount for interest rate risks	26,549	20,330	23,041	18,172
of which, for specific risks	21,125	15,175	18,924	13,912
of which, for general risks	5,424	5,155	4,117	4,260
Risk-weighted amount for equity-price risks	351	374	60	187
of which, for specific risks	145	131	20	62
of which, for general risks	206	243	40	125
Risk-weighted amount for liquidation risks	229	103		
Risk-weighted amount for counterparty risks and other risks	12,933	13,723	10,998	11,435
Risk-weighted amount for currency-related risks	5,020	6,668	4,771	6,569
Total risk-weighted amount for market risks	45,082	41,198	38,870	36,363
Calculation of total capital ratio				
Total capital base	54,749	52,724	48,524	47,064
Total risk-weighted amount for credit and market risks	535,147	503,408	199,949	194,198
Total capital ratio %	10.23	10.47	24.27	24.23

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.

54 Geographical distribution of income

	Group		Parent company	
	2003	2002	2003	2002
Sweden	18,916	19,847	14,162	16,244
Rest of Nordic region	4,139	5,264	3,401	4,730
Rest of Europe	19,958	22,808	1,807	2,701
Rest of world	658	1,175	657	1,149
Interest receivable	43,671	49,094	20,027	24,824
Sweden			734	586
Rest of Nordic region				
Rest of Europe			47	72
Rest of world				
Leasing income			781	658
Sweden	25	16	1,337	895
Rest of Nordic region	27	8		
Rest of Europe	67	61		
Rest of world	7	1		
Dividends received	126	86	1,337	895
Sweden	5,799	5,886	4,013	4,449
Rest of Nordic region	2,290	1,805	302	207
Rest of Europe	4,013	3,715	666	186
Rest of world	254	369	110	168
Commissions receivable	12,356	11,775	5,091	5,010
Sweden	1,316	1,159	1,181	1,148
Rest of Nordic region	379	308	369	287
Rest of Europe	359	851	-11	207
Rest of world	30	91	31	92
Net result of financial transactions	2,084	2,409	1,570	1,734
Sweden	406	642	479	507
Rest of Nordic region	62	43	339	25
Rest of Europe	386	464	69	109
Rest of world	7	40	10	14
Other operating income	861	1,189	897	655
Sweden	26,462	27,550	21,906	23,829
Rest of Nordic region	6,897	7,428	4,411	5,249
Rest of Europe	24,783	27,899	2,578	3,275
Rest of world	956	1,676	808	1,423
Total	59,098	64,553	29,703	33,776

55 Information regarding distribution of assets and liabilities in main currencies

	Group		Parent company	
	2003	2002	2003	2002
SEK	42,749	21,670	105,478	93,029
EUR	57,582	46,661	32,476	43,533
USD	54,821	36,799	58,407	37,988
GBP	364	1,491	3,315	4,825
DKK	14,750	26,043	14,943	26,103
NOK	2,453	8,927	4,224	10,632
Other currencies	6,589	8,789	9,234	10,572
Lending to credit institutions	179,308	150,380	228,077	226,682
SEK	312,869	291,034	135,597	136,892
EUR	302,173	289,173	24,758	24,039
USD	35,559	33,742	27,243	26,222
GBP	7,469	9,114	3,848	5,052
DKK	18,162	28,584	16,842	27,009
NOK	10,468	9,274	7,474	6,843
Other currencies	20,759	19,285	3,881	5,474
Lending to the general public	707,459	680,206	219,643	231,531
SEK	34,149	38,867	46,257	45,202
EUR	96,975	94,556	61,944	54,082
USD	19,336	29,844	19,056	29,711
GBP	2,088	559	2,088	559
DKK	26,276	22,682	23,968	20,532
NOK	6,349	3,039	3,904	3,040
Other currencies	4,096	6,432	1,485	3,826
Bonds and other interest-bearing securities	189,269	195,979	158,702	156,952
SEK	124,112	82,838	95,884	60,415
EUR	26,309	29,885	28,023	29,124
USD	4,757	45,440	4,798	44,111
GBP	7,627	7,205	2,340	1,943
DKK	6,789	9,445	7,258	9,864
NOK	24,539	29,888	23,533	27,370
Other currencies	9,224	9,846	5,648	5,955
Other assets	203,357	214,547	167,484	178,782
SEK	513,879	434,409	383,216	335,538
EUR	483,039	460,275	147,201	150,778
USD	114,473	145,825	109,504	138,032
GBP	17,548	18,369	11,591	12,379
DKK	65,977	86,754	63,011	83,508
NOK	43,809	51,128	39,135	47,885
Other currencies	40,668	44,352	20,248	25,827
Total assets	1,279,393	1,241,112	773,906	793,947

Notes

note 55 ctd. Information regarding distribution of assets and liabilities in main currencies

	Group		Parent company	
Liabilities, provisions and shareholders' equity	2003	2002	2003	2002
SEK	33,513	38,061	44,544	49,506
EUR	106,353	83,301	45,831	78,185
USD	58,911	61,954	60,880	62,065
GBP	11,354	10,674	11,414	11,063
DKK	20,453	23,407	20,633	22,886
NOK	7,929	5,396	6,653	4,654
Other currencies	8,339	11,496	7,664	6,314
Liabilities to credit institutions	246,852	234,289	197,619	234,673
SEK	202,884	196,737	203,263	196,986
EUR	197,198	203,121	36,450	27,573
USD	24,632	32,379	17,880	24,291
GBP	7,078	6,683	7,283	6,707
DKK	22,414	18,819	19,674	16,757
NOK	13,454	17,098	12,843	16,041
Other currencies	26,376	24,705	5,429	6,702
Deposits and borrowing from the general public	494,036	499,542	302,822	295,057
SEK	93,912	71,451	8,266	7,382
EUR	93,576	94,956	9,219	3,510
USD	11,104	14,138	11,097	14,116
GBP	16,090	21,295	16,090	21,295
DKK				
NOK	1,515	1,524	1,515	1,524
Other currencies	2,310	1,792	1,860	1,158
Securities issued, etc.	218,507	205,156	48,047	48,985
SEK	152,756	97,100	95,181	49,242
EUR	25,352	25,131	11,239	8,876
USD	11,168	55,014	7,839	52,051
GBP	8,034	7,528	1,918	1,400
DKK	23,996	21,524	23,975	21,080
NOK	24,416	22,409	22,384	20,716
Other currencies	1,551	2,397	564	1,110
Other liabilities	247,273	231,103	163,100	154,475
SEK				
EUR	17,026	13,067	14,490	10,037
USD	3,782	8,082	3,666	8,080
GBP	1,290	1,406	1,290	1,406
DKK				
NOK	42	49		
Other currencies	2,121	2,722	2,121	2,722
Subordinated liabilities	24,261	25,326	21,567	22,245
SEK	48,464	45,696	39,663	37,703
EUR			688	457
USD			69	84
GBP				
DKK				
NOK			331	268
Other currencies				
Shareholders' equity and untaxed reserves	48,464	45,696	40,751	38,512
SEK	531,529	449,045	390,917	340,819
EUR	439,505	419,576	117,917	128,638
USD	109,597	171,567	101,431	160,687
GBP	43,846	47,586	37,995	41,871
DKK	66,863	63,750	64,282	60,723
NOK	47,356	46,476	43,726	43,203
Other currencies	40,697	43,112	17,638	18,006
Total liabilities, provisions and shareholders' equity	1,279,393	1,241,112	773,906	793,947

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	
	2003	2002	2003	2002
<i>Technical account - Non-life insurance operations</i>				
Premiums earned, net of reinsurance			9	132
Allocated investment return, transferred from the non-technical account			77	114
Other technical provisions, net of reinsurance				
Claims incurred, net of reinsurance			-67	-179
Operating expenses			-21	-45
Other technical provisions, net of reinsurance				
Balance on technical account, Non-life insurance operations			-2	22
<i>Technical account - Life insurance operations</i>				
Premiums earned, net of reinsurance	8,983	9,150		
Investment return ¹⁾	1,133	1,564		
Unrealised gains on investment assets ¹⁾	5,626	12		
Other technical provisions, net of reinsurance	484	459		
Claims incurred, net of reinsurance	-3,542	-3,668		
Change in Life insurance provisions, net of reinsurance	-11,729	12,509		
Change in other technical provisions	-5	-11		
Operating expenses	-865	-834		
Unrealised losses on investments ¹⁾	-3	-18,544		
Other technical provisions, net of reinsurance	-11	-16		
Tax expense fee	37	-601		
Balance on technical account - Life insurance operations	108	20		
<i>Non-technical account</i>				
Balance on technical account, Non-life insurance operations			-2	22
Balance on technical account, Life insurance operations	108	20		
<i>Investment return</i>				
Investment income	61	68	233	263
Unrealised gains on investments	5	17	-6	-22
Investment charges	-28	-32	-14	-55
Unrealised losses on investments			-19	-8
Allocated investment return transferred to Non-life technical account			-77	-114
Investment return	38	53	117	64
Other income and expenses	-23	-50	-13	-18
Operating result in legal entities	123	23	102	68
Amortisation of goodwill	-147	-147		
Operating profit from insurance operations	-24	-124	102	68

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	
	2003	2002
Calculation of surplus values ¹⁾		
Present value of current year's new premiums and extra premiums under existing contracts	1,409	1,181
Return on contracts made in previous years	474	552
Realised surplus value on contracts made in previous years	-484	-673
Actual outcome compared with operational assumptions ²⁾	562	346
Change in surplus values from ongoing business, gross	1,961	1,406
Capitalisation of acquisition costs	-615	-510
Amortisation of capitalised acquisition costs	393	407
Change in surplus values from ongoing business, net³⁾	1,739	1,303
Change in operational assumptions	-94	-447
Financial effects due to short term market fluctuations	296	-1,727
Total change in surplus values	1,941	-871

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:

	2003	2002
Discount rate	9%	9%
Cancellations of contracts	5%	5%
Cancellations of current premiums	10%	8–10%
Growth in fund units	6%	6%
Inflation	2%	2%
Right to transfer policy	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 the 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 SEB Baltic & Poland offers 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 pricing 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 segments

	Nordic Retail & Private Banking	Corporate & Institutions	German Retail & Mortgage Banking	SEB Asset Management	SEB Baltic & Poland	SEB Trygg Liv	Other incl eliminations	SEB Group
Profit & Loss 2003								
Net interest income	4,247	4,603	3,398	83	1,370		81	13,782
Net commission income	3,326	3,659	1,216	1,235	659		123	10,218
Net result of financial transactions	151	1,809	-17	3	205		-67	2,084
Other operating income	173	207	221	18	108		260	987
Total income	7,897	10,278	4,818	1,339	2,342		397	27,071
whereof internally generated	510	238	0	-872	5	450	-331	0
Staff costs	-2,900	-3,464	-2,331	-550	-696		-1,216	-11,157
Pension compensation	326	165		29	2		136	658
Other operating costs	-2,392	-2,171	-1,193	-330	-503		398	-6,191
Amortisation of goodwill	-52	-56		-7	-49		-452	-616
Depreciation and write-downs	-55	-111	-236	-26	-196		-205	-829
Total costs	-5,073	-5,637	-3,760	-884	-1,442		-1,339	-18,135
Net credit losses etc ¹⁾	-194	-186	-573		-84		31	-1,006
Net result from associated companies		-14	-2		-3		-45	-64
Write-downs of financial fixed assets	-17	-26	40		30		-8	19
Operating result from insurance operations					16	149	-87	78
Operating result	2,613	4,415	523	455	859	149	-1,051	7,963

1) Including change in value of seized assets.

Balance sheet information 2002-12-31

Segment assets	273,570	760,562	256,569	4,082	50,122	62,518	-128,030	1,279,393
Segment liabilities	264,470	746,062	247,169	2,282	46,822	58,218	-134,094	1,230,929
Segment investments	22	38	208	5	345		252	870

note 57 ctd. Segment reporting

	Nordic Retail & Private Banking	Corporate & Institutions	German Retail & Mortgage Banking	SEB Asset Management	SEB Baltic & Poland	SEB Trygg Liv	Other incl elimina- tions	SEB Group
Profit & Loss 2002								
Net interest income	4,169	4,593	3,702	89	1,377		-211	13,719
Net commission income	3,095	3,678	1,042	1,423	589		148	9,975
Net result of financial transactions	111	1,942	122	8	231		-5	2,409
Other operating income	202	298	290	12	66		407	1,275
Total income	7,577	10,511	5,156	1,532	2,263		339	27,378
whereof internally generated	530	391	0	-937	0	483	-467	0
Staff costs	-2,847	-3,456	-2,506	-577	-706		-1,205	-11,297
Pension compensation	432	203		39	2		272	948
Other operating costs	-2,418	-2,423	-1,347	-410	-452		127	-6,923
Amortisation of goodwill		-61		-8	-49		-426	-544
Depreciation and write-downs	-46	-130	-302	-32	-218		-205	-933
Restructuring costs	-65	-98		-8			-29	-200
Total costs	-4,944	-5,965	-4,155	-996	-1,423		-1,466	-18,949
Net credit losses etc ¹⁾	-85	-83	-529		-138		7	-828
Write-downs of financial fixed assets					-7		-22	-29
Net result from associated companies	-20	-33	-8		-11		-32	-104
Operating result from insurance operations					28	40	-124	-56
Operating result	2,528	4,430	464	536	712	40	-1,298	7,412

1) Including change in value of seized assets

**Balance sheet information
2002-12-31**

Segment assets	242,491	805,954	257,317	4,090	41,546	51,438	-161,724	1,241,112
Segment liabilities	235,291	790,354	247,817	2,290	38,796	47,538	-166,670	1,195,416
Segment investments	6	151	461	3	241		19	881

Geographical segments

Segment items 2003	Sweden	Other Nordic	Other Europe	Other world	SEB Group
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

Segment items 2003

Total Income	14,315	2,349	10,094	620	27,378
Total Segment assets	452,901	120,313	573,665	94,233	1,241,112
Total Segment investments	167	9	705		881

SEB Group

Profit and Loss Accounts

SEKm	2003	2002	2001	2000	1999
Net interest income	13,782	13,719	13,011	11,556	6,825
Net commission income	10,218	9,975	11,186	13,463	8,075
Net result of financial transactions	2,084	2,409	2,987	3,544	2,025
Other operating income	987	1,275	2,015	3,085	1,873
Income from banking operations	27 071	27 378	29 199	31 648	18 798
Administrative expenses	-17,348	-18,220	-20,078	-20,579	-13,369
Depreciation and write-downs	-1,445	-1,477	-1,637	-1,556	-973
Merger and restructuring costs		-200	-661		
Costs from banking operating	-18,793	-19,897	-22,376	-22,135	-14,342
Profit from banking operations, before credit losses	8,278	7,481	6,823	9,513	4,456
Lending losses and changes in value	-1,006	-828	-547	-815	318
Write-downs of financial fixed assets	-64	-29	-69	-75	-29
Net result from associated companies	19	-104	-20	104	116
Operating profit from banking operations	7,227	6,520	6,187	8,727	4,861
Operating profit from insurance operations	78	-56	-36	73	261
Operating profit	7,305	6,464	6,151	8,800	5,122
Pension provision	658	948	1,002	943	873
Taxes	-2,247	-2,057	-2,058	-2,856	-1,355
Minority interests	-12	-37	-44	-245	-56
Net profit for the year	5,704	5,318	5,051	6,642	4,584

Balance sheets

SEKm	2003	2002	2001	2000	1999
Lending to credit institutions	179,308	150,380	175,380	165,395	103,521
Lending to the public	707,459	680,206	634,995	605,759	342,907
Interest-bearing securities	189,089	195,979	153,033	158,047	93,532
Shares and participations	12,551	10,648	10,227	8,688	8,128
Assets in insurance operations	62,742	52,318	66,459	71,749	67,146
Other assets	128,244	151,581	123,221	113,172	95,021
Total assets	1,279,393	1,241,112	1,163,315	1,122,810	710,255
Liabilities to credit institutions	246,852	234,289	221,686	217,364	117,774
Deposits and borrowing from the public	494,036	499,542	465,243	419,887	229,534
Securities issued, etc.	218,507	205,156	194,682	201,783	122,143
Liabilities in insurance operations	60,641	50,163	64,111	66,932	63,198
Other liabilities	186,632	180,940	143,293	143,825	118,718
Subordinated liabilities	24,261	25,326	30,008	31,410	25,882
Shareholders' equity	48,464	45,696	44,292	41,609	33,006
Total liabilities, provisions and shareholders' equity	1,279,393	1,241,112	1,163,315	1,122,810	710,255

Key ratios

	2003	2002	2001	2000	1999
Return on equity, per cent	12.3	12.0	11.9	16.9	14.6
Result for the year per share, SEK	8.22	7.60	7.17	9.43	6.96
Cost/Income ratio	0.67	0.69	0.73	0.67	0.72
Cost/Income ratio, banking operations	0.69	0.73	0.77	0.70	0.76
Lending loss level, per cent	0.15	0.13	0.09	0.12	-0.09
Level of doubtful claims, per cent	0.52	0.47	0.65	1.37	0.82
Total capital ratio, per cent	10.2	10.5	10.8	10.8	14.6
Core capital ratio, per cent	8.0	7.9	7.7	7.4	10.8

Skandinaviska Enskilda Banken

Profit and Loss Accounts

SEKm	2003	2002	2001	2000	1999
Net interest income	5,790	5,744	5,087	4,830	5,029
Net commission income	4,216	4,142	4,356	5,958	4,765
Net result of financial transactions	1,570	1,734	2,341	2,298	1,343
Other income	2,234	1,550	2,138	4,147	5,782
Total operating income	13,810	13,170	13,922	17,233	16,919
Administrative expenses	-9,271	-9,518	-10,836	-11,737	-11,746
Depreciation and write-downs	-340	-291	-311	-317	-266
Merger and restructuring costs		-109	-575		
Total operating costs	-9,611	-9,918	-11,722	-12,054	-12,012
Profit before credit losses	4,199	3,252	2,200	5,179	4,907
Lending losses and changes in value	-121	-83	186	136	405
Write-downs of financial fixed assets	-416	-405	-750	-658	-3,057
Operating profit	3,662	2,764	1,636	4,657	2,255
Appropriations including pension compensation	-943	-661	-751	-1,364	-990
Taxes	-435	-476	-210	-472	-68
Net profit for the year	2,284	1,627	675	2,821	1,197

Balance sheets

SEKm	2003	2002	2001	2000	1999
Lending to credit institutions	228,077	226,682	227,364	185,570	163,647
Lending to the public	219,643	231,531	223,357	220,493	189,248
Interest-bearing securities	158,702	156,952	113,355	118,418	87,422
Shares and participations	56,106	49,907	44,352	44,485	28,692
Other assets	111,378	128,875	95,952	93,391	93,566
Total assets	773,906	793,947	704,380	662,357	562,575
Liabilities to credit institutions	197,619	234,673	203,701	198,618	121,601
Deposits and borrowing from the public	302,822	295,057	271,738	234,650	218,727
Securities issued, etc.	48,047	48,985	54,364	55,247	60,364
Other liabilities	163,100	154,475	109,684	108,574	107,452
Subordinated liabilities	21,567	22,245	26,832	28,207	25,560
Shareholders' equity and untaxed reserves	40,751	38,512	38,061	37,061	28,871
Total liabilities, provisions and shareholders' equity	773,906	793,947	704,380	662,357	562,575

Proposal for the distribution of profit

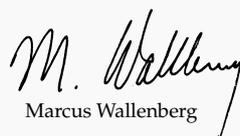
The non-restricted funds of the SEB Group amount to SEK 11,906 M. Standing at the disposal of the Annual General Meeting in accordance with the balance sheet of Skandinaviska Enskilda Banken, SEK 7,930,220,025.

The Board proposes that, following approval of the balance sheet of Skandinaviska Enskilda Banken for the financial year 2003, the Annual General Meeting should distribute the above-mentioned unappropriated funds as follows:

Retained profits	SEKm	declare a dividend of	SEK
Result for the year	5,646	SEK 4.00 per Series A share	2,695,136,492
Non-restricted equity	2,284	SEK 4.00 per Series C share	123,094,228
	7,930	and bring forward to next year	5,111,989,305

Stockholm 12 February, 2004


Jacob Wallenberg
Chairman


Marcus Wallenberg


Gösta Wiking


Penny Hughes


Urban Jansson

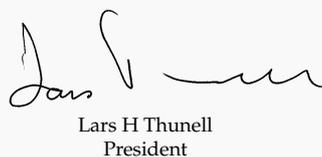

Ulf Jensen


Tuve Johannesson


Hans-Joachim Körber


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, consolidated financial statements, book-keeping and the administration of the Board of Directors and President of Skandinaviska Enskilda Banken AB (publ) for the financial year 2003. The responsibility for the financial statements and administration rests with the Board of Directors and President. It is our responsibility to express our opinion on the Annual Report, consolidated financial statements 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 make sure as far as reasonable that the Annual Report and the consolidated financial statements do not contain any material errors. An audit implies that a selected number of documents forming the basis of amounts and other information in the accounts is examined. An audit furthermore implies a test of the accounting principles and the Board's and President's application of these as well as an evaluation of the total information contained in the Annual Report and consolidated accounts. To support our recommendation regarding discharge from liability, we have examined all 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 President is liable for damages towards the company

We have furthermore examined whether or not any member of the Board of Directors or the President has acted in violation in any other respect of the Banking Companies Act, the Swedish 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 opinions expressed below.

The Annual Report and the consolidated financial statements have been drawn up in compliance with the Act on Annual Accounts of Credit Institutions and Securities Companies and therefore present a true picture of the results and position of the company and the Group in accordance with generally accepted auditing standards in Sweden.

We therefore recommend that the Annual General Meeting adopt the profit and loss account and balance sheet of the parent company and the Group, distribute the profit in the parent company according to the proposal in the Report of the Directors and discharge the members of the Board of Directors and the President from personal liability for the financial year.

Stockholm 12 February, 2004

PricewaterhouseCoopers



Göran Jacobsson
Authorised Public Accountant



Peter Clemedtson
Authorised Public Accountant



Ulf Järlebro
Authorised Public Accountant
Appointed by the Financial Supervisory Authority

Board of Directors



Jacob Wallenberg



Marcus Wallenberg



Gösta Wiking



Penny Hughes



Urban Jansson



Tuve Johannesson



Hans-Joachim Körber



Carl Wilhelm Ros



Lars H Thunell



Lars Lundquist



Ulf Jensen



Ingrid Tegvald



Göran Arrius



Magdalena Olofsson

Elected by the Annual General Meeting

Jacob Wallenberg⁴⁾⁵⁾⁶⁾

Born 1956; elected 1997
Chairman of the Board.
 Chairman W Capital Management AB and AB Svensk Stiftelseförvaltning. Deputy Chairman Investor, Atlas Copco, Electrolux, The Knut and Alice Wallenberg Foundation and SAS. Director ABB, Confederation of Swedish Enterprise and the Nobel Foundation. Shareholding: 148,902 Series A shares and 5,046 Series C shares.

Marcus Wallenberg

Born 1956; elected 2002
Deputy Chairman.
 President Investor. Deputy Chairman Ericsson and Saab. Director AstraZeneca Plc, Knut and Alice Wallenberg Foundation, Scania and Stora Enso. Shareholding: 101,276 Series A shares and 1,626 Series C shares.

Gösta Wiking²⁾³⁾⁷⁾

Born 1937; elected 1997
Deputy Chairman.
 Chairman Mölnlycke Health Care, Tribon and Angiogenetics. Director Bong Ljungdahl, Karlshamn and XCounter. Shareholding: 3,600 Series A shares.

Penny Hughes⁷⁾

Born 1959; elected 2000
 Director Vodafone, Trinity Mirror and GAP Inc. Shareholding: 0

Urban Jansson¹⁾

Born 1945; elected 1996
 Chairman Drott, Plantagen and Proffice. Director Addtech, Ahlstrom Corp, Anoto Group and Eniro. Shareholding: 8,000 Series A shares.

Tuve Johannesson

Born 1943; elected 1997
 Chairman Ecolan International A/S. Deputy Chairman Volvo Car Corporation. Director Swedish Match, Cardo and IFS. Shareholding: 8,000 Series A shares.

Hans-Joachim Körber

Born 1946; elected 2000; Dr.
 CEO Metro AG. Shareholding: 0

Carl Wilhelm Ros³⁾⁴⁾

Born 1941, elected 1999
 Chairman Dahl International. Director INGKA (Ikea) Holding, LKAB, Bonnier and ProfilGruppen. Shareholding: 3,301 Series A shares and 26 Series C shares.

Lars H Thunell⁹⁾

Born 1948; elected 1997; Dr Phil.
 President and Group Chief Executive. Chairman IBX AB. Director Akzo Nobel N.V., b-business partners, Swedish Bankers' Association, The Swedish Industry and Commerce Stock Exchange Committee and Mentor Foundation. Shareholding: 9,000 Series A shares, 1,115,687 employee stock options.

Deputy Director elected by the Annual General Meeting

Lars Lundquist

Born 1948; elected 2003.
 Executive Vice President and Deputy Group Chief Executive; Chief Financial Officer as from 1 January 2003. Shareholding: 523,530 employee stock options.

Directors appointed by the employees:

Ulf Jensen

Born 1950; appointed 1997 (1995)
 Chairman SEB Group Committee of the Swedish Union of Financial Sector Employees and Stockholm City Regional Club of the same union. Shareholding: 0

Ingrid Tegvald

Born 1946; appointed 2002
 Shareholding: 391 Series A shares, 19 Series C shares

Deputy Directors appointed by the employees

Göran Arrius

Born 1959; appointed 2002.
 Chairman Association of University Graduates at SEB and JUSEK's Section for Bank and Insurance. Shareholding: 0

Magdalena Olofsson

Born 1953; appointed 2003
 Director SEB Group Committee of the Swedish Union of Financial Sector Employees. 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⁾ Director of Compensation Committee of the Board of Directors

Group executive Committee and Auditors



Lars H Thunell



Lars Lundquist



Annika Bolin



Fleming Carlborg



Liselotte Hjorth



Harry Klagsbrun



Anders Mossberg



Nils-Fredrik Nyblæus

Lars H Thunell

Born 1948; SEB employee since 1997; Dr Phil.

President and Group Chief Executive. Chairman IBX AB. Director Akzo Nobel N.V., b-business partners, Swedish Bankers' Association, The Swedish Industry and Commerce Stock Exchange Committee and Mentor Foundation.

Shareholding: 9,000 Series A shares, 1,115,687 employee stock options.

Lars Lundquist

Born 1948; SEB employee since 1997; M. Sc. and MBA.

Executive Vice President and Deputy Group Chief Executive; Chief Financial Officer as from 1 January 2003.

Shareholding: 523,530 employee stock options.

Annika Bolin

Born 1962; SEB employee since 1987; B. Sc. (Econ).

Executive Vice President and Head of Corporate & Institutions since 2001; *Head of Merchant Banking* since 2000. Director Securitas and Ruter Dam.

Shareholding: 486,275 employee stock options.

Fleming Carlborg

Born 1956; SEB employee since 1974 *Executive Vice President, Head of Nordic Retail & Private Banking* since 2001 and responsible within the Group Executive Committee for the Retail operations in Germany since 2003. Chairman Bankgirocentralen (BGC). Shareholding: 2,148 Series A shares, 120 Series C shares, and 415,097 employee stock options.

Lars Gustafsson

Born 1946; SEB employee 1982–2003. *Executive Vice President, Head of Group Staff, Head of SEB IT and Head of SEB Baltic & Poland* since 2001 until January 2004. Director VPC, Stockholm International Fair.

Shareholding: 322 Series A shares, 448,038 employee stock options.

Liselotte Hjorth

Born 1957; SEB employee 1983–97 and since 1998; B. Sc. (Econ).

Executive Vice President, Group Credit Officer since 1998. Director Swedish Auditing Academy.

Shareholding: 236,765 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.

Shareholding: 60,000 Series A shares and 233,211 employee stock options.

Anders Mossberg

Born 1952; SEB employee since 1985. *Executive Vice President, Head of SEB Trygg Liv* since 1997. Director Sveriges Försäkringsförbund, Codan Link AS, Financial Education AB.

Shareholding: 7,008 Series A shares, 456,264 employee stock options.

Nils-Fredrik Nyblæus

Born 1951; employee since 2004, B. Sc. (Econ).

Executive Vice President, Head of Group Staff, Head of IT from January 2004. Chairman Danderyds Sjukhus AB. Director Swedish Financial Accounting Standards Council.

Shareholding: 0

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 Järlebro

Born 1947; auditor in SEB as of 1999. Authorised Public Accountant, BDO Feinstein Revision

Addresses

Head Office

Group Executive Committee

Postal Address: SE-106 40 Stockholm

Visiting Address: Kungsträdgårdsgatan 8

Telephone: +46 771 62 10 00

+46 8 22 19 00 (management)

Divisions and Business Areas

Nordic Retail & Private Banking

Postal Address: SE-106 40 Stockholm

Visiting Address: Sergels Torg 2

Telephone: +46 771 62 10 00

Corporate & Institutions

Merchant Banking

Postal Address: SE-106 40 Stockholm

Visiting Address: Kungsträdgårdsgatan 8

Telephone: +46 771 62 10 00

Enskilda Securities

Postal Address: SE-103 36 Stockholm

Visiting Address: Nybrokajen 5

Telephone: +46 771 62 10 00

SEB Asset Management

Postal Address: SE-106 40 Stockholm

Visiting Address: Sveavägen 8

Telephone: +46 771 62 10 00

SEB Trygg Liv

Postal Address: SE-106 40 Stockholm

Visiting Address: Sergels Torg 2

Telephone: +46 771 62 10 00

SEB AG Group/German Retail & Mortgage Banking

Postal Address: DE-603 25 Frankfurt am Main

Visiting Address: Ulmenstraße 30

Telephone: +49 69 25 80

SEB Baltic & Poland

Postal Address: LV-1050 Riga

Visiting Address: Valnu St. 11

Telephone: +371 721 55 35

Skandinaviska Enskilda Banken AB's
corporate registration number: 502032-9081

Annual General Meeting

The Annual General Meeting will be held on Thursday 1 April, 2004 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 in March, 2004. 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 Monday 22 March, 2004, at the latest
- and notify the Bank's Legal Department in writing under address KA2, SE-106 40 Stockholm, or by telephone 020-23 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 Friday 26 March, 2004.

Dividend and Record date

The Board proposes a dividend of SEK 4.00 per share. The share is traded ex dividend on Friday 2 April, 2004. Tuesday 6 April 2004 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 Tuesday 13 April 2004.