

Stockholm, 22 October, 2003

Press release

Interim Report January-September 2003

- Operating result for the third quarter isolated amounted to SEK 2,004m, slightly better than the previous quarter and 29 per cent higher than the third quarter of 2002
- Operating result for the first nine months *including* pension compensation increased by 4 per cent to SEK 5,769m, whereas the result *excluding* pension compensation rose by 11 per cent, to SEK 5,305m
- Net profit (after tax) increased by 6 per cent to SEK 4,040m for the first nine months
- Total costs, including pension compensation, for the first nine months decreased by 5 per cent
- Credit losses remained low
- Return on equity was 11.8 per cent (11.6) and earnings per share (nine months) SEK 5.82 (5.46).

President's statement

Stable development in the third quarter

The economy has recovered within several areas during the third quarter. Stock markets have continued to rise, and some improvement can be seen in the difficult economies of Japan and Germany. In Sweden, despite the no-vote to the euro, the Swedish krona has strengthened and interest rates remain at a low level.

Within SEB, our "3 C" programme continues to yield results. Costs are continuing to decrease, whereas Customer satisfaction as well as market shares are increasing. When it comes to Cross-servicing our efforts are starting to give results, supporting the increased net interest and net commission income in the third quarter.

During 2003 an internal process of establishing common core values throughout the Group has started. This process aims at strengthening internal co-operation between our different entities in order to further increase customer satisfaction and employee motivation.

In the retail business our market shares continued to rise within several areas, e.g. mortgage loans and mutual funds. SEB has maintained its number one position on the total savings markets in Sweden according to the Swedish "Sparbarometern" as of June 2003.

The third quarter result was strong throughout the Group.

Nordic Retail & Private Banking had its best quarter since early 2000. Corporate & Institutions continued to deliver strong and stable results, in spite of lower activity levels during the summer months. Merchant Banking has attracted new customers among Financial Institutions and won business in new areas, such as Germany and the Baltic countries. Within German Retail & Mortgage Banking further cost reductions are now being implemented in order to improve the increased but still unsatisfactory profitability.

SEB Asset Management is now getting proof that its restructuring is successful. Costs have come down, performance has increased as well as customer ratings. SEB Trygg Liv focuses on unit-linked insurance, where sales have risen by 26 per cent, and also shows a significantly improved result. The SEB Baltic & Poland division continues to deliver high profits.

Our strengthened market positions and increased business volumes provide a good basis for taking advantage of an upturn in the economy.

The Group

Third quarter isolated

Improved result

Operating result for the third quarter amounted to SEK 2,004m, including pension compensation, slightly better than for the previous quarter and 29 per cent higher than the corresponding period of 2002.

Net profit after tax amounted to SEK 1,397m, virtually the same as in the second quarter and 27 per cent better than the corresponding quarter of 2002.

Total income, SEK 6,698m, was in line with the second quarter and 5 per cent higher than in the corresponding quarter of last year. The rate cuts by the ECB and the Swedish Riksbank, respectively, had full negative impact on net interest income from household transaction accounts, which was more than offset by increased lending and deposit volumes.

Strengthened stock markets had a positive impact on equity-related commission income, which constitutes approximately 35 per cent of the Group's net commission income. These effects were mainly seen within Nordic Retail & Private Banking, SEB Asset Management and SEB Trygg Liv. Net commission income increased by 4 per cent between the second and third quarter.

Total costs including pension compensation, SEK 4,455m, were slightly lower than last quarter and down by 4 per cent compared to last year.

Net credit losses amounted to SEK 273m (181 in the third quarter of 2002).

Result for nine months

Operating result: SEK 5.8bn

Operating result for the first nine months of 2003 including pension compensation amounted to SEK 5,769m, an increase of 4 per cent compared with last year. The result *excluding* pension compensation rose by 11 per cent to SEK 5,305m. The largest contributor was Corporate & Institutions, whereas SEB Baltic & Poland showed the strongest increase.

Net profit after tax amounted to SEK 4,040m (3,827).

Stable operating income

Total income decreased by 2 per cent, to SEK 19,958m (20,449).

Net interest income rose by 1 per cent to SEK 10,284m (10,176). Increased volumes, leading to higher market shares within both mortgage and other lending, had positive effects. These were, however, to a large part offset by reduced deposit margins due to the lower interest rate levels.

Net commission income amounted to SEK 7,500m (7,516). The positive stock market development in the last two quarters of 2003 has only during the past months led to increased customer activity in terms of brokerage and equity fund sales. There have still not been any IPOs in the Swedish market this year.

Net result of financial transactions amounted to SEK 1,444m (1,755). The lower activity levels during the summer months

and uncertainty prior to the euro referendum had a negative impact, whereas September overall showed strong improvements.

Other income decreased to SEK 730m (1,002), mainly due to lower capital gains compared to the corresponding period in 2002.

Reduced costs

Total costs including pension compensation decreased by 5 per cent to SEK 13,488m (14,258). Excluding pension compensation costs were reduced by 7 per cent to SEK 13,952m.

Staff costs, gross, were down 3 per cent to SEK 8,340m (8,564) due to staff reductions and lower performance-related compensation. The average number of full time equivalents in September 2003 was 17,907, a decrease of approximately 2,100 since June 2001, which was the basis for SEB's cost reduction programme. Compensation from pension funds was reduced to SEK 464m (759).

On 30 September 2003, total assets in SEB's pension funds amounted to SEK 12.9bn, while commitments were SEK 10.6bn. Accordingly the excess value was SEK 2.3bn, unchanged from last quarter.

Other operating costs were reduced by 12 per cent to SEK 4,530m (5,145). External costs for IT amounted to SEK 1,158m (1,311). Total IT-costs (defined as a calculated cost for all IT-related activities including costs for own personnel) amounted to SEK 2.6bn (2.6). In order to reduce costs further SEB's two IT companies have been co-ordinated as from October 2003.

New accounting principles for pension-related costs – negative effect on 2004 profit before tax by SEK 300m

The introduction of new accounting principles, RR 29 (IAS 19), in Sweden from 2004 will have an impact on pension costs in group accounts. SEB's analyses indicate that the Group's excess value, as of January 2004, according to the new rules will be around SEK 1.5bn. The change is expected to affect profit before tax for 2004 negatively by approximately SEK 300m compared to the current accounting principles. The new principles will increase equity by about SEK 1.2bn.

Credit losses on a low level

The Group's *net credit losses*, including changes in the value of assets taken over, remained at a low level, 0.13 per cent (0.11), in spite of an increase to SEK 676m (550). The increase is mainly explained by lower recoveries than last year and a build-up of reserves in Germany. Asset quality remained stable.

Improved result from insurance operations

SEB Trygg Liv's operating result increased to SEK 85m (39), which is included in the Group's result. The result of the SEB Group's total insurance operations, non-life and life including

goodwill amortisation of SEK 110m (110), amounted to SEK 9m (-66).

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 1,360m (1,146).

Results including surplus value changes are not consolidated with the SEB Group's result. In order to provide a complete overview of the Group's operations, SEB Trygg Liv is reported separately, including changes in surplus values, in "Additional information" on www.seb.net.

Increased assets under management

On 30 September 2003, the SEB Group's assets under management totalled SEK 800bn (742 at year-end 2002). Net inflow during the first nine months of 2003 was SEK 32bn, while change in value was SEK 26bn. SEK 10bn of the net inflow emanated from Sweden, SEK 14bn from Germany, SEK 4bn from the rest of the Nordic countries, and SEK 4bn from the Baltic States and Poland.

Net sales of funds have tripled during January-September 2003 compared to last year.

Credit portfolio

Total credit exposure, including contingent liabilities and derivatives contracts, amounted to SEK 965 billion (1,000), of which loans and leasing, excluding repos, accounted for SEK 728 billion (731).

Since year-end 2002 the risk-weighted assets for credit risk have increased by 2.3 per cent to SEK 473 billion.

Growth in the credit portfolio was related to the Baltic subsidiary banks and to Swedish household mortgage lending, as in previous quarters. Contributing factors behind the decline in the total credit volumes during the third quarter were both fluctuating banking sector volumes as well as the strong Swedish krona development against the U.S. dollar and the euro.

The geographical distribution of the credit portfolio remained stable with credit volumes concentrated on our home markets, the Nordic area (46 per cent), Germany (34 per cent) and the Baltic countries (4 per cent).

On 30 September, *doubtful loans*, gross, amounted to SEK 10,443m (11,002 at year-end 2002), of which SEK 8,893m (8,862) were non-performing loans (loans where interest and amortisation are not paid) and SEK 1,550m (2,140) were performing loans. The reserve ratio for doubtful loans was 69 per cent, in line with the previous quarter (67). The volume of assets taken over amounted to SEK 128m (130).

Capital base and capital adequacy

The capital base for the financial group of undertakings (i.e. excluding the insurance companies) amounted to SEK 53.6bn as of 30 September 2003 (52.7 at year-end). Core capital was SEK 41.6bn (39.7), of which SEK 1.8bn constituted so-called core capital contribution. Risk-weighted assets amounted to SEK 514bn (503). The increase in risk-weighted assets was due to business volume increases in general.

As of 30 September 2003, the *core capital ratio* was 8.1 per cent (7.9) and the *total capital ratio* 10.4 per cent (10.5), including the result for the third quarter of 2003.

In September, the rating institute Standard & Poor's changed its outlook on SEB's rating from Stable to Positive.

Changes in SEB's Group Executive Committee

Nils-Fredrik Nyblaeus, at present Deputy President and Chief Financial Officer of FöreningsSparbanken, has been employed by SEB as Executive Vice President with responsibility for Group Staff as well as IT and successively other functions. He will join SEB and the Group Executive Committee by April 2004 and succeeds Lars Gustafsson, who will retire.

In order to further explore synergies in the retail areas in Germany and Sweden, Fleming Carlborg, Head of the Nordic Retail & Private Banking division, has been made responsible within the Group Executive Committee for the Retail operations in both the Nordic area and Germany.

Stockholm, 22 October 2003

Lars H Thunell

President and Group Chief Executive

This Interim Report has not been reviewed by the Auditors of the Bank.

More detailed information is presented on www.seb.net. The "Additional information" includes:

Appendix 1 SEB Trygg Liv
Appendix 2 Credit exposure
Appendix 3 Capital base
Appendix 4 Market risk

Profit & Loss Account quarterly performance seven quarters

- The SEB Group
- The Divisions and business areas
- Revenue split

Financial information in 2004:

13 February Annual Accounts for 2003
1 April Annual General Meeting
6 May Interim Report January-March
27 July Interim Report January-June
20 October Interim Report January-September

Further information is available from:

Gunilla Wikman, Head of Group Communications,
+ 46 8 763 81 25; +46 70 763 81 25
Per Anders Fasth, Head of Group Investor Relations,
+ 46 8 763 95 66; +46 70 573 45 50
Annika Halldin, Responsible for financial information,
+46 8 763 85 60; +46 70 379 00 60

SEB Group

Operational Profit and Loss Account

SEK m	July-Sep		Change, per cent	Jan-Sep		Change, per cent	Full year 2002
	2003	2002		2003	2002		
Net interest income	3 520	3 405	3	10 284	10 176	1	13 719
Net commission income	2 576	2 333	10	7 500	7 516	0	9 975
Net result of financial transactions	412	449	-8	1 444	1 755	-18	2 409
Other operating income	190	220	-14	730	1 002	-27	1 275
Total income	6 698	6 407	5	19 958	20 449	-2	27 378
Staff costs	-2 725	-2 800	-3	-8 340	-8 564	-3	-11 297
Pension compensation	146	192	-24	464	759	-39	948
Other operating costs	-1 522	-1 665	-9	-4 530	-5 145	-12	-6 923
Amortisation of goodwill	-153	-137	12	-463	-407	14	-544
Depreciation and write-downs	-201	-222	-9	-619	-701	-12	-933
Restructuring costs					-200	-100	-200
Total costs	-4 455	-4 632	-4	-13 488	-14 258	-5	-18 949
Net credit losses etc *	-273	-181	51	-676	-550	23	-828
Write-downs of financial fixed assets	-1			-21	-9	133	-29
Net result from associated companies	-8	-21	-62	-13	-29	-55	-104
Operating result from insurance operations**	43	-22		9	-66	-114	-56
Operating result	2 004	1 551	29	5 769	5 537	4	7 412
Taxes	-603	-438	38	-1 719	-1 672	3	-2 057
Minority interests	-4	-11	-64	-10	-38	-74	-37
Net profit for the year	1 397	1 102	27	4 040	3 827	6	5 318
* Including change in value of seized assets							
** Result from SEB Trygg Liv, non-life and pertaining goodwill amortisation							
of which SEB Trygg Liv	62	8		85	39	118	40
Change in surplus values, net	818	472	73	1 275	1 107	15	1 303

Key figures

	Jan-Sep		Full year
	2003	2002	2002
Return on equity, %	11.8	11.6	12.0
Return on total assets, %	0.43	0.43	0.44
Return on risk-weighted assets, %	1.05	1.05	1.08
Earnings per share (weighted average number) *, SEK	5.82	5.46	7.60
Cost/income ratio	0.68	0.70	0.69
Cost/income ratio, excl non-operating items **	0.68	0.70	0.70
Credit loss level, %	0.13	0.11	0.13
Reserve ratio for doubtful loans, %	69.3	N/A	70.8
Level of doubtful loans, %	0.47	N/A	0.47
Total capital ratio, % ***	10.42	10.96	10.47
Core capital ratio, % ***	8.08	8.04	7.88
Risk-weighted assets, SEK billion	514	493	503
Number of full time equivalents, average	18 233	19 193	19 003
Number of e-banking customers, thousands	1 542	1 264	1 332
Assets under management, SEK billion	800	723	742

* 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. Earnings per share after full dilution, calculated in accordance with the recommendations of the Swedish Financial Accounting Standards Council, give the same result.

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

*** Non-audited results for third quarter included for January - September.

Operational Profit and Loss Account, quarterly basis

SEK m	2003:3	2003:2	2003:1	2002:4	2002:3
Net interest income	3 520	3 387	3 377	3 543	3 405
Net commission income	2 576	2 484	2 440	2 459	2 333
Net result of financial transactions	412	542	490	654	449
Other operating income	190	268	272	273	220
Total income	6 698	6 681	6 579	6 929	6 407
Staff costs	-2 725	-2 789	-2 826	-2 733	-2 800
Pension compensation	146	157	161	189	192
Other operating costs	-1 522	-1 489	-1 519	-1 778	-1 665
Amortisation of goodwill	-153	-160	-150	-137	-137
Depreciation and write-downs	-201	-201	-217	-232	-222
Total costs	-4 455	-4 482	-4 551	-4 691	-4 632
Net credit losses etc *	-273	-189	-214	-278	-181
Write-downs of financial fixed assets	-1	-16	-4	-20	-21
Net result from associated companies	-8	-5		-75	-21
Operating result from insurance operations**	43	-16	-18	10	-22
Operating result	2 004	1 973	1 792	1 875	1 551

* Including change in value of seized assets

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

Operational Profit and Loss Account by division

Jan-Sep 2003, SEK m	Nordic Retail & Private Banking	Corporate & Institutions	German Retail & Mortgage Banking	SEB Asset Manage- ment	SEB Baltic & Poland	SEB Trygg Liv	Other incl elimi- nations	SEB Group
Net interest income	3 166	3 439	2 573	61	1 010		35	10 284
Net commission income	2 406	2 673	926	913	492		90	7 500
Net result of financial transactions	114	1 264	-42	1	166		-59	1 444
Other operating income	137	157	118	9	57		252	730
Total income	5 823	7 533	3 575	984	1 725		318	19 958
Staff costs	-2 155	-2 530	-1 826	-414	-527		-888	-8 340
Pension compensation	239	124		22	1		78	464
Other operating costs	-1 757	-1 631	-848	-239	-355		300	-4 530
Amortisation of goodwill	-39	-42		-6	-37		-339	-463
Depreciation and write-downs	-33	-83	-172	-20	-145		-166	-619
Total costs	-3 745	-4 162	-2 846	-657	-1 063		-1 015	-13 488
Net credit losses etc *	-119	-116	-385		-86		30	-676
Write-downs of financial fixed assets		-14			-2		-5	-21
Net result from associated companies	-11	-15	23		8		-18	-13
Operating result from insurance operations**					14	85	-90	9
Operating result	1 948	3 226	367	327	596	85**	-780	5 769

* Including change in value of seized assets

** Result from on-going business in SEB Trygg Liv amounted to SEK 1 360m (1 146).

Nordic Retail & Private Banking

This division has 1.5 million private customers - of which 690,000 Internet customers - and 120,000 small and medium-sized corporate customers. The majority of the customers are Swedish. In the Nordic area, SEB also has approximately 600,000 card customers. The business areas are Retail Banking, Private Banking and SEB Kort (cards). In Sweden, SEB has 200 branch offices, a top-ranked Internet service and a 24h-telephone bank.

Profit and loss account

SEK m	July-Sep	Jan - Sep		Change, per cent	Full-year 2002
	2003	2003	2002		
Net interest income	1 074	3 166	3 134	1	4 169
Net commission income	852	2 406	2 285	5	3 095
Net result of financial transactions	41	114	76	50	111
Other operating income	31	137	146	-6	202
Total income	1 998	5 823	5 641	3	7 577
Staff costs	-723	-2 155	-2 188	-2	-2 847
Pension compensation	73	239	406	-41	432
Other operating costs	-572	-1 757	-1 790	-2	-2 418
Amortisation of goodwill	-12	-39			
Depreciation and write-downs	-9	-33	-30	10	-46
Restructuring costs			-56	-100	-65
Total costs	-1 243	-3 745	-3 658	2	-4 944
Net credit losses etc	-25	-119	-14		-85
Intra-group minority interest	-6	-11	-16	-31	-20
Operating result	724	1 948	1 953	0	2 528
Cost/Income ratio	0,62	0,64	0,65		0,65
Business C/I-ratio *	0,65	0,68	0,71		0,70
Allocated capital, SEK m		9 100	7 200		7 200
Return on capital, %		20,6	26,0		25,3
Number of full time equivalents, average		4 796	4 895		4 837

* Costs excluding pension compensation, amortisation of goodwill and restructuring costs

Sales and market shares continued to increase

SEB's market shares of both household deposits and mortgages have continued to increase - this summer showing a higher degree of customer activity than usual.

At the end of the third quarter total deposit volumes amounted to SEK 119bn (108), an increase of 10 per cent compared to the corresponding period last year. This development offsets the negative effect on margins on transaction accounts caused by the lower interest rate level.

The division's total lending volumes rose by 15 per cent, to SEK 171bn (149). This includes mortgage volumes of SEK 120bn (100), an increase of 20 per cent. From September 2002 to September 2003, SEB BoLån's total share of the private market increased to 14.1 per cent (13.2). During the same period SEB BoLån's share of new sales to private customers rose to 17.5 per cent (15.2).

A clear and attractive offering in combination with a high level of local sales and customer activities have contributed to the continuous success on the mortgage market. The increased volumes have offset the negative margin effects, caused by the fact that more customers are now choosing fixed interest rates on mortgages. Actual

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

Continuously increasing result

The division's result for the third quarter, SEK 724m, was the best since the second quarter of 2000, due to both continued cost control and increased income, especially within SEB Kort.

In total, the division's net interest income remained stable, due to the increased volumes. Commission income continued to improve between the second and third quarter of 2003, mainly due to equity market related commissions.

The division's C/I-ratio was strongly improved -from 0.65 to 0.62 - between the second and third quarter of 2003.

The underlying trend for credit losses remained stable and at a low level. The increase compared to 2002 was due to a high level of recoveries - including an extraordinary recovery of SEK 50m - at that time. Before credit losses, the division's result for the first nine months was 5 per cent better than for the corresponding period of last year.

Retail Banking - stable result

The third quarter result was 11 per cent better than the second quarter of this year. Retail Banking's result after nine months was SEK 1,230m (1,280) – a reduction due to the stock market decline and low interest rate levels.

In the yearly external Swedish customer satisfaction survey "Svenskt Kvalitetsindex" SEB showed an improvement among corporate customers and unchanged satisfaction among private customers. Improved customer satisfaction remains a top priority for the division with continuous measures to improve activity levels and service by focusing on the local perspective and increased decision power closer to the customer.

SEB's e-banking services continued to attract new customers – 32,000 new private customers between January and September. A new call-back-function was launched, enabling customers to ask for one of SEB's private advisors to call back before finalising a transaction.

In co-operation with the 3G mobile operator 3, SEB launched the first third generation "3G" mobile Internet banking service.

Private Banking - positive development

The third quarter result was 36 per cent better than the second quarter of this year. This was due to continued forceful cost reduction and positive business development, including a continuation of the trend in increasing net commission income.

Private Banking's result after nine months was SEK 288m (289). Last year's stock market decline still affects income negatively compared to the corresponding period of 2002.

Within International Private Banking (Luxembourg) a reduction of staff was initiated during the summer. In SEB Enskilda Banken (Sweden) the cost reduction activities were on targets.

Customer activity showed a definite increase during the third quarter in general and particularly September, positively affecting both brokerage fees and mutual fund sales.

Assets under management totalled SEK 188bn on September 30 (173). The increase was caused mainly by higher market values on mutual funds and portfolio volumes, but also by a positive net inflow of SEK 5bn.

SEB Kort - successful expansion

SEB Kort's result increased by 12 per cent to SEK 430m (384) including Europay Norway and the acquired card stock of Danish department store Magasin Du Nord. The improvement between the second and third quarters of 2003 was 7 per cent.

The positive result was a direct effect of the Norwegian acquisition. Card volumes excluding Europay and Magasin Du Nord were stable between the years. The result was a combined effect of the lower level of international business travel, which is an important factor for SEB Kort's business, and an increased use of cards.

The integration of the Norwegian operations, acquired in late 2002, proceeded according to plan. Restructuring costs for the integration are included in the result.

Corporate & Institutions

This division is responsible for large corporations, financial institutions and medium-sized companies. Comprising Merchant Banking (cash management, trading in currencies and fixed income, capital markets, lending, import and export financing, custody etc) and Enskilda Securities (equity trading, corporate finance etc), it operates in 12 countries.

Profit and loss account

SEK m	July-Sep	Jan - Sep		Change, per cent	Full-year 2002
	2003	2003	2002		
Net interest income	1 135	3 439	3 430	0	4 593
Net commission income	852	2 673	2 798	-4	3 678
Net result of financial transactions	382	1 264	1 413	-11	1 942
Other operating income	4	157	214	-27	298
Total income	2 373	7 533	7 855	-4	10 511
Staff costs	-825	-2 530	-2 625	-4	-3 456
Pension compensation	42	124	182	-32	203
Other operating costs	-518	-1 631	-1 827	-11	-2 423
Amortisation of goodwill	-13	-42	-45	-7	-61
Depreciation and write-downs	-25	-83	-95	-13	-130
Restructuring costs			-49	-100	-98
Total costs	-1 339	-4 162	-4 459	-7	-5 965
Net credit losses etc	-52	-116	-58	100	-83
Write-downs of financial fixed assets		-14			
Intra-group minority interest	-3	-15	-25	-40	-33
Operating result	979	3 226	3 313	-3	4 430
Cost/Income ratio	0,56	0,55	0,57		0,57
Business C/I-ratio *	0,58	0,56	0,58		0,57
Allocated capital, SEK m		14 500	15 600		15 600
Return on capital, %		21,4	20,4		20,4
Number of full time equivalents, average		3 180	3 303		3 282

* Costs excluding pension compensation, amortisation of goodwill and restructuring costs

Stable economic outlook

The signs are becoming clearer that the negative trend for the manufacturing industry, particularly in the U.S., has bottomed out. The economic situation for the euro zone is still mixed, although there are some positive signs for the future. At the same time, developments in Japan are surprisingly positive.

Concern about the dollar contributed to dampen optimism, but not enough to counteract rising stock prices and long-term interest rates. At the same time, the central banks announced their ambition to continue to hold official interest rates at historically low levels.

Strong Swedish macro-economic factors, such as growth outlook, inflation, state finances and a current account surplus, helped provide stability for the Swedish krona. The strong no-vote in September's euro referendum could not change the positive sentiment for the Swedish krona. The market reaction to the referendum result, in the light of the low activity beforehand, showed no unusual volatility.

Consistent quarter

The third quarter's operating result was SEK 979m.

Income was satisfactory considering seasonal fluctuations. Increased activity and higher volumes meant a positive development during September for revenues, business flow and inflow of new customers.

Compared with the second quarter, costs were lower for both Merchant Banking and Enskilda Securities. Merchant Banking continued to deliver strong and stable results. Enskilda Securities' third quarter results were comparable with the second quarter of 2003.

Merchant Banking – continuously high result

The operating result for the first nine months was SEK 3,158m (3,138).

Net interest and net commission income were stable, while the net result of financial transactions was acceptable considering the low activity levels during the summer months and the increased long-term interest rates during the third quarter. The income level was comparable to the previous four quarters with the exception of the second quarter of 2003.

Costs, excluding pension compensation, were SEK 35m lower during the third quarter than in the second quarter, and 4 per cent lower for January-September than in the corresponding period last year.

Credit losses in the third quarter were higher than in the second quarter but still at a low level; asset quality remained stable.

Merchant Banking continued to win business in new areas. ICA AB, the largest food retailing group in the Nordic region, chose SEB as its cash management bank in the Baltic region.

Merchant Banking has completed a number of transactions including its involvement in a USD 1bn credit facility for Ericsson. SEB was a member of the core group of international banks that arranged the facility. Merchant Banking also acted as arranger for the Swedish power company Vattenfall in a syndicated loan transaction of EUR 600m.

Growth in the Financial Institutions segment has continued, both in terms of existing customers and through acquiring new customers.

Merchant Banking in Germany continued to develop positively, with increased business volumes especially within the Trading & Capital Markets and Structured Finance areas. Major German corporate clients are now doing business with Merchant Banking.

Enskilda Securities – strong market position

The operating result for the first nine months was SEK 68m (175). The result was weaker than in 2002 mainly due to lower market turnover, particularly in equity capital markets.

Total income for the first nine months was SEK 1,003m (1,329). Improved market conditions for the stock exchanges during the third quarter have led to increased income for Equities. Both secondary commission and trading have improved from the second quarter. Even though activity increased within Corporate Finance, this was not reflected in income generation. Income was weaker in the third quarter than in the second.

Total costs for the first three-quarters decreased by 19 per cent compared with last year. Costs have continued to fall during 2003 as an effect of cost-reduction activities. During 2003 the number of staff has further decreased to 428, down by 13 per cent since the end of 2002 and by 30 per cent since 2001.

During the third quarter Enskilda Securities maintained its strong market-leader position in the Nordic region. Market conditions have continued to improve, but seasonal effects from the summer months affected market activity in the third quarter. Nevertheless, current conditions are more positive as turnover increased in September and indices in the Nordic region strengthened.

SEB AG Group

SEB AG Group comprises SEB's operations in Germany, i.e. the German Retail & Mortgage Banking division, Merchant Banking Germany and Asset Management Germany.

Profit and loss account

SEK m	July-Sep	Jan - Sep		Change, per cent	Full-year 2002
	2003	2003	2002		
Net interest income	1 025	2 968	3 079	-4	4 192
Net commission income	492	1 325	1 229	8	1 631
Net result of financial transactions	-20	51	131	-61	222
Other operating income	45	148	277 *	-47	298
Total income	1 542	4 492	4 716	-5	6 343
Staff costs	-679	-2 099	-2 150	-2	-2 840
Other operating costs	-391	-1 178	-1 379	-15	-1 837
Depreciation and write-downs	-58	-183	-240	-24	-318
Total costs	-1 128	-3 460	-3 769	-8	-4 995
Net credit losses etc	-209	-455	-352	29	-530
Write-downs of financial fixed assets			-5	-100	
Net result from associated companies	10	23	28	-18	-8
Operating result	215	600	618	-3	810
Cost/Income ratio	0,73	0,77	0,80		0,79
Allocated capital, SEK m		11 200	11 200		11 200
Return on capital, %		5,1	5,3		5,2
Number of full time equivalents, average		3 838	3 991		3 968

* Other income excluding capital gain on sale of properties amounted to SEK 169 m

German market trend forecast slightly more positive

The view of the German economy has become slightly more positive over the past months. The IFO business climate index has continued to rise, and consumption shows tendencies towards recovery. The weakened U.S. dollar does however dampen some of the optimism for German export companies whereas it should have a positive impact on purchasing power.

Quarterly result significantly improved

The operating result of SEB's entire operations in Germany (SEB AG Group) improved by 28 per cent between the second and third quarter of 2003. The accumulated result amounted to SEK 600m, which is 18 per cent higher than in the corresponding period of 2002 (excluding the sale of real estate in Berlin, generating capital gains of SEK 108m).

Pricing measures in the Retail business area helped to strengthen net interest income between the second and third quarter by 6 per cent. Net interest income was close to stable between 2002 and 2003, although short-term interest rates dropped to historically low levels in June. New sales in mortgage lending as well as growth in lending business with institutional clients helped offset part of the reduced income from deposits.

Net commission income improved by 17 per cent between the second and third quarter. Accumulated net commission income amounted to SEK 1,325m, an increase of 8 per cent compared to the corresponding period in 2002. Major reasons for growth are continuously improved cross selling within Retail as well as the ongoing success of structured project finance deals with Merchant Banking customers.

Assets under management increased by 10 per cent to SEK 119bn compared to the level at year-end 2002. Major reasons are continued strong sales of mutual funds and good fund performance.

Total costs decreased by 8 per cent compared to the corresponding period 2002. Total full time equivalents have decreased to 3,838 compared to 3,991 in 2002. Due to underlying growth in income and reduced costs, the cost/income ratio has been improved – between the quarters as well as between 2002 and 2003.

In order to improve the increased but still unsatisfactory profitability level in Germany, SEB will reduce costs within the Retail & Mortgage Banking division, particularly support and staff functions, and continue the growth within the Merchant Banking area. The restructuring reserve amounted to SEK 416m (EUR 46m) as of September 2003.

German Retail & Mortgage Banking

The division serves one million private individuals and real estate companies all over Germany. Customers are able to access its services through 177 branches, more than 2000 ATMs via Cash-pooling with allied banks, an Internet platform and telephone banking.

Profit and loss account

SEK m	July-Sep	Jan - Sep		Change, per cent	Full-year 2002
	2003	2003	2002		
Net interest income	894	2 573	2 719	-5	3 702
Net commission income	353	926	796	16	1 042
Net result of financial transactions	-49	-42	55	-176	122
Other operating income	35	118	273 *	-57	290
Total income	1 233	3 575	3 843	-7	5 156
Staff costs	-587	-1 826	-1 907	-4	-2 506
Other operating costs	-282	-848	-1 017	-17	-1 347
Depreciation and write-downs	-55	-172	-230	-25	-302
Total costs	-924	-2 846	-3 154	-10	-4 155
Net credit losses etc	-173	-385	-352	9	-529
Write-downs of financial fixed assets			-5	-100	
Net result from associated companies	10	23	28	-18	-8
Operating result	146	367	360	2	464
Cost/Income ratio	0,75	0,80	0,82		0,81
Allocated capital, SEK m		9 400	9 500		9 500
Return on capital, %		3,7	3,6		3,5
Number of full time equivalents, average		3 435	3 601		3 576

* Other income excluding capital gain on sale of properties amounted to SEK 165m

Improved result

The operating result between the second and third quarter of 2003 improved significantly in spite of higher credit losses. Major reasons are the improved net interest income and stronger commission income. The accumulated result of the division amounted to SEK 367m, which is 46 per cent above the same period 2002 (excluding SEK 108m from sale of the Berlin real estate).

Net interest income increased between the quarters by 7 per cent. Deposit margins due to the introduction of the new high-yielding deposit account could be improved by adjustments in pricing down to average market conditions. This pricing measure was part of the plan, which included cross-selling towards 20,000 new customers. Accumulated net interest income, SEK 2,573m, was negatively affected by the drop in short-term interest rates. Continued successful sales of mortgage loans, which amounted to SEK 4,990m partly helped compensate the downward trend in deposit income during the first two quarters of 2003.

Net commission income increased by 23 per cent from the previous quarter, mainly due to cross-selling activities. Net commission income in 2003 overall amounted to SEK 926m, an improvement of 16 per cent compared to the same period in 2002.

Net sales of funds continued to increase. At SEK 13,4bn, total net sales exceeded the comparable figure a year earlier by 56 per cent. The focus continued to be on SEB ImmoInvest's real estate fund. During 2003 gross sales

amounted to SEK 10,155m and net sales to SEK 7,707m.

Compared to 2002, gross sales increased by 28 per cent and net sales by 25 per cent. Net sales of SEB Invest's mutual funds also substantially improved, to SEK 4,206m (1,550 in the corresponding period of 2002).

Total costs were reduced to SEK 2,846m, 10 per cent less than in the first three-quarters of last year. The division aims at further cost efficiency improvements. The number of employees (excluding temporary staff) went down from 3,601 in 2002 to 3,435 in 2003. The cost-income ratio was substantially improved (to 0.75) in the third quarter.

Credit loss situation

Net credit losses amounted to SEK 385m. In spite of the increase, the credit loss level was significantly lower than for SEB's German competitors.

SEB Asset Management

SEB Asset Management offers a full spectrum of investment management expertise and services to institutions, life insurance companies and private individuals. The offerings include equity and fixed income management, private equity and hedge funds. SEB Asset Management has offices in Copenhagen, Helsinki, Frankfurt, Luxembourg, Stamford and Stockholm. The division employs about 100 portfolio managers and analysts.

Profit and loss account

SEK m	July-Sep	Jan - Sep		Change, per cent	Full-year 2002
	2003	2003	2002		
Net interest income	20	61	63	-3	89
Net commission income	319	913	1 089	-16	1 423
Net result of financial transactions	-2	1	9	-89	8
Other operating income	-1	9	6	50	12
Total income	336	984	1 167	-16	1 532
Staff costs	-132	-414	-427	-3	-577
Pension compensation	7	22	35	-37	39
Other operating costs	-71	-239	-290	-18	-410
Amortisation of goodwill	-2	-6	-6		-8
Depreciation and write-downs	-7	-20	-24	-17	-32
Restructuring costs			-7	-100	-8
Total costs	-205	-657	-719	-9	-996
Operating result	131	327	448	-27	536
Cost/Income ratio	0,61	0,67	0,62		0,65
Business C/I-ratio *	0,63	0,68	0,63		0,67
Allocated capital, SEK m		1 800	1 800		1 800
Return on capital, %		17,4	23,9		21,4
Number of full time equivalents, average		482	531		525

* Costs excluding pension compensation, amortisation of goodwill and restructuring costs

Continuos improvements of both income and costs

The division's result increased for the third quarter in a row. Compared with the second quarter of 2003 the result rose by 27 per cent and compared with the third quarter of last year the result was up 15 per cent. Costs continued to decrease due to staff reductions and cross-border integration. The cost/income ratio improved to 0.61 from 0.68 in the second quarter of 2003. Nevertheless, due to the market downturn last year the accumulated result was lower than for the first nine month of 2002.

Strong net sales and improved market shares

Total accumulated net sales almost tripled to SEK 15.1bn from SEK 5.2bn last year. The outflow from equity products has levelled out, and since April there has been a positive net inflow to equity funds. The entities in Sweden and Germany have showed strong net sales of mutual funds. For 2003, SEB's net sales market share of mutual funds was 14.4 per cent (11.5) in Sweden. In Germany, the market share was 3.1 per cent (0.6).

As a result of improved sales and the recent market upturn, assets under management have increased. Compared with the second quarter of this year the division's total assets under management have increased

by 2 per cent, from SEK 567bn to SEK 580bn. The Swedish krona has strengthened against the U.S. dollar by 10 per cent in six months with a negative impact on assets under management of SEK 5bn. Compared to the third quarter of last year total assets under management have increased by 8 per cent. The equity part of total assets under management represented 35 per cent (34) and fixed income 57 per cent (56). Mutual funds totalled SEK 198bn (172), of which SEK 145bn (122) in Sweden. Total mutual funds represented 34 per cent (32) of the division's assets under management.

Improved performance and client satisfaction

Performance overall has improved considerably this year. More than two thirds of Swedish mutual fund volumes have outperformed benchmark.

A customer survey of institutional clients shows that SEB is top ranked by its clients.

SEB Baltic & Poland

This division comprises the three wholly owned Baltic banks Eesti Ühispank (Estonia), Latvijas Unibanka (Latvia) and Vilniaus Bankas (Lithuania). The three banks serve 1.4 million individual customers and 147,000 corporations via a branch network that comprises some 200 branch offices, and via Internet banks. SEB's mutual funds company in Poland, SEB TFI, and the listed medium-sized Polish bank Bank Ochrony Srodowiska, BOS, of which SEB owns 47 per cent, also form part of the division.

Profit and loss account

SEK m	July-Sep	Jan - Sep		Change, per cent	Full-year 2002
	2003	2003	2002		
Net interest income	350	1 010	1 028	-2	1 377
Net commission income	176	492	440	12	589
Net result of financial transactions	51	166	188	-12	231
Other operating income	20	57	36	58	66
Total income	597	1 725	1 692	2	2 263
Staff costs	-174	-527	-535	-1	-706
Pension compensation		1	2	-50	2
Other operating costs	-136	-355	-319	11	-452
Amortisation of goodwill	-13	-37	-37		-49
Depreciation and write-downs	-47	-145	-165	-12	-218
Total costs	-370	-1 063	-1 054	1	-1 423
Net credit losses etc	-23	-86	-129	-33	-138
Write-downs of financial fixed assets	1	-2			-7
Net result from associated companies	-1	8	5	60	-11
Operating result from insurance operations	6	14	27	-48	28
Operating result	210	596	541	10	712
Cost/Income ratio	0,62	0,62	0,62		0,63
Business C/I-ratio *	0,60	0,60	0,60		0,61
Allocated capital, SEK m		3 300	2 750		2 750
Return on capital, %		17,3	18,9		18,6
Number of full time equivalents, average		4 150	4 305		4 270

* Costs excluding pension compensation, amortisation of goodwill and restructuring costs

Continued volume growth

The economic growth in the Baltic States has continued in 2003. By the end of September, the loan portfolio of SEB's Baltic banks amounted to SEK 33bn, an increase of 20 per cent since the beginning of the year. Deposits rose by 3 per cent to SEK 26bn. The combined market shares for the three Baltic banks were 32 per cent for lending and 23 per cent for deposits.

Although the volumes are still relatively low, the market for savings products, other than deposits, has faced a strong increase in demand. It is expected that this increase will continue. Assets under management in the division were approximately SEK 7bn, an increase of 140 per cent since the beginning of the year. The growth has been particularly strong in SEB's fund company in Poland.

Result development

The third quarter result, SEK 210m, was slightly better than last quarter (206), and the division's strongest result so far. The accumulated result of the division rose by 10 per cent to SEK 596m (+14 per cent adjusted for currency effects). The combination of increasing volumes and decreasing net

interest margins resulted in increased income by 5 per cent (adjusted for currency effects) to SEK 1,725m. Costs were 3 per cent higher than last year (adjusted for currency effects) and amounted to SEK 1,063m. Cost/income ratio was in line with last year. Net credit losses were SEK 86m (129). Increased business volumes require more business equity and the return on allocated capital was therefore somewhat lower than last year.

Continued cross-servicing, high customer satisfaction

During the last 12-month-period the number of customers rose by 16 per cent, while the number of Internet clients increased by 63 per cent.

In Lithuania, Vilniaus Bankas' subsidiary was the first company to achieve a "Pension Fund Management license". The company will start to offer private pension solutions to Lithuanians in accordance with the ongoing pension reform.

The international magazine "The Banker" ranked Unibanka the best bank in Latvia 2003.

SEB Trygg Liv

SEB Trygg Liv is one of the Nordic region's leading life insurance companies. Operations comprise insurance products within the investment and social security area for individuals and corporations. SEB Trygg Liv provides both unit-linked and traditional insurance and has slightly more than 1 million customers, mainly in Sweden.

Traditional life insurance operations are conducted in the mutual insurance companies Nya and Gamla Livförsäkringsaktiebolaget SEB Trygg Liv, which are not consolidated with the SEB Trygg Liv Group's results.

Profit and loss account

SEK m	July-Sep	Jan - Sep		Change, per cent	Full-year 2002
	2003	2003	2002		
Total income	373	1 044	1 069	-2	1 408
Total costs	-310	-949	-1 016	-7	-1 354
Result from associated companies	-1	-10	-14	-29	-14
Operating result	62	85	39	118	40
Change in surplus values, net	818	1 275	1 107	15	1 303
Result from ongoing business	880	1 360	1 146	19	1 343
Change in assumptions		-59			-447
Financial effects of short-term market fluctuations	72	175	-2 138	-108	-1 727
Total result, net	952	1 476	-992		-831
Allocated capital, SEK m		4 300	3 900		3 900
Return, ongoing business, %		30,4	28,2		24,8
Number of full-time equivalents, average		729	790		779

Substantially improved result

Sales margin for new business improved substantially. The margin accumulated was 16.6 per cent, compared to 13.6 per cent as of 30 June. This was a result of an improved volume/cost relation, among other things due to higher sales volumes through own distribution channels, leading to more efficient use of resources.

The result from ongoing business, including change in surplus values, increased due to better product profitability to SEK 1,360m (1,146). The surplus value is the present value of written insurance policies and is calculated to better evaluate the insurance operation. These values are not included in the SEB Group's consolidated profit and loss account or balance sheet.

The operating result accumulated amounted to SEK 85m (39). The main contribution to this is the third-quarter result of SEK 62m (8), due to increased income and continued cost control. Growing asset values from unit-linked explains the increased income. Lower administration and other costs compensated for higher sales commission due to higher sales volumes.

Improved sales

SEB Trygg Liv's sales, weighted volume, continued to improve and increased during the period by 10 per cent to SEK 19.9bn (18.2). The sales of occupational pension, representing 75 per cent of total sales, increased by 15 per cent. The sales of private pension insurance represent only 5 per cent of total sales, but increased by 41 per cent, deriving from unit-linked. Endowment insurance decreased by 6 per cent.

Trygg Liv's focus is on unit-linked insurance, representing 84 per cent (73) of total sales. Sales of unit-linked insurance increased by 26 per cent during the period.

The proportion of sales through insurance brokers continued to increase and was almost 65 per cent (51).

In September two SEB fund of funds were launched for the unit-linked market, a balanced fund and an equity fund. There has been great demand for this type of product on the occupational pension market.

Premium income, that is paid-in premiums, decreased to SEK 9,262m (9,916). However, the third quarter isolated showed an increase compared to last year by 10 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 350m (408).

The market share statistics for the third quarter were not available when publishing this report. As of 30 June, however, SEB Trygg Liv's market share of unit-linked, new business, was 25,6 per cent (21,2 at year-end 2002).

Lower disbursement

Present disbursements from traditional insurance were lowered by 6 per cent on average, maximum 7 per cent, affecting 100,000 customers in Gamla and Nya Liv. The measure was taken to obtain fairness between the policyholders since disbursements have exceeded the value of the insurances and the shortfall affects other policyholders. No change of the insurance value has been made.

The two mutual entities Nya and Gamla Livförsäkringsaktiebolaget are not consolidated in SEB Trygg Liv's accounts. Key figures and comments on these entities are therefore shown in "Additional information" on www.seb.net.

SEB Group

Statutory Profit and Loss Account

SEK m	July-Sep		Change, per cent	Jan-Sep		Change, per cent	Full year 2002
	2003	2002		2003	2002		
Income							
Interest income	10 595	12 148	-13	33 542	35 910	-7	49 094
Interest costs	-7 075	-8 743	-19	-23 258	-25 734	-10	-35 375
Net interest income	3 520	3 405	3	10 284	10 176	1	13 719
Dividends received	13	11	18	91	52	75	86
Commission income	3 115	2 796	11	9 047	8 855	2	11 775
Commission costs	- 539	- 463	16	-1 547	-1 339	16	-1 800
Net commission income ¹⁾	2 576	2 333	10	7 500	7 516	0	9 975
Net result of financial transactions ²⁾	412	449	-8	1 444	1 755	-18	2 409
Other operating income	177	209	-15	639	950	-33	1 189
Income from banking operations	6 698	6 407	5	19 958	20 449	-2	27 378
Costs							
Staff costs	-2 725	-2 800	-3	-8 340	-8 564	-3	-11 297
Other administrative and operating costs	-1 522	-1 665	-9	-4 530	-5 145	-12	-6 923
Depreciation and write-downs of tangible and intangible fixed assets	- 354	- 359	-1	-1 082	-1 108	-2	-1 477
Restructuring costs					- 200	-100	- 200
Costs from banking operations	-4 601	-4 824	-5	-13 952	-15 017	-7	-19 897
Profit/loss from banking operations before credit losses	2 097	1 583	32	6 006	5 432	11	7 481
Net credit losses ³⁾	- 269	- 179	50	- 658	- 552	19	- 819
Change in value of seized assets	- 4	- 2		- 18	2		- 9
Write-downs of financial fixed assets	- 1			- 21	- 9	133	- 29
Net result from associated companies	- 8	- 21	-62	- 13	- 29	-55	- 104
Operating profit from banking operations	1 815	1 381	31	5 296	4 844	9	6 520
Operating profit from insurance operations ⁴⁾	43	- 22		9	- 66	-114	- 56
Operating profit	1 858	1 359	37	5 305	4 778	11	6 464
Pension compensation	146	192	-24	464	759	-39	948
Profit before tax and minority interests	2 004	1 551	29	5 769	5 537	4	7 412
Current tax	- 377	- 378	0	-1 220	-1 369	-11	-1 215
Deferred tax	- 226	- 60		- 499	- 303	65	- 842
Minority interests	- 4	- 11	-64	- 10	- 38	-74	- 37
Net profit for the year *	1 397	1 102	27	4 040	3 827	6	5 318
* Earnings per share (weighted), SEK	2.02	1.58		5.82	5.46		7.60
Weighted number of shares	691	698		694	701		700

1) Net commission income - SEB Group

SEK m	July-Sep		Change, per cent	Jan-Sep		Change, per cent	Full year 2002
	2003	2002		2003	2002		
Payment commissions	724	651	11	2 152	1 931	11	2 627
Securities commissions	1 274	1 149	11	3 580	3 960	-10	5 053
Other commissions	578	533	8	1 768	1 625	9	2 295
Net commission income	2 576	2 333	10	7 500	7 516	0	9 975

2) Net result of financial transactions - SEB Group

SEK m	July-Sep		Change, per cent	Jan-Sep		Change, per cent	Full year 2002
	2003	2002		2003	2002		
Shares/participations	162	- 138		386	- 80		275
Interest-bearing securities	102	325	-69	607	492	23	666
Other financial instruments	286	98	192	- 157	171	-192	- 200
Realised result	550	285	93	836	583	43	741
Shares/participations	29	- 95	-131	490	- 229		- 96
Interest-bearing securities	- 157	177	-189	- 317	146		696
Other financial instruments	- 475	- 262	81	- 846	- 69		- 567
Unrealised value changes	- 603	- 180		- 673	- 152		33
FX trading/Exchange rate changes	464	330	41	1 276	1 232	4	1 409
Redemption of bonds	1	14	-93	5	92	-95	226
Net result of financial transactions	412	449	-8	1 444	1 755	-18	2 409

3) Net credit losses - SEB Group

SEK m	July-Sep		Change, per cent	Jan-Sep		Change, per cent	Full year 2002
	2003	2002		2003	2002		
<i>Specific provision for individually appraised receivables:</i>							
Reported write-down, incurred losses	- 415	- 518	-20	-1 299	-1 396	-7	-1 845
Reversal of previous provisions for probable losses, reported as incurred losses in current years accounts	258	307	-16	885	914	-3	1 155
Reported provision for probable losses	- 522	- 222	135	-1 188	- 649	83	-1 240
Recovered from losses incurred in previous years	64	146	-56	219	289	-24	415
Reversal of previous provisions for probable losses	219	135	62	445	384	16	564
Net cost	- 396	- 152	161	- 938	- 458	105	- 951
<i>Collective provision for individually appraised receivables:</i>							
Allocation to/withdrawal from reserve	110			298			- 25
<i>Provisions for receivables appraised by category:</i>							
Reported write-down, incurred losses	- 39	- 30	30	- 140	- 93	51	- 130
Reported provision for possible losses	- 4	5	-180	2	- 1		5
Recovered from losses incurred in previous years	14	11	27	41	28	46	36
Reported net cost for receivables appraised by category	- 29	- 14	107	- 97	- 66	47	- 89
<i>Transfer risk reserve:</i>							
Allocation to/withdrawal from reserve				41	1		161
<i>Contingent liabilities:</i>							
Allocation to/withdrawal from reserve	46	- 13		38	- 29		85
Net credit losses	- 269	- 179	50	- 658	- 552	19	- 819

4) Operating profit from insurance operations - SEB Group

SEK m	July-Sep		Change, per cent	Jan-Sep		Change, per cent	Full year 2002
	2003	2002		2003	2002		
Non-life operations	21	11	91	53	12		68
Life operations	22	- 33	-167	- 44	- 78	-44	- 124
Operating profit from insurance operations	43	- 22		9	- 66	-114	- 56

Balance sheet - SEB Group

SEK m	30 September 2003	31 December 2002	30 September 2002
Lending to credit institutions	139 485	150 380	149 186
Lending to the public	674 295	680 206	653 893
Interest-bearing securities	182 434	195 979	192 790
- Financial fixed assets	2 583	3 759	4 235
- Financial current assets	179 851	192 220	188 555
Shares and participations	15 149	10 648	8 650
Assets used in the insurance operations	58 273	52 318	49 259
Other assets	152 693	151 581	150 043
Total assets	1 222 329	1 241 112	1 203 821
Liabilities to credit institutions	233 779	234 289	224 693
Deposits and borrowing from the public	478 028	499 542	466 782
Securities issued, etc.	196 946	205 156	206 339
Liabilities of the insurance operations	56 619	50 163	47 411
Other liabilities and provisions	186 097	180 940	187 082
Subordinated liabilities	24 296	25 326	27 209
Shareholders' equity ¹⁾	46 564	45 696	44 305
Total liabilities and shareholders' equity	1 222 329	1 241 112	1 203 821

1) Change in shareholders' equity

SEK m	30 September 2003	31 December 2002	30 September 2002
Opening balance **	45 696	44 292	44 292
Dividend to shareholders	-2 818	-2 818	-2 818
Result, holding of own shares		6	- 8
Swap hedging of employee stock option programme *	326	- 277	- 180
Eliminations of repurchased of shares **	- 468	- 659	- 659
Translation difference	- 212	- 166	- 149
Net profit for the period	4 040	5 318	3 827
Closing balance	46 564	45 696	44 305

* Including dividends received.

** SEB has repurchased 7.0 million Series A shares 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 30 September 2003 was SEK 1 115m.

Cash flow analysis - SEB Group

SEK m	Jan-Sep 2003	Jan-Dec 2002	Jan-Sep 2002
Cash flow from the profit and loss statement	7 086	5 005	5 276
Increase (-)/decrease (+) in trading portfolios	355	-49 437	-37 974
Increase (+)/decrease (-) in issued short term securities	1 829	11 599	3 085
Increase (-)/decrease (+) in lending to credit institutions	2 959	15 496	26 195
Increase (-)/decrease (+) in lending from the public	-8 880	-60 042	-19 739
Increase (+)/decrease (-) in liabilities to credit institutions	11 862	23 998	3 007
Increase (+)/decrease (-) in deposits and borrowings from the public	-9 125	44 660	1 539
Change in other balance sheet items	-1 468	13 616	14 267
Cash flow, current operations	4 618	4 895	-4 344
Cash flow, investment activities	252	-1 994	-118
Cash flow, financing activities	-6 406	245	2 955
Cash flow	-1 536	3 146	-1 507
Liquid funds at beginning of year	13 469	11 633	11 633
Exchange difference in liquid funds	-806	38	
Exchange difference in balance sheet items	-3 787	-1 348	
Cash flow	-1 536	3 146	-1 507
Liquid funds at end of period	7 340	13 469	10 126

Derivative contract - SEB Group

30 September 2003 SEK m	Contracts on the asset side		Contracts on the liability side	
	Book value	Market value	Book value	Market value
Interest-related	41 032	41 557	41 772	42 126
Currency-related	49 250	49 551	55 837	55 847
Equity-related	1 802	1 802	1 935	1 935
Total	92 084	92 910	99 544	99 908

On 30 September 2003 the nominal value of the Group's derivatives contracts amounted to SEK 5 947bn (5 516).

The book value of derivatives instruments forming part of trading operations is identical with the market value.

Those deviations between actual and book values which are reported in the above table are matched by opposite deviations between market and book values in the part of the Group's operations which is the object of hedge accounting.

Memorandum items - SEB Group

SEK m	30 September 2003	31 December 2002	30 September 2002
Collateral and comparable security pledged for own liabilities	93 401	119 002	121 178
Other pledged assets and comparable collateral	63 869	69 498	63 516
Contingent liabilities	41 003	43 646	43 260
Commitments	164 691	179 039	169 794

Doubtful loans and seized assets - SEB Group

SEK m	30 September 2003	31 December 2002
Non-performing doubtful loans	8 893	8 862
Performing doubtful loans	1 550	2 140
Doubtful loans gross	10 443	11 002
Specific reserves for probable lending losses	-5 553	-5 737
of which reserves for non-performing loans	-4 732	-4 620
of which reserves for performing loans	- 821	-1 117
Collective reserves for individually appraised loans	-1 689	-2 052
Doubtful loans net	3 201	3 213
Reserves not included in the above:		
Reserves for transfer risks	- 742	- 902
Reserves for off-balance sheet items	- 366	- 396
Total reserves	-8 350	-9 087
Level of doubtful loans	0.47%	0.47%
(Doubtful loans, net in relation to lending, net at end of period)		
Reserve ratio for doubtful loans	69.3%	70.8%
(Specific + collective reserves in relation to doubtful loans gross, per cent)		
<i>Specific reserve ratio for doubtful loans</i>	53.2%	52.1%
Pledges taken over		
Buildings and land	54	50
Shares and participations	74	80
Total volume of pledges taken over	128	130

The shortfall in income due to interest deferments was SEK 1m (3), while unpaid interest on non-performing loans amounted to SEK 88m (122).

On 30 September 2003, the Group had SEK 207m (205) in non-performing loans in Sweden on which interest income was reported. These loans are not included among the doubtful loans, since the corresponding collateral covers both interest and principal.

Skandinaviska Enskilda Banken

Profit and Loss Account - Skandinaviska Enskilda Banken

SEK m	July-Sep		Change, per cent	Jan-Sep		Change, per cent	Full year 2002
	2003	2002		2003	2002		
Income							
Interest income	4 641	6 400	-27	15 429	18 053	-15	24 824
Leasing income	187	163	15	593	490	21	658
Interest costs	-3 396	-5 130	-34	-11 743	-14 256	-18	-19 738
Net interest income ¹⁾							
Dividends received	5	486	-99	28	549	-95	895
Commission income	1 235	1 205	2	3 733	3 729	0	5 010
Commission costs	-211	-242	-13	-640	-649	-1	-868
Net commission income ²⁾	1 024	963	6	3 093	3 080	0	4 142
Net result of financial transactions ³⁾	332	326	2	1 092	1 349	-19	1 734
Other operating income	163	130	25	442	474	-7	655
Total income	2 956	3 338	-11	8 934	9 739	-8	13 170
Costs							
Staff costs	-1 292	-1 285	1	-3 896	-3 954	-1	-5 153
Other administrative and operating costs	-956	-1 036	-8	-2 922	-3 109	-6	-4 365
Depreciation and write-downs of tangible and intangible fixed assets	-84	-69	22	-255	-217	18	-291
Restructuring costs		14	-100		-183	-100	-109
Total costs	-2 332	-2 376	-2	-7 073	-7 463	-5	-9 918
Profit/loss from banking operations							
before credit losses	624	962	-35	1 861	2 276	-18	3 252
Net credit losses ⁴⁾	4	34	-88	11	15	-27	-88
Change in value of seized assets							5
Write-downs of financial fixed assets				-14			-405
Operating profit	628	996	-37	1 858	2 291	-19	2 764
Pension compensation	146	152	-4	445	612	-27	745
Profit before appropriation and tax	774	1 148	-33	2 303	2 903	-21	3 509
Other appropriations	-901	-441	104	-1 435	-1 050	37	-1 406
Current tax	-116	-94	23	-494	-390	27	-408
Deferred tax	111	28		116	-35		-68
Net profit for the year	-132	641	-121	490	1 428	-66	1 627

1) Net interest income - Skandinaviska Enskilda Banken

SEK m	July-Sep		Change, per cent	Jan-Sep		Change, per cent	Full year 2002
	2003	2002		2003	2002		
Interest income	4 641	6 400	-27	15 429	18 053	-15	24 824
Leasing income	187	163	15	593	490	21	658
Interest costs	-3 396	-5 130	-34	-11 743	-14 256	-18	-19 738
Leasing depreciation	-70	-49	43	-211	-152	39	-204
Net interest income	1 362	1 384	-2	4 068	4 135	-2	5 540

2) Net commission income - Skandinaviska Enskilda Banken

SEK m	July-Sep		Change, per cent	Jan-Sep		Change, per cent	Full year 2002
	2003	2002		2003	2002		
Payment commissions	167	164	2	486	497	-2	673
Securities commissions	528	572	-8	1 517	1 764	-14	2 300
Other commissions	329	227	45	1 090	819	33	1 169
Net commission income	1 024	963	6	3 093	3 080	0	4 142

3) Net result of financial transactions - Skandinaviska Enskilda Banken

SEK m	July-Sep		Change, per cent	Jan-Sep		Change, per cent	Full year 2002
	2003	2002		2003	2002		
Shares/participations	- 2	- 5	-60	71	206	-66	584
Interest-bearing securities	173	212	-18	574	335	71	430
Other financial instruments	340	- 62		70	- 325	-122	- 598
Realised result	511	145		715	216		416
Shares/participations		4	-100	4			3
Interest-bearing securities	- 151	147		- 227	94		615
Other financial instruments	- 412	- 221	86	- 456	2		- 435
Unrealised value changes	- 563	- 70		- 679	96		183
FX trading/Exchange rate changes	384	252	52	1 056	956	10	1 071
Redemption of bonds		- 1	-100		81	-100	64
Net result of financial transactions	332	326	2	1 092	1 349	-19	1 734

4) Net credit losses - Skandinaviska Enskilda Banken

SEK m	July-Sep		Change, per cent	Jan-Sep		Change, per cent	Full year 2002
	2003	2002		2003	2002		
<i>Specific provision for individually appraised receivables:</i>							
Reported write-down, incurred losses	- 35	- 73	-52	- 206	- 356	-42	- 501
Reversal of previous provisions for probable losses, reported as incurred losses in current years accounts	18	64	-72	158	326	-52	427
Reported provision for probable losses	- 40	- 73	-45	- 171	- 149	15	- 343
Recovered from losses incurred in previous years	13	86	-85	40	110	-64	134
Reversal of previous provisions for probable losses	9	30	-70	24	84	-71	137
Net cost	- 35	34		- 155	15		- 146
<i>Collective provision for individually appraised receivables:</i>							
Allocation to/withdrawal from reserve	35			162			- 25
<i>Provisions for receivables appraised by category:</i>							
Reported write-down, incurred losses							
Reported provision for possible losses							
Recovered from losses incurred in previous years							
Withdrawal from reserve for lending losses							
Reported net cost for receivables appraised by category							
<i>Transfer risk reserve:</i>							
Allocation to/withdrawal from reserve							83
<i>Contingent liabilities:</i>							
Allocation to/withdrawal from reserve	4			4			
Net credit losses	4	34	-88	11	15	-27	- 88

Memorandum items - Skandinaviska Enskilda Banken

SEK m	30 September 2003	31 December 2002	30 September 2002
Collateral and comparable security pledged for own liabilities	76 344	91 689	99 157
Other pledged assets and comparable collateral	18 757	24 387	21 166
Contingent liabilities	33 077	39 124	34 865
Commitments	113 560	127 565	119 035

Balance sheet - Skandinaviska Enskilda Banken

SEK m	30 September 2003	31 December 2002	30 September 2002
Lending to credit institutions	194 937	226 682	198 913
Lending to the public	207 039	231 531	216 367
Interest-bearing securities	158 333	156 952	154 675
- Financial fixed assets	358	555	925
- Financial current assets	157 975	156 397	153 750
Shares and participations	53 303	49 907	43 119
Other assets	127 100	128 875	124 166
Total assets	740 712	793 947	737 240
Liabilities to credit institutions	201 855	234 673	209 128
Deposits and borrowing from the public	284 387	295 057	263 637
Securities issued, etc.	35 061	48 985	47 473
Other liabilities and provisions	172 324	166 372	166 750
Subordinated liabilities	21 637	22 245	24 131
Shareholders' equity ¹⁾	25 448	26 615	26 121
Total liabilities and shareholders' equity	740 712	793 947	737 240

1) Change in shareholders' equity

SEK m	30 September 2003	31 December 2002	30 September 2002
Opening balance **	26 615	27 570	27 570
Dividend to shareholders	-2 818	-2 818	-2 818
Group contributions, net	1 324	1 193	787
Swap hedging of employee stock option programme *	326	-277	-180
Eliminations of repurchased of shares **	-468	-659	-659
Translation difference	-21	-21	-7
Net profit for the period	490	1 627	1 428
Closing balance	25 448	26 615	26 121

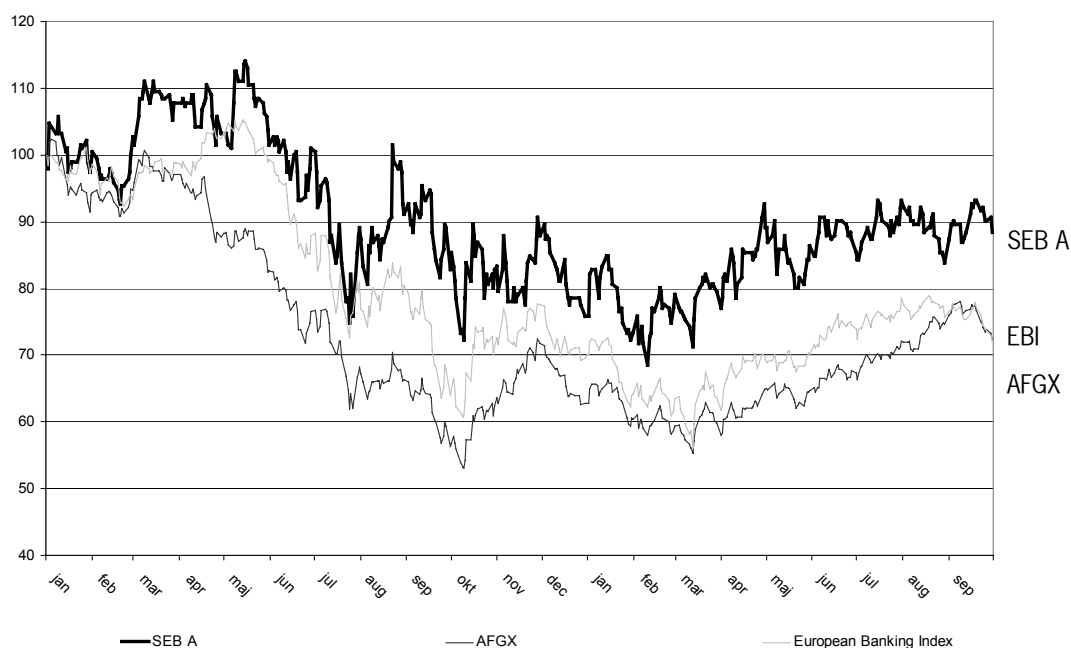
* Including dividends received.

** SEB has repurchased 7.0 million Series A shares 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 30 September 2003 was SEK 1 115m.

Cash flow analysis - Skandinaviska Enskilda Banken

SEK m	Jan-Sep 2003	Jan-Dec 2002	Jan-Sep 2002
Cash flow from the profit and loss statement	4 497	1 471	3 771
Increase (-)/decrease (+) in trading portfolios	-10 823	-49 324	-41 246
Increase (+)/decrease (-) in issued short term securities	-10 138	-2 014	-4 069
Increase (-)/decrease (+) in lending to credit institutions	22 699	-9 400	28 272
Increase (-)/decrease (+) in lending from the public	18 375	-14 617	6 990
Increase (+)/decrease (-) in liabilities to credit institutions	-20 985	42 292	5 427
Increase (+)/decrease (-) in deposits and borrowings from the public	-3 650	28 859	-8 101
Change in other balance sheet items	225	14 186	14 278
Cash flow, current operations	200	11 453	5 322
Cash flow, investment activities	211	-6 143	2 856
Cash flow, financing activities	-1 688	-3 492	-8 342
Cash flow	-1 277	1 818	- 164
Liquid funds at beginning of year	6 460	5 701	5 701
Exchange difference in liquid funds	- 588	250	
Exchange difference in balance sheet items	-2 671	-1 309	
Cash flow	-1 277	1 818	- 164
Liquid funds at end of period	1 924	6 460	5 537

SEB share



Rating

Moody's Outlook stable		Standard & Poor's Outlook positive		Fitch Outlook stable	
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-

SEB's major shareholders

September 2003	Per cent of capital
Investor	19.8
Trygg Foundation	9.3
AFA	2.3
Alecta	2.3
Robur Funds	1.6

Skandinaviska Enskilda Banken AB (publ)
 106 40 Stockholm, Sweden
 Telephone: +46 8 763 80 00
 Corporate organisation number: 502032-9081