

Interim report January-June 2004

PRESS RELEASE

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Significantly better result than last year

- Operating result for the first half of 2004 amounted to SEK 4,663m, an increase of 24 per cent compared with the first half of 2003.
- Operating result for the second quarter, SEK 2,200m, was up 12 per cent compared to the corresponding quarter of 2003, but lower than the previous quarter.
- Net profit (after tax) for the first six months of the year increased by 24 per cent, to SEK 3,287m.
- Total income rose by 8 per cent.
- Underlying costs were stable, but the outcome was affected by one-off costs and higher performance-related remuneration due to increased profit.
- Net credit losses remained stable at a low level.
- Return on equity was 13.2 per cent (11.6) and 19.5 per cent (18.3) excluding goodwill. Earnings per share increased by 26 per cent to SEK 4.78 (3.80).
- SEB Trygg Liv's result from ongoing business amounted to SEK 833m (480) including change in surplus values (not consolidated in SEB's accounts).

President's comments

Our efforts to become a leading North European bank are proceeding according to plan. The result for the first half of 2004 increased by 24 per cent, due to continued focus on our 3 C Programme. Customer satisfaction continues to be a priority. Cross-servicing activities in Sweden have led to increased volumes within mortgage lending, unit-linked and mutual funds. We have also gained many new customers, particularly small and medium-sized companies. Regarding the third C - underlying costs have been stable. The profit growth, however, has led to higher performance-related remuneration.

Our Baltic banks continued to show strong growth both in terms of new customers and volumes. The Baltic & Poland division posted its highest operating result ever in the second quarter. SEB Trygg Liv, too, continued its positive development and reached its best quarterly result to date. Corporate & Institutions once again delivered a

result exceeding SEK 1bn, in spite of investments to facilitate further growth. The profitability improvement programme in Germany is starting to yield results. This is necessary in the German economy, which remains weak.

In June, we took two strategic steps to strengthen our North European franchise. We entered into agreements to acquire Codan Life, one of the leading life insurance companies in Denmark, and Eurocard Denmark. When these two entities have been integrated into the SEB Group before year-end, SEB will service 600,000 clients by 800 employees in Denmark.

We have a unique North European platform, which we will continue to build step by step, both organically and through add-on acquisitions. Our ambition is to be more international than the local banks and more local than the international banks.

The Group

Second quarter isolated

Stable result

SEB's operating result for the second quarter was the second best quarterly result over the past three years and rose by 12 per cent, to SEK 2,200m (1,973). Compared with the previous quarter, however, the result decreased by 11 per cent following less favourable capital market conditions.

Net profit (after tax) improved by 9 per cent, to SEK 1,519m (1,383).

Total income amounted to SEK 7,017m, an increase of 5 per cent compared with the corresponding period of last year, but 4 per cent lower than in the previous quarter. This was mainly due to the fact that the result of net financial transactions in the first quarter of 2004 was high, especially within treasury operations, which benefited from high volatility and falling interest rates.

Simultaneously, the lower short-term interest rates in the second quarter had full negative effect on the net interest earnings of the Swedish retail business, while the low customer activity on the stock market affected net commission income negatively.

Costs were affected by one-off items of SEK 107m as well as higher performance-related remuneration. Excluding one-off items, costs were virtually unchanged between the first and second quarter and up 3 per cent compared with the corresponding quarter of 2003.

Net credit losses were SEK 135m (189).

Half-yearly results

Improved result

Operating result for the first half of 2004 increased by 24 per cent, to SEK 4,663m (3,765). New accounting principles regarding employee benefits affected the result negatively by SEK 108m. *Net profit* amounted to SEK 3,287m (2,643).

Increased income

Total income rose by 8 per cent, to SEK 14,320m (13,260). The improvement was an effect of higher net commission income and increased net result of financial transactions.

Net interest income was stable at SEK 6,794m (6,764). Continuously increased volumes, particularly of mortgage lending and deposits, had a positive impact, while the generally low level of interest rates had a negative effect. On 1 April the Swedish central bank lowered its interest rate by another 50 basis points, to 2.0 per cent. In addition, new accounting principles regarding employee benefits had a negative impact of SEK 70m.

Net commission income rose by 16 per cent, to SEK 5,723m (4,924). The improvement was an effect of increased equity market-related revenues, in spite of the negative development towards the end of the period. Equity brokerage income increased by 32 per cent and fund management fees by 31 per cent, compared with the first

two quarters of 2003. SEB's investment bank Enskilda Securities participated in five IPO's.

Net financial transactions rose to SEK 1,260m (1,032), due to falling interest rates and higher volatility.

Other income amounted to SEK 543m (540), including a capital gain of SEK 175m from the sale of SEB's share in Amagerbanken, Denmark.

Stable underlying cost level

Total costs, SEK 9,447m (9,033), were negatively affected by restructuring costs of SEK 124m in Germany and a one-off write-down of goodwill by SEK 58m.

Staff costs rose by 3 per cent, to SEK 5,478m (5,297). The increase was due to a combination of higher pension costs as a consequence of changed accounting principles and higher performance-related remuneration.

The average number of full time equivalents in June 2004 was 17,670, a decrease of 660 compared with June 2003 and approximately 2,320 fewer than in June 2001, when SEB's cost reduction programme was started.

Other operating costs increased somewhat, to SEK 3,113m (3,008) due to investments in new systems etc. Total IT-costs (defined as a calculated cost for all IT-related activities including costs for own personnel) were SEK 1,709m (1,728).

Profit improvement programme in Germany

The German Retail & Mortgage Banking division's profit improvement programme, launched in December 2003, continued. So far, 250 out of 400 redundant full time equivalents have left the division. The programme led to restructuring costs of SEK 124m in the first half of 2004. Total restructuring costs for 2004 are expected to amount to approximately SEK 200m, which is SEK 100m lower than previously communicated.

Stable credit losses

The Group's *net credit losses* including changes in the value of assets taken over amounted to SEK 347m, which was lower than the corresponding period last year (403). The credit loss level was 0.10 per cent (0.12). Asset quality remained stable.

Improved result from life insurance operations

SEB Trygg Liv's operating result increased to SEK 159m (23). The result has been included in the Group's result.

SEB Trygg Liv's result from ongoing business (including change in surplus values but excluding financial effects of market fluctuations) rose to SEK 833m (480).

Results including surplus value changes are not consolidated with the SEB Group's result. A complete description of SEB Trygg Liv's operations, including changes in surplus values, is reported in "Additional information" on www.sebgroup.com.

The result of the SEB Group's total insurance operations - non-life (run-off only) and life including goodwill amortisation of SEK 74m (74) - amounted to SEK 128m (-34).

Increased assets under management

As of 30 June 2004, assets under management amounted to SEK 858bn, an increase of 4 per cent compared to year-end 2003 and 10 per cent higher than a year earlier. Net inflow during the first six months was SEK 23bn (26), while change in value was SEK 13bn (12). The dominating part of the net inflow emanated from Sweden and the other Nordic countries.

Balance sheet growth

During the first half of the year, the balance sheet increased by SEK 125bn or 10 per cent, to SEK 1,404bn. Lending to the public as well as deposits and borrowing from the public continued to increase in line with earlier quarters. The growth was also due to high customer activities within securities lending and the repo market as well as to increased trading volumes in general.

Due to new accounting rules for pension liabilities, assets and commitments in the Group's pension obligations have been consolidated in the balance sheet. As of 30 June 2004, book equity due to consolidation has increased by SEK 1.5bn, which is included in the core capital.

Credit portfolio

The credit portfolio showed an overall growth during the first half of the year. Total credit exposure, including contingent liabilities and derivatives contracts, amounted to SEK 1,092bn (1,040), of which loans and leasing excluding repos amounted to SEK 800bn (776). Public sector and property management showed the largest volume growth and increased their relative shares of the portfolio. Swedish household mortgage lending and the Baltic banks continued their volume growth. In addition, fluctuating banking sector volumes contributed to the increase.

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

On 30 June, *doubtful loans*, gross, amounted to SEK 9,323m (10,877 at year-end 2003), of which SEK 8,226m (8,632) were non-performing loans (loans where interest and amortisation are not paid) and SEK 1,097m (2,245) performing loans. The reserve ratio was 75 per cent (66). The increase was an effect of a lower level of doubtful loans.

The volume of assets taken over was SEK 88m (117).

Market risk

The Group's risk-taking in trading operations is measured in a so-called Value at Risk model (VaR). During the first six months of 2004, VaR averaged SEK 79m. This means that the Group, on average, with 99 per cent probability could not expect to lose more than this amount during a ten-day period. Average VaR has decreased compared to the full year 2003, mainly due to lower market volatility in interest rates. Comparing the second quarter of 2004 to the

first quarter shows a stable VaR as the net effect of higher volatility and reduced positions.

Capital base and capital adequacy

Including the first half-yearly result, the capital base for the financial group of undertakings amounted to SEK 57.4bn as of 30 June 2004 (54.7 at year-end). Core capital was SEK 45.6bn (42.6), of which SEK 5.6bn (1.8) constituted so-called core capital contribution.

Risk-weighted assets amounted to SEK 559bn (535). The change was due to increased business activity in general; the divestiture of most of SEB's holdings in Amagerbanken also means that risk-weighted assets of SEK 12.6bn are no longer consolidated. As of 30 June 2004, the *core capital ratio* was 8.2 per cent (8.0) and the *total capital ratio* 10.3 per cent (10.2).

Following a regulatory change from the year 2004, deferred tax assets and all immaterial assets (not only goodwill as before) shall be excluded from the capital base. In consequence, the capital ratios are now calculated net of the Group's SEK 1.7bn in such assets. On a comparable basis, the capital ratios have improved by 0.5 percentage units since year-end.

Effects of new accounting principles

The effects of RR29 (IAS 19) Employee benefits are included in the accounts since January 2004. This change has had a negative impact on the operating result of SEK 108m compared with the first half of 2003.

Furthermore, several other new accounting principles have been proposed. The SEB Group closely follows these and is prepared for the change, awaiting EU approval. The introduction of IFRS for publicly traded companies in 2005 will affect the SEB Group mainly within the following areas: Financial Instruments Recognition and Measurement (IAS 39), Business combination (IFRS 3), Share-based Payments (IFRS 2) and Insurance contracts (IFRS 4).

IAS 39 might create volatility in the Profit and Loss Account and Balance Sheet mainly due to the market valuation of all derivatives and the hedge treatment. An indication of the amounts involved can be seen in Note 49 in the Annual report for 2003. IFRS 3 states that the amortisation of goodwill should be replaced by annual impairment tests. The goodwill amortisation effect on the 2003 result was approximately SEK 800m. With new accounting principles (as of 2005), SEB's profit after tax for 2003 would have been SEK 800m higher. There might also be changes in the consolidation scope due to the new rules.

SEB's employee stock option programme falls under the rules for Share based payments. The rules only concern programmes issued after 7 November 2002. When the option programme is classified as an equity instrument, the calculated cost for the programme should be phased out over the vesting period. The cost for SEB's employee stock option programme has been calculated at SEK 17 per option; the two concerned programmes will then have a yearly cost of around SEK 70m together. Accounting for insurance will in the first phase mainly effect the

classification of insurance contracts and the presentation of insurance operations but not the result.

If there were no goodwill amortisation and the costs for the option programme were taken into account, the Net profit (after tax) for January-June would improve by approximately SEK 380m to SEK 3,670m. This would give a Return on equity of 14.7 per cent, Earnings per share of 5.34 and a Cost income ratio of 0.64. No other changes due to the expected new accounting rules have been taken into account.

Repurchase of own shares

In accordance with a decision by the Annual General Meeting on 1 April 2004, SEB has repurchased 6.2 million Series A shares on the Stockholm Stock Exchange in order to provide a hedge of the employee stock option programme for 2004. Including similar purchases made during previous years, the Bank holds 19,400,000 SEB Series A shares to hedge employee stock option programmes.

The Annual General Meeting also authorised the Board to decide to purchase own shares for effective management of the Group's capital. In consequence, the Board has decided to acquire a maximum of 20 million shares via the Stockholm Stock Exchange for a total of maximum SEK 2.3bn. As per 30 June 2004, SEB had acquired 6.9 million shares, of which almost 4.8 million were Series A shares and slightly more than 2.1 million Series C shares. The purchases have been made on the Stockholm Stock Exchange during the second quarter of 2004.

The value of all repurchased shares (market value SEK 2.9bn as per 30 June) has been deducted from equity.

Strategic acquisitions in Denmark

In June 2004, SEB made two acquisitions in order to strengthen its platform in Denmark and its position in Northern Europe.

SEB Trygg Liv Holding made an agreement to acquire 100 per cent of the shares in Codan Life for DKK 2.7bn from Codan A/S, corresponding to 1.06 times book equity as of 31 December 2003. Codan Life is one of the leading life and pension providers in Denmark, with a market share of 9 per cent and DKK 59bn in assets under management.

The transaction is expected to have a positive impact on SEB's earnings per share from 2005 onwards.

SEB Kort made an agreement to acquire Eurocard's card-issuing business from PBS International A/S for DKK 400m. SEB Kort thereby acquires the rights to the Eurocard brand in Denmark and assumes responsibility for 166,000 Danish Eurocard cards.

SEB Kort plans to assume total operative responsibility for Eurocard in Denmark in August 2004. The acquisition is expected to have a positive effect on SEB's earnings per share as from 2005 onwards.

After this acquisition, SEB will run Eurocard in Sweden, Norway and Denmark as well as Diners in all four large Nordic countries.

The acquisitions of Codan Life and Eurocard Denmark would have a limited impact on the SEB Group's core capital ratio – approximately 10 basis points.

Stockholm, 27 July 2004

Lars H Thunell
President and Group Chief Executive

The report has been reviewed by the Bank's Auditors.

Details regarding the remuneration of the CEO can be found on page 5 in this report.

According to new regulations, changes in remuneration of the CEO must be noticed through press releases or interim reports and, not only in annual reports as before.

More detailed information is presented on www.sebgroup.com "Additional information" including:

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

Profit & Loss Account quarterly performance, six quarters

- The SEB Group
- 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:

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SEB Group

Operational Profit and Loss Account

SEK m	Apr-June	Jan-Mar	Change, per cent	Jan-June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Net interest income	3 352	3 442	-3	6 794	6 764	0	13 782
Net commission income	2 871	2 852	1	5 723	4 924	16	10 218
Net result of financial transactions	430	830	-48	1 260	1 032	22	2 084
Other operating income	364	179	103	543	540	1	987
Total income	7 017	7 303	-4	14 320	13 260	8	27 071
Staff costs	-2 737	-2 741	0	-5 478	-5 297	3	-10 499
Other operating costs	-1 573	-1 540	2	-3 113	-3 008	3	-6 191
Amortisation of goodwill	-210	-151	39	-361	-310	16	-616
Depreciation and write-downs	-183	-188	-3	-371	-418	-11	-829
Restructuring costs	-49	-75	-35	-124			
Total costs	-4 752	-4 695	1	-9 447	-9 033	5	-18 135
Net credit losses etc *	-135	-212	-36	-347	-403	-14	-1 006
Write-downs of financial fixed assets	1			1	-20	-105	-64
Net result from associated companies	9	-1		8	-5		19
Operating result from insurance operations**	60	68	-12	128	-34		78
Operating result	2 200	2 463	-11	4 663	3 765	24	7 963
Taxes	-675	-690	-2	-1 365	-1 116	22	-2 247
Minority interests	-6	-5	20	-11	-6	83	-12
Net profit for the year	1 519	1 768	-14	3 287	2 643	24	5 704
* Including change in value of seized assets							
** Result from SEB Trygg Liv, non-life and pertaining goodwill amortisation							
whereof SEB Trygg Liv	81	78	4	159	23		149
Change in surplus values, net	335	339	-1	674	457	47	1 739
Result ongoing business	416	417	0	833	480	74	1 888

Remuneration of the CEO

Remuneration of the CEO has been principally unchanged since 2000 and remains so also after the Board's resolution on 14 June 2004. After the Board's resolution the remuneration is as follows: The different components of the remuneration of the CEO are as before fixed salary, variable salary and a long-term share-related part in the form of employee stock options according to a decision at the 2004 Annual General Meeting. An agreement has previously been reached to lower the percentage of employee stock options from 75 per cent of fixed salary to maximum 50 per cent, which is in line with the other members of the Group Executive Committee. In compensation, the fixed salary has been increased from SEK 5.3m to 6.0m.

	2003 SEK m	2004 SEK m
Fixed salary	5.3	6.0
Maximum variable salary *) (max 50 % of fixed salary)	2.6	3.0
Employee stock options, calculated value at allotment	3.9	3.0**)
Maximum total remuneration	11.8	12.0

*) 100 per cent of maximum variable salary has never been paid out.
For 2003 a variable salary of SEK 2.3m was paid out, i. e. 88 per cent of maximum.

***) Maximum allotment if operating result increases more than 12 per cent compared with 2003.

Key figures

	Apr-June	Jan-Mar	Jan-June		Full year
	2004	2004	2004	2003	2003
Return on equity, %*	12.4	14.0	13.2	11.6	12.3
Return on equity excl goodwill, %	18.8	20.1	19.5	18.3	19.0
Return on total assets, %	0.42	0.51	0.48	0.42	0.45
Return on risk-weighted assets, %	1.09	1.29	1.19	1.03	1.10
Earnings per share (weighted average number), SEK**	2.22	2.56	4.78	3.80	8.22
Earnings per share (total issued shares), SEK	2.16	2.51	4.67	3.75	8.10
Cost/income ratio	0.68	0.64	0.66	0.68	0.67
Cost/income ratio, excl goodwill	0.65	0.62	0.63	0.66	0.65
Credit loss level, %	0.08	0.12	0.10	0.12	0.15
Reserve ratio for doubtful loans, %	74.9	72.3	74.9	67.2	66.3
Level of doubtful loans, %	0.33	0.37	0.33	0.52	0.52
Total capital ratio, %	10.28	10.76	10.28	10.29	10.23
Core capital ratio, %	8.16	8.50	8.16	7.83	7.97
Core capital ratio excl goodwill, %	7.17	7.49	7.17	6.68	6.90
Risk-weighted assets, SEK billion	559	558	559	518	535
Number of full time equivalents, average	17 694	17 646	17 670	18 330	18 067
Number of e-banking customers, thousands	1 780	1 709	1 780	1 460	1 614
Assets under management, SEK billion	858	875	858	780	822

* Return on equity, excluding amortisation of goodwill and including estimated costs for employee stock option programme according to anticipated new accounting principles from 2005, is calculated at 14.7 per cent Jan-June 2004.

** Issued number of shares 704 557 680 of which SEB has repurchased 7.0 million Series A shares in May 2002, 6.2 million Series A shares in May 2003 and 6.2 million Series A shares in April 2004 for the employee stock option programme. In Q2 2004 SEB repurchased another 6.9 million shares for the improvement of the capital structure of the Bank as decided at the 2004 Annual General Meeting. Earnings per share after full dilution, calculated in accordance with the recommendations of the Swedish Financial Accounting Standards Council, deviate only slightly.

Operational Profit and Loss Account, quarterly basis

SEK m	2004:2	2004:1	2003:4	2003:3	2003:2
Net interest income	3 352	3 442	3 498	3 520	3 387
Net commission income	2 871	2 852	2 718	2 576	2 484
Net result of financial transactions	430	830	640	412	542
Other operating income	364	179	257	190	268
Total income	7 017	7 303	7 113	6 698	6 681
Staff costs	-2 737	-2 741	-2 623	-2 579	-2 632
Other operating costs	-1 573	-1 540	-1 661	-1 522	-1 489
Amortisation of goodwill	-210	-151	-153	-153	-160
Depreciation and write-downs	-183	-188	-210	-201	-201
Restructuring costs	-49	-75			
Total costs	-4 752	-4 695	-4 647	-4 455	-4 482
Net credit losses etc *	-135	-212	-330	-273	-189
Write-downs of financial fixed assets	1		-43	-1	-16
Net result from associated companies	9	-1	32	-8	-5
Operating result from insurance operations**	60	68	69	43	-16
Operating result	2 200	2 463	2 194	2 004	1 973
* Including change in value of seized assets					
** Result from SEB Trygg Liv, non-life and pertaining goodwill amortisation					
whereof SEB Trygg Liv	81	78	64	62	15
Change in surplus values, net	335	339	464	818	213
Result ongoing business	416	417	528	880	228

Operational Profit and Loss Account by division

Jan-June 2004, SEK m	Corporate & Institutions	Nordic Retail & Private Banking	German Retail & Mortgage Banking	SEB Baltic & Poland	SEB Asset Management	SEB Trygg Liv	Other incl eliminations	SEB Group
Net interest income	2 312	2 142	1 590	762	36		- 48	6 794
Net commission income	2 020	1 869	649	361	756		68	5 723
Net result of financial transactions	1 091	88	20	91	4		- 34	1 260
Other operating income	98	57	62	30	8		288	543
Total income	5 521	4 156	2 321	1 244	804		274	14 320
Staff costs	-1 781	-1 384	-1 027	- 354	- 247		- 685	- 5 478
Other operating costs	-1 146	-1 220	- 669	- 235	- 176		333	- 3 113
Amortisation of goodwill	- 26	- 24		- 25	- 1		- 285	- 361
Depreciation and write-downs	- 42	- 19	- 99	- 99	- 10		- 102	- 371
Restructuring costs			- 124					- 124
Total costs	- 2 995	- 2 647	- 1 919	- 713	- 434		- 739	- 9 447
Net credit losses etc *	- 45	- 85	- 186	- 31				- 347
Write-downs of financial fixed assets							1	1
Net result from associated companies				23			- 15	8
Operating result from insurance operations**				13		159	- 44	128
Operating result	2 481	1 424	216	536	370	159**	- 523	4 663

* Including change in value of seized assets

** Result from on-going business in SEB Trygg Liv amounted to SEK 833m (480), of which change in surplus values was net 674m (457).

Corporate & Institutions

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

Profit and loss account

SEK m	Apr-June	Jan-Mar	Change, per cent	Jan - June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Net interest income	1 127	1 185	-5	2 312	2 304	0	4 603
Net commission income	1 027	993	3	2 020	1 821	11	3 659
Net result of financial transactions	406	685	-41	1 091	882	24	1 809
Other operating income	46	52	-12	98	153	-36	207
Total income	2 606	2 915	-11	5 521	5 160	7	10 278
Staff costs	-878	-903	-3	-1 781	-1 623	10	-3 299
Other operating costs	-603	-543	11	-1 146	-1 113	3	-2 171
Amortisation of goodwill	-13	-13		-26	-29	-10	-56
Depreciation and write-downs	-22	-20	10	-42	-58	-28	-111
Total costs	-1 516	-1 479	3	-2 995	-2 823	6	-5 637
Net credit losses etc	-6	-39	-85	-45	-64	-30	-186
Write-downs of financial fixed assets					-14	-100	-14
Intra-group minority interest					-12	-100	-26
Operating result	1 084	1 397	-22	2 481	2 247	10	4 415
Cost/Income ratio	0,58	0,51		0,54	0,55		0,55
Allocated capital, SEK bn	15,6	15,1		15,3	14,5		14,5
Return on capital, %	20,0	26,7		23,3	22,3		21,9
Number of full time equivalents, average	3 181	3 139		3 160	3 196		3 171

Economic indicators push rates higher

Economic indicators suggested continued strengthening of the world economy in the second quarter. Robust economic activity in the Asian region contributed to higher commodity prices and concerns that oil prices would have a negative effect on the growth outlook. Signs of rising inflation fuelled expectations that policy rates would start to rise sooner than expected. In late June, the Fed delivered a quarter point rate increase.

This environment triggered a broad sell-off in the global financial markets. Long bond yields increased significantly. Towards the end of the second quarter, bond yields stabilised at somewhat lower levels. During this period, stock prices traded sideways. Positive earnings announcements were shrugged off due to expectations of future rate hikes. After a period of strength at the beginning of the quarter, the US dollar started to weaken again but without any major consequences for the financial markets.

Stable quarter for Corporate & Institutions

Corporate & Institutions showed a solid operating result in the second quarter compared to an exceptional first quarter.

Merchant Banking delivered a stable operating result, posting at or above SEK 1bn for the fourteenth consecutive quarter, although the trend towards falling interest rates and higher turnover of the first quarter reversed in the

second. Pressure on margins, pricing and credit structure increased in most markets.

Enskilda Securities' income was affected by lower stock and equity capital market turnover in the second quarter.

Merchant Banking – stable result and high return

The operating result for the first six months was SEK 2,367m (2,194m). Compared with the corresponding period last year net interest income remained stable and net commission income showed a positive development. The lower net interest income in the second quarter compared to the first was mainly due to increased margin pressure. Net financial transactions were negatively affected by rising long-term interest rates, while the underlying client business continued to improve.

Costs rose in the second quarter as a result of planned recruitment and IT development. Adjusted for cost increases stemming from a reallocation of pension costs and expected, higher performance-related remuneration, costs rose by 4 per cent compared to the first six months of 2003. Credit losses were low and positively affected by larger recoveries. Credit quality remained stable.

Home markets show growth

In line with its growth plan, Merchant Banking continued to focus on its home markets outside Sweden.

Deal flow and client penetration in the Nordic market continued to grow in the second quarter. Norway launched

its first structured credit derivative, and enjoyed a strong deal flow in the shipping market. In the debt capital markets, SEB closed a number of transactions in the Nordic region. In Denmark, the bank completed a EUR 124m transaction for Alm Brand Bank; in Norway a NOK 530m loan for APR Media Holding A/S, and in Finland Merchant Banking was mandated lead arranger for a EUR 250m syndicated loan for Metsä Tissue.

Merchant Banking Germany's income increased with improved business flows from new clients. In the debt capital markets segment, structured finance products have been well received on the German market, with more than EUR 30m of structured bonds distributed via SEB's German retail network. In the primary bond market, SEB was the lead or co-lead issuer for 12 euro-denominated bonds. Much higher stock lending volumes were seen within the securities finance area, with SEB establishing itself as a major local player in the second quarter.

Business expansion in line with strategy

Within the trading and capital markets area, SEB continues to be one of the leading providers of transaction technology, offering electronic execution in FX and futures. The bank increased its market share in government and covered bonds via the electronic trading platform TradeWeb. In one of the largest deals to date, SEB in Helsinki executed a EUR 500m switch trade in euro government bonds for a Finnish client, using TradeWeb. In Sweden SEB completed a USD 750m syndicated loan for Gambro.

In its global ranking of foreign exchange providers, Euromoney magazine named SEB No.19 for market share, unchanged from 2003. SEB is the only Nordic bank among the 20 largest FX banks globally. The bank also retained its leading position in the Swedish currency. Trading and capital markets clients awarded SEB the highest customer satisfaction ratings since 1999 in the NKI index, carried out by the independent research institute KW Partners.

Increased demand among corporate clients and financial institutions for pan-Nordic and pan-Baltic solutions for cash clearing and custody services resulted in a number of deals, including a single Nordic-Baltic gateway solution for world-leading logistics company Deutsche Post World Net (DHL Express).

Transaction volumes in the custody market were positive during the first six months. Assets under custody increased to SEK 2,707bn (2,141) as of 30 June 2004. SEB won several important mandates in the Nordic custody business area. SEB was also chosen as settlement agent for new Stockholm Stock Exchange members HSBC Investment Bank and Commerzbank.

The trend among companies in the Nordic-Baltic region towards fewer cash management suppliers continued to benefit SEB, which has seen increased business flows and clear gains in market share. In addition to more clients switching domestic payments from the Swedish postal giro system to Bank Giro Centralen, partly owned by SEB, the Group signed significant deals with Flextronics and Lindex, among others. SEB was named "Best Cash Management Bank in the Nordic-Baltic region" at this year's Euromoney Awards for Excellence.

Enskilda Securities - No. 1 in the Nordic region

The operating result for Enskilda Securities' first two quarters 2004 was SEK 114m (53m). Costs remained at satisfactory levels and total revenues increased to SEK 768m (697).

Market turnover continued to be stronger than last year, even though the second quarter was weaker than the first. This resulted in increased revenues this year for the equity business area, especially secondary commission revenues. Total revenues for the equity business area were up 14 per cent on the first two quarters of 2003.

Activity in the corporate finance market improved although the majority of the transactions during the first half of 2004 were in the small cap segment. Corporate finance driven revenue continued to be moderate for Enskilda Securities, even though income from equity capital markets increased. Enskilda was co-lead manager in the first major IPO in the Swedish market for twenty months, when Oriflame was introduced on the Swedish stock exchange in March 2004.

Surveys during the second quarter again confirmed Enskilda Securities' market-leading position. In Financial Hearings' survey Enskilda maintained its very strong position for equity research in Sweden, and Enskilda was ranked "Best for Nordic research" in the Thomson Extel survey. Enskilda Securities remained the market leader on the Nordic stock exchanges.

Nordic Retail & Private Banking

This division has 1.6 million private customers - of which 734,000 Internet customers - and 130,000 small and medium-sized corporate customers. The majority of the customers are Swedish. In the Nordic area, SEB also has 2.5 million charge, credit and banking cards outstanding. 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	Apr-June	Jan-Mar	Change, per cent	Jan - June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Net interest income	1 050	1 092	-4	2 142	2 092	2	4 247
Net commission income	925	944	-2	1 869	1 554	20	3 326
Net result of financial transactions	42	46	-9	88	73	21	151
Other operating income	28	29	-3	57	106	-46	173
Total income	2 045	2 111	-3	4 156	3 825	9	7 897
Staff costs	-705	-679	4	-1 384	-1 266	9	-2 574
Other operating costs	-609	-611	0	-1 220	-1 185	3	-2 392
Amortisation of goodwill	-12	-12		-24	-27	-11	-52
Depreciation and write-downs	-9	-10	-10	-19	-24	-21	-55
Total costs	-1 335	-1 312	2	-2 647	-2 502	6	-5 073
Net credit losses etc	-41	-44	-7	-85	-94	-10	-194
Intra-group minority interest					-5	-100	-17
Operating result	669	755	-11	1 424	1 224	16	2 613
Cost/Income ratio	0,65	0,62		0,64	0,65		0,64
Allocated capital, SEK bn	10,6	10,3		10,4	9,1		9,1
Return on capital, %	18,2	21,2		19,6	19,4		20,7
Number of full time equivalents, average	4 665	4 687		4 676	4 798		4 744

Continued growth within key areas

SEB maintained its position as number one in the total market for household savings in Sweden. At the end of March 2004, SEB's market share was 15.6 per cent (15.9 the same period last year).

At the end of June, total deposit volumes amounted to SEK 121bn (115.5), an increase of 4 per cent compared to June 2003.

The division's total lending volumes rose by 17 per cent, to SEK 193bn (165). This included mortgage volumes, which increased by 19 per cent to SEK 137bn (114).

At the end of June, SEB's total share of the private mortgage market in Sweden was 14.6 per cent (13.9). The market share of new sales was 17 per cent.

In June, SEB Kort made an agreement to acquire Eurocard in Denmark from PBS International A/S for DKK 400m. The acquisition includes 166,000 cards and 35 employees.

Second quarter affected by lower short-term interest rates

Compared with the first half of 2003, the division's result increased substantially, to SEK 1,424 m (1,224).

However, the result for the second quarter isolated was lower than for the previous quarter. This was mainly due to lower interest rates in Sweden, negatively affecting margins. Falling stock markets with following lower customer activity had a negative impact on the result in the second quarter, too. However, these general market

conditions were to a large extent offset by the above-mentioned volume increases.

The cost increase compared with the first half of 2003 was due to a combination of higher pension costs and performance-related remuneration.

Credit losses remained stable at a low level.

Retail Banking – growing on the corporate market

Retail Banking's result was SEK 796 m, 1 per cent better than the corresponding period in 2003. Sales of for example insurance and mortgages continued to be successful. In the second quarter, net new mortgages reached an 'all-time-high' at SEK 6.9bn.

Compared with the previous quarter, the result was 16 per cent lower, mainly due to the above-mentioned interest rate level and stock market development.

At the end of June, the division had 794,000 (734,000) e-banking customers - including 60,000 (53,000) corporate customers in Sweden. SEB's e-banking services were again ranked number 2 in Sweden in the yearly CyberCom survey among 10,000 e-banking customers.

During the autumn of 2003, the division initiated a number of activities in order to gain market shares among small companies. During the first half of 2004, this resulted in a strong inflow of new corporate customers and business volumes. During the period, SEB also launched a number of new functions within its corporate e-banking service.

Private Banking - positioned for growth

The result, SEK 308 m, increased by 88 per cent compared with the same period in 2003. In addition to increased commission income between the years, the improvement was a result of forceful cost reductions initiated last year. Net interest income decreased slightly compared with the same period of 2003, mainly an effect of re-allocation of savings volumes to stock market related products.

Compared with the previous quarter, the result was 16 per cent lower due to the above-mentioned stock market development.

Assets under management increased by 8 per cent since 31 December 2003, to SEK 207bn, due to higher market values of mutual funds and portfolio volumes as well as a positive net inflow of assets of SEK 3.8bn.

SEB Kort - Nordic leader

SEB Kort's result, SEK 320 m, increased by 17 per cent compared with the same period in 2003 and by 8 per cent compared with the previous quarter.

Card volumes were relatively stable. SEB Kort's total turnover amounted to SEK 15.3 bn (13.8).

Credit losses, including frauds, were low compared with international card companies.

SEB Kort's position in Denmark is further strengthened through the acquisition of Eurocard Denmark, including 166,000 cards. The company's result is planned to be included in SEB's accounts from the third quarter of this year.

SEB Kort Denmark was ranked both best charge card company (Magasin Du Nord) and best financial institution (Diners Club) in the yearly Teleperformance Grand Prix customer awards. Diners Club's customer service was also ranked third among all Danish companies.

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

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	Apr-June	Jan-Mar	Change, per cent	Jan - June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Net interest income*	951	946	1	1 897	1 943	-2	3 926
Net commission income	491	487	1	978	833	17	1 779
Net result of financial transactions	-22	95	-123	73	71	3	105
Other operating income	25	31	-19	56	103	-46	254
Total income	1 445	1 559	-7	3 004	2 950	2	6 064
Staff costs	-612	-618	-1	-1 230	-1 420	-13	-2 717
Other operating costs	-413	-439	-6	-852	-787	8	-1 643
Depreciation and write-downs	-53	-53		-106	-125	-15	-250
Restructuring costs	-49	-75	-35	-124			
Total costs	-1 127	-1 185	-5	-2 312	-2 332	-1	-4 610
Net credit losses etc	-78	-110	-29	-188	-246	-24	-635
Write-downs of financial fixed assets							-2
Net result from associated companies					13	-100	40
Operating result	240	264	-9	504	385	31	857
Cost/Income ratio	0,78	0,76		0,77	0,79		0,76
Cost/Income ratio excluding restructuring costs	0,75	0,71		0,73	0,79		0,76
Allocated capital, SEK bn	11,8	11,8		11,8	11,2		11,2
Return on capital, %	5,9	6,4		6,2	5,0		5,5
Return on capital excluding restructuring costs, %	7,1	8,3		7,7	5,0		5,5
Number of full time equivalents, average	3 441	3 513		3 477	3 850		3 815

*) Change in accounting for pension reserve 2003/2004: SEK 70m offset against staff costs in January-June

German market still weak

Economic activity in Germany stabilised in the second quarter of 2004 mainly due to improved exports. Domestic demand continued to be weak. Consumer sentiment remained at a low level as a consequence of unchanged high unemployment and moderate salary increases. Interest rates increased slightly from a low level and the stock market trend was sideways.

Half yearly result improved

The operating result (excluding restructuring costs of SEK 124m) of SEB's entire operations in Germany (SEB AG Group) amounted to SEK 628m. Although the quarterly result decreased by 15 per cent compared with the previous quarter, the overall performance improved substantially compared with 2003. Especially commission income continued to develop strongly, both on a quarterly and annual basis. Excluding the negative impact from marked to market evaluation in the liquidity portfolio, underlying income improved by 2 per cent between the quarters.

The development of net interest income (annual improvement of 1 per cent on a comparable basis) was mainly driven by Merchant Banking's increased credit business with institutional clients as well as by the positive

impact from money market and derivatives products, in spite of consistently low short-term interest rates.

Net commission income amounted to SEK 978m, which was 17 per cent higher than in 2003. Major reasons for this were increased sales of equity funds as well as sales of structured project finance. Net result of financial transactions amounted to SEK 73m. The decline, mainly between the first and second quarter of 2004, was due to rising long-term interest rates.

Assets under management amounted to SEK 125bn, a stable volume compared with the previous quarter and 3 per cent higher than for the first half of 2003.

On a comparable basis, total costs decreased by 6 per cent compared with the corresponding period of 2003, positively affected by the ongoing profit improvement programme. The number of full time equivalents in SEB's German operation decreased by 6 per cent on a comparable basis due to the reduction of approximately 250 full time equivalents in the retail operations and central staff functions. As a result, underlying costs also decreased quarterly by 3 per cent.

Cost/income ratio, before restructuring costs, improved further to 0.73. Also return on equity developed favourably between 2003 and 2004. When eliminating the effect from the liquidity portfolio both indicators also showed a positive trend between the quarters in 2004.

German Retail & Mortgage Banking

The division serves one million private individuals, of which 240,000 Internet customers, and real estate companies all over Germany. Customers are able to access its services through 175 branches, more than 2000 ATMs via Cash-pooling with allied banks, an Internet platform and telephone banking.

Profit and loss account

SEK m	Apr-June	Jan-Mar	Change, per cent	Jan - June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Net interest income*	804	786	2	1 590	1 679	-5	3 398
Net commission income	319	330	-3	649	573	13	1 216
Net result of financial transactions	-58	78	-174	20	7	186	-17
Other operating income	32	30	7	62	83	-25	221
Total income	1 097	1 224	-10	2 321	2 342	-1	4 818
Staff costs	-507	-520	-3	-1 027	-1 239	-17	-2 331
Other operating costs	-312	-357	-13	-669	-566	18	-1 193
Depreciation and write-downs	-50	-49	2	-99	-117	-15	-236
Restructuring costs	-49	-75	-35	-124			
Total costs	-918	-1 001	-8	-1 919	-1 922	0	-3 760
Net credit losses etc	-76	-110	-31	-186	-212	-12	-573
Write-downs of financial fixed assets							-2
Net result from associated companies					13	-100	40
Operating result	103	113	-9	216	221	-2	523
Cost/Income ratio	0,84	0,82		0,83	0,82		0,78
Cost/Income ratio excluding restructuring costs	0,79	0,76		0,77	0,82		0,78
Allocated capital, SEK bn	9,5	9,5		9,5	9,4		9,4
Return on capital, %	3,1	3,4		3,3	3,4		4,0
Return on capital excluding restructuring costs, %	4,6	5,7		5,2	3,4		4,0
Number of full time equivalents, average	3 031	3 113		3 072	3 449		3 412

*) Change in accounting for pension reserve 2003/2004: SEK 60m offset against staff costs for January-June

Profitability improvement programme starts to yield results

Excluding restructuring costs of SEK 124m, operating result for the first half of 2004 improved by 54 per cent to SEK 340m. The profit improvement programme has already had a positive effect on costs. The result for the second quarter was somewhat weaker than for the first, mainly due to lower net result of financial transactions.

Net interest income for the first half year amounted to SEK 1,590m, a decrease of 2 per cent on a comparable basis. Low short-term interest rates continued to affect retail deposit revenues negatively. New sales of retail mortgages loans decreased by 34 per cent, which corresponds to the trend in the overall German retail banking market. Net interest income increased by 2 per cent compared with the first quarter, due to improved sales mainly to large real estate customers.

Due to improved cross selling and sales of mutual funds, net commission income increased by 13 per cent compared with 2003. The quarterly decrease (3 per cent) was a result of the overall weak retail customer business in the second quarter affecting the German financial market. Half-yearly gross sales of SEB Invest's mutual funds amounted to SEK 8,5bn, 17 per cent above the corresponding period in 2003. Net sales were substantially lower, mainly due to a seasonally affected high outflow of

funds. SEB ImmoInvest continues to be a priority product. During the first half of 2004 gross sales amounted to SEK 6.4bn and net sales to SEK 3.6bn.

The quarterly result of net financial transactions dropped, due to higher long-term interest rates which affected the unrealised result of the bond liquidity portfolio. Apart from this, total income developed favourably on a comparable basis, both quarterly and annually.

Total costs (before restructuring cost) decreased by 7 per cent compared with the corresponding period in 2003. The quarterly outcome confirmed this positive trend (-6 per cent), following the staff reduction in the retail business and central staff functions. Approximately 250 full time equivalents have already left. Another 100 have been contracted to leave.

Net credit losses amounted to SEK 186m, which is 12 per cent below the first half of 2003. Although a seasonal increase is expected between the first and the second half of 2004, the overall picture is stable.

Although cost/income ratio and return on capital improved significantly between 2003 and 2004, the division continues to focus on profit growth.

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 1.7 million customers, of which 745,000 Internet customers, via some 200 branch offices and Internet banks. SEB's mutual fund 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	Apr-June	Jan-Mar	Change, per cent	Jan - June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Net interest income	390	372	5	762	660	15	1 370
Net commission income	191	170	12	361	316	14	659
Net result of financial transactions	40	51	-22	91	115	-21	205
Other operating income	14	16	-13	30	37	-19	108
Total income	635	609	4	1 244	1 128	10	2 342
Staff costs	-175	-179	-2	-354	-352	1	-694
Other operating costs	-124	-111	12	-235	-219	7	-503
Amortisation of goodwill	-13	-12	8	-25	-24	4	-49
Depreciation and write-downs	-50	-49	2	-99	-98	1	-196
Total costs	-362	-351	3	-713	-693	3	-1 442
Net credit losses etc	-12	-19	-37	-31	-63	-51	-84
Write-downs of financial fixed assets	-1	1	-200		-3		-3
Net result from associated companies	12	11	9	23	9	156	30
Operating result from insurance operations	3	10	-70	13	8	63	16
Operating result	275	261	5	536	386	39	859
Cost/Income ratio	0,57	0,58		0,57	0,61		0,62
Allocated capital, SEK bn	3,9	3,7		3,8	3,3		3,3
Return on capital, %	20,3	20,6		20,4	16,8		18,7
Number of full time equivalents, average	4 037	4 029		4 033	4 194		4 127

Continued growth

The economies of the Baltic States continue to show high growth rates with annualised GDP growth of between 7 and 9 per cent in the first quarter. In May, Estonia, Latvia, Lithuania and Poland became members of the European Union, which opens up new opportunities for further economic development.

The loan portfolio of SEB's Baltic banks increased by 17 per cent during the first half of the year, totalling SEK 43bn. Deposits rose by 11 per cent, to SEK 31bn. The combined market shares of the three Baltic banks were virtually unchanged during the period.

Assets under management volumes increased by 17 per cent since the beginning of the year and reached SEK 8bn.

Strong result development

The operating result for the second quarter, SEK 275m, was higher than that for the first (261) and the best quarter so far. Total accumulated result for the year was 39 per cent higher than for the corresponding period last year. Income rose by 10 per cent due to increased net interest and commission income. Net interest income has grown due to increasing volumes, which offset a decrease in margin. The margin decrease was lower this year than last year.

Commission income increased mainly due to improved card payments and fund management fees. Costs increased by 3 per cent. The cost/income ratio improved to 0.57. Net credit losses were SEK 31m (63).

BOS contributed SEK 22m to the division's total result.

Continued cross-servicing and increased client service

The number of clients continued to increase within both the household and corporate sectors. The total number of clients increased by 17 per cent compared with last year. The number of Internet clients increased by 56 per cent.

The European Commission has chosen Eesti Ühispank, Latvijas Unibanka and Vilniaus Bankas as its financial agent in the Baltic countries.

Latvijas Unibanka has won a tender for financing Riga City Council's investment projects within education, traffic infrastructure and public transports, for example.

Vilniaus Bankas will manage the State social security fund for pension scheme contribution until these funds are transferred to pension scheme investment companies.

Latvijas Unibanka was ranked by Global Finance as the best bank in Latvia in 2004 and Vilniaus Bankas was given the best bank and best foreign exchange bank awards in Lithuania.

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	Apr-June	Jan-Mar	Change, per cent	Jan - June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Net interest income	17	19	-11	36	41	-12	83
Net commission income	383	373	3	756	594	27	1 235
Net result of financial transactions	3	1	200	4	3	33	3
Other operating income	1	7	-86	8	10	-20	18
Total income	404	400	1	804	648	24	1 339
Staff costs	-125	-122	2	-247	-267	-7	-521
Other operating costs	-87	-89	-2	-176	-168	5	-330
Amortisation of goodwill		-1		-1	-4	-75	-7
Depreciation and write-downs	-5	-5		-10	-13	-23	-26
Total costs	-217	-217		-434	-452	-4	-884
Operating result	187	183	2	370	196	89	455
Cost/Income ratio	0,54	0,54		0,54	0,70		0,66
Allocated capital, SEK bn	1,8	1,8		1,8	1,8		1,8
Return on capital, %	29,9	29,3		29,6	15,7		18,2
Number of full time equivalents, average	450	442		446	486		474

Strongly improved result

The division's result increased by 89 per cent compared with the first six months of 2003 and the result for the second quarter was on a par with the strong result for the first quarter.

As a result of market upturn and strong sales, income increased by 24 per cent compared with the corresponding period of last year. Costs decreased by 4 per cent mainly as a result of staff reductions last year including effects from cross-border integration. The cost/income ratio improved to 0.54 from 0.70 in 2003.

Increased net sales and assets under management

Net sales rose by 43 per cent, to SEK 15.5bn (10.8), mainly due to strong institutional sales in Denmark and Finland. Net sales do not include a loss of a SEK 11bn mandate from a client, which was acquired and whose new owner is another asset management company.

SEB's net sales market share of its own mutual funds was lower than last year, primarily in Sweden and Germany. In Sweden, the market share for SEB's own funds was 7.7 per cent (12.4). However, net sales of external funds, which are not included in the market share figures, doubled compared with last year.

The division's total assets under management increased by 5 per cent, to SEK 628bn, including external mutual funds (part of SEB Asset Management since 1 April 2004).

The equity part of total assets under management represented 38 per cent (33) and fixed income 56 per cent (59). Total mutual funds including external funds represented 39 per cent (34) of the division's assets under

management, totalling SEK 245bn (191), of which SEK 176bn (133) in Sweden.

Difficult environment for money managers

The first six months were difficult for most money managers, due to the uncertain direction of the global economy. SEB, too, saw a weak start to this year's performance in relation to benchmark. Absolute returns, however, were generally positive. For Swedish mutual funds, 62 per cent of assets under management performed better than peer group benchmark. Continued investments in people and processes involved in the investment management activities are aimed towards delivering competitive long-term returns.

Improved client satisfaction

In the latest mutual funds client survey in the Swedish market, conducted by Prospera, SEB came in No. 2 compared to No. 9 in the previous survey in 2002. Strongly improved client satisfaction was recorded in the areas of advisory, accessibility, experience, analysis and international competence, among others.

An agreement for the sale of the operations of SEB Asset Management America Inc. has been signed. The transaction will take place in the third quarter.

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. The company operates in Sweden, Denmark, Ireland and the UK and has more than 1 million customers.

Traditional life insurance operations in Sweden 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	Apr-June	Jan-Mar	Change, per cent	Jan - June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Total income	410	421	-3	831	671	24	1 450
Total costs	-326	-340	-4	-666	-639	4	-1 291
Result from associated companies	-3	-3		-6	-9	-33	-10
Operating result	81	78	4	159	23		149
Change in surplus values, net	335	339	-1	674	457	47	1 739
Result from ongoing business	416	417	0	833	480	74	1 888
Change in assumptions					-59		-94
Financial effects of short-term market fluctuations	-86	226	-138	140	103	36	296
Total result, net	330	643	-49	973	524	86	2 090
Allocated capital, SEK bn	4,5	4,4		4,5	4,3		4,3
Return, ongoing business, %	26,6	27,3		27,0	16,1		31,6
Number of full-time equivalents, average	721	717		719	733		721

A strong first half year

The operating result for the second quarter was even better than that for the first, and thus the best to date. The half-yearly result improved substantially compared with last year and amounted to SEK 159m (23). Total income increased due to rising paid-in premiums and growing asset values from unit-linked insurance, primarily during the first quarter.

Higher sales volumes led to higher sales commissions in nominal terms, but sales costs decreased in relation to volume. Consequently, new business margin improved and was 21 per cent, compared with 18 per cent for the full year 2003.

To better evaluate the life insurance operations the present values of written insurance policies, that is surplus values, are calculated. The result from ongoing business (including change in surplus values) increased to SEK 833m (480), due to improved new business margin in combination with higher sales volumes. The surplus values are not included in the SEB Group's consolidated accounts. For more details see "Additional information" on www.sebgroup.com.

Substantially improved sales

SEB Trygg Liv's total sales improved by 22 per cent, to SEK 16.5bn (13.5), measured as weighted volume. Sales of unit-linked insurance, which accounts for more than 90 per cent of total sales, improved by 34 per cent. The strong sales derive primarily from a leading position in the occupational pension market. As sales of occupational pension represent 70 per cent of total sales, the distribution through insurance brokers continued to be of great importance. For the third year in a

row, SEB Trygg Liv won the award for best broker support among Swedish life insurance companies.

The market share statistics for the first half-year were not available on the publishing date of this report. During the first quarter, SEB Trygg Liv strengthened its position as the leader in the unit-linked insurance market. As of 31 March 2004, the share of weighted new business was 31.8 per cent (21.1).

Premium income (premiums paid) increased by 16 per cent, to SEK 7,424m (6,389). Premium income for unit-linked insurance, accounting for about 75 per cent of the total, rose by 27 per cent. In addition to premium income, payments into Individual Pension Savings (IPS) totalled SEK 276m (220).

The acquisition of Codan Liv & Pension

On 24 June 2004, SEB Trygg Liv Holding AB reached an agreement with Codan to acquire 100 per cent of the shares in Codan Liv & Pension in Denmark at a price of DKK 2.7bn (SEK 3.3 billion). Closing of the transaction is planned to take place during October 2004. The acquisition forms part of the SEB Group's ambition to strengthen its position in Northern Europe and in the area of life insurance.

Traditional life insurance in Sweden

The two entities Nya and Gamla Livförsäkringsaktiebolaget are operated according to mutual principles and therefore not consolidated in SEB Trygg Liv's accounts. The result increased to SEK 6,109m (4,740) in Gamla Liv and decreased to SEK 29m (155) in Nya Liv. Total return was 4.6 and 1.9 per cent respectively. The collective consolidation ratio was 100 per cent in both Gamla Liv and Nya Liv as of 30 June. Therefore, a reallocation of bonuses will not be required.

SEB Group

Statutory Profit and Loss Account

SEK m	Apr-June	Jan-Mar	Change, per cent	Jan-June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Income							
Interest income	10 311	10 298	0	20 609	22 947	-10	43 671
Interest costs	-6 959	-6 856	2	-13 815	-16 183	-15	-29 889
Net interest income	3 352	3 442	-3	6 794	6 764	0	13 782
Dividends received	43	15	187	58	78	-26	126
Commission income	3 531	3 417	3	6 948	5 932	17	12 356
Commission costs	-660	-565	17	-1 225	-1 008	22	-2 138
Net commission income ¹⁾	2 871	2 852	1	5 723	4 924	16	10 218
Net result of financial transactions ²⁾	430	830	-48	1 260	1 032	22	2 084
Other operating income	321	164	96	485	462	5	861
Income from banking operations	7 017	7 303	-4	14 320	13 260	8	27 071
Costs							
Staff costs	-2 737	-2 741	0	-5 478	-5 615	-2	-11 157
Other administrative and operating costs	-1 573	-1 540	2	-3 113	-3 008	3	-6 191
Depreciation and write-downs of tangible and intangible fixed assets	-393	-339	16	-732	-728	1	-1 445
Restructuring costs	-49	-75	-35	-124			
Costs from banking operations	-4 752	-4 695	1	-9 447	-9 351	1	-18 793
Profit/loss from banking operations before credit losses	2 265	2 608	-13	4 873	3 909	25	8 278
Net credit losses ³⁾	-171	-224	-24	-395	-389	2	-981
Change in value of seized assets	36	12	200	48	-14		-25
Write-downs of financial fixed assets	1			1	-20		-64
Net result from associated companies	9	-1		8	-5		19
Operating profit from banking operations	2 140	2 395	-11	4 535	3 481	30	7 227
Operating profit from insurance operations ⁴⁾	60	68	-12	128	-34		78
Operating profit	2 200	2 463	-11	4 663	3 447	35	7 305
Pension compensation					318	-100	658
Profit before tax and minority interests	2 200	2 463	-11	4 663	3 765	24	7 963
Current tax	-647	-351	84	-998	-843	18	-1 486
Deferred tax	-28	-339	-92	-367	-273	34	-761
Minority interests	-6	-5	20	-11	-6	83	-12
Net profit for the year *	1 519	1 768	-14	3 287	2 643	24	5 704
* Earnings per share (weighted), SEK	2.22	2.56		4.78	3.80		8.22
Weighted number of shares	683	694		687	696		694

1) Net commission income - SEB Group

SEK m	Apr-June	Jan-Mar	Change, per cent	Jan-June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Payment commissions	748	699	7	1 447	1 428	1	2 877
Securities commissions	1 492	1 533	-3	3 025	2 306	31	4 985
Other commissions	631	620	2	1 251	1 190	5	2 356
Net commission income	2 871	2 852	1	5 723	4 924	16	10 218

2) Net result of financial transactions - SEB Group

SEK m	Apr-June	Jan-Mar	Change, per cent	Jan-June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Shares/participations	409	92		501	224	124	494
Interest-bearing securities	154	305	-50	459	505	-9	804
Other financial instruments	- 12	- 833	-99	- 845	- 443	91	- 340
Realised result	551	- 436		115	286	-60	958
Shares/participations	- 26	56	-146	30	461	-93	507
Interest-bearing securities	- 475	383		- 92	- 160	-43	- 337
Other financial instruments	- 53	334	-116	281	- 371	-176	- 946
Unrealised value changes	- 554	773	-172	219	- 70		- 776
FX trading/Exchange rate changes	433	492	-12	925	812	14	1 896
Redemption of bonds		1	-100	1	4	-75	6
Net result of financial transactions	430	830	-48	1 260	1 032	22	2 084

3) Net credit losses - SEB Group

SEK m	Apr-June	Jan-Mar	Change, per cent	Jan-June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
<i>Specific provision for individually appraised receivables:</i>							
Reported write-down, incurred losses	- 489	- 255	92	- 744	- 884	-16	-1 845
Reversal of previous provisions for probable losses, reported as incurred losses in current year's accounts	344	169	104	513	627	-18	1 257
Reported provision for probable losses	- 182	- 100	82	- 282	- 666	-58	-1 741
Recovered from losses incurred in previous years	64	77	-17	141	155	-9	330
Reversal of previous provisions for probable losses	82	89	-8	171	226	-24	577
Net cost	- 181	- 20		- 201	- 542	-63	-1 422
<i>Collective provision for individually appraised receivables:</i>							
Allocation to/withdrawal from reserve	49	- 180	-127	- 131	188	-170	456
<i>Provisions for receivables appraised by category:</i>							
Reported write-down, incurred losses	- 33	- 36	-8	- 69	- 101	-32	- 183
Reported provision for possible losses	- 21	- 8	163	- 29	6		6
Recovered from losses incurred in previous years	15	18	-17	33	27	22	53
Reported net cost for receivables appraised by category	- 39	- 26	50	- 65	- 68	-4	- 124
<i>Transfer risk reserve:</i>							
Allocation to/withdrawal from reserve	4	2	100	6	41	-85	56
<i>Contingent liabilities:</i>							
Allocation to/withdrawal from reserve	- 4			- 4	- 8	-50	53
Net credit losses	- 171	- 224	-24	- 395	- 389	2	- 981

4) Operating profit from insurance operations - SEB Group

SEK m	Apr-June	Jan-Mar	Change, per cent	Jan-June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Non-life operations	20	26	-23	46	32	44	102
Life operations*	40	42	-5	82	- 66		- 24
Operating profit from insurance operations	60	68	-12	128	- 34		78
* Of which							
SEB Trygg Liv, operating result	81	78	4	159	23		149
SEB Baltic, life insurance	3	10	-70	13	8	63	16
Amortisation goodwill	- 37	- 37		- 74	- 74		- 147
Other	- 7	- 9	-22	- 16	- 23	-30	- 42
Life operations	40	42	-5	82	- 66		- 24

Balance sheet - SEB Group

SEK m	30 June 2004	31 December 2003	30 June 2003
Lending to credit institutions	213 698	179 308	162 932
Lending to the public	718 544	707 459	693 800
Interest-bearing securities	245 525	189 269	219 096
- Financial fixed assets	2 361	2 531	3 241
- Financial current assets	243 164	186 738	215 855
Shares and participations	35 769	12 551	19 050
Assets used in the insurance operations	69 552	62 742	56 456
Other assets	121 082	128 064	153 962
Total assets	1 404 170	1 279 393	1 305 296
Liabilities to credit institutions	347 358	246 852	241 330
Deposits and borrowing from the public	507 567	494 036	509 172
Securities issued, etc.	242 329	218 507	212 431
Liabilities of the insurance operations	66 801	60 641	54 304
Other liabilities and provisions	163 396	186 632	217 925
Subordinated liabilities	27 919	24 261	25 083
Shareholders' equity ¹⁾	48 800	48 464	45 051
Total liabilities and shareholders' equity	1 404 170	1 279 393	1 305 296

1) Change in shareholders' equity

SEK m	30 June 2004	31 December 2003	30 June 2003
Opening balance *	48 464	45 696	45 696
New accounting principle for pensions	1 383		
Dividend to shareholders	-2 818	-2 818	-2 818
Dividend, own holdings of shares	152	124	124
Result, holding of own shares	- 141	9	- 3
Swap hedging of employee stock option programme	- 26	493	151
Eliminations of repurchased shares *	-1 424	- 468	- 468
Translation difference	- 77	- 276	- 274
Net profit for the period	3 287	5 704	2 643
Closing balance	48 800	48 464	45 051

* As of 30 June 2004 SEB has repurchased 7.0, 6.2 and 6.2 million Series A shares for the employee stock option programme as decided at the Annual General Meetings of 2002, 2003 and 2004 respectively. These shares are booked at zero, but the market value as of 30 June 2004 was SEK 2,115m.

In addition, SEB has repurchased 6.9 million shares in order to create possibilities for the improvement of the capital structure of the Bank as decided at the 2004 Annual General Meeting. These shares are booked at zero, but the market value as of 30 June 2004 was SEK 756m.

Cash flow analysis - SEB Group

SEK m	Jan-June	Jan-Dec	Jan-June
	2004	2003	2003
Cash flow from the profit and loss statement	2 898	10 367	4 065
Increase (-)/decrease (+) in trading portfolios	-77 511	-4 565	-35 547
Increase (+)/decrease (-) in issued short term securities	8 221	7 754	5 109
Increase (-)/decrease (+) in lending to credit institutions	-31 589	-37 969	-17 281
Increase (-)/decrease (+) in lending to the public	-6 502	-40 580	-18 494
Increase (+)/decrease (-) in liabilities to credit institutions	96 242	26 561	13 846
Increase (+)/decrease (-) in deposits and borrowings from the public	9 739	5 950	14 786
Change in other balance sheet items	-18 380	25 386	36 084
Cash flow, current operations	-16 882	-7 096	2 568
Cash flow, investment activities	132	606	-152
Cash flow, financing activities	13 812	8 832	2 443
Cash flow	-2 938	2 342	4 859
Liquid funds at beginning of year	9 707	13 469	13 469
Exchange difference in liquid funds	93	-824	-590
Exchange difference in balance sheet items	840	-5 280	-3 259
Cash flow	-2 938	2 342	4 859
Liquid funds at end of period	7 702	9 707	14 479

Derivatives contracts - SEB Group

30 June 2004 SEK m	Contracts on the asset side		Contracts on the liability side	
	Book value	Market value	Book value	Market value
Interest-related	37 536	37 640	37 468	38 186
Currency-related	22 412	22 665	28 976	28 997
Equity-related	1 934	1 934	1 873	1 873
Total	61 882	62 239	68 317	69 056

On 30 June 2004, the nominal value of the Group's derivatives contracts amounted to SEK 5,907bn (6,355).

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 that part of the Group's operations which is the object of hedge accounting.

Memorandum items - SEB Group

SEK m	30 June	31 December	30 June
	2004	2003	2003
Collateral and comparable security pledged for own liabilities	119 547	89 464	103 437
Other pledged assets and comparable collateral	104 890	78 902	70 200
Contingent liabilities	42 352	41 022	41 436
Commitments	216 339	179 514	174 022

Doubtful loans and seized assets - SEB Group

SEK m	30 June 2004	31 December 2003	30 June 2003
Non-performing doubtful loans	8 226	8 632	8 921
Performing doubtful loans	1 097	2 245	2 169
Doubtful loans gross*	9 323	10 877	11 090
Specific reserves for probable lending losses	-5 062	-5 663	-5 636
of which reserves for non-performing loans	-4 419	-4 668	-4 645
of which reserves for performing loans	- 643	- 995	- 991
Collective reserves for individually appraised loans	-1 919	-1 553	-1 821
Doubtful loans net*	2 342	3 661	3 633
Reserves not included in the above:			
Reserves for transfer risks	- 648	- 723	- 765
Reserves for off-balance sheet items	- 272	- 333	- 432
Total reserves	-7 901	-8 272	-8 654
Level of doubtful loans	0.33%	0.52%	0.52%
(Doubtful loans, net in relation to lending, net at end of period)			
Reserve ratio for doubtful loans	74.9%	66.3%	67.2%
(Specific + collective reserves in relation to doubtful loans gross, per cent)			
<i>Specific reserve ratio for doubtful loans</i>	54.3%	52.1%	50.8%
Pledges taken over			
Buildings and land	44	45	60
Shares and participations	44	72	76
Total volume of pledges taken over	88	117	136

* The volume of doubtful loans has decreased by SEK 761 M following the implementation of the Group's model for collective provisioning in the Baltic banks. The change in reserves during the first quarter, therefore, includes a reclassification of specific to collective reserves in the amount of SEK 217 M.

The shortfall in income due to interest deferrals was SEK 1m (2), while unpaid interest on non-performing loans was SEK 52m (63).

On 30 June 2004, the Group had SEK 82m (196) in non-performing loans in Sweden on which interest income was reported. These loans are not included among doubtful loans, since the corresponding collateral covers both interest and principal.

Skandinaviska Enskilda Banken

Profit and Loss Account - Skandinaviska Enskilda Banken

SEK m	Apr-June	Jan-Mar	Change, per cent	Jan-June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Income							
Interest income	4 461	4 548	-2	9 009	10 788	-16	20 027
Leasing income	169	199	-15	368	406	-9	781
Interest costs	-3 369	-3 362	0	-6 731	-8 347	-19	-15 018
Net interest income ¹⁾							
Dividends received	117	12		129	23		1 337
Commission income	1 483	1 406	5	2 889	2 498	16	5 091
Commission costs	-220	-207	6	-427	-429	0	-875
Net commission income ²⁾	1 263	1 199	5	2 462	2 069	19	4 216
Net result of financial transactions ³⁾	399	646	-38	1 045	760	38	1 570
Other operating income	320	163	96	483	279	73	897
Total income	3 360	3 405	-1	6 765	5 978	13	13 810
Costs							
Staff costs	-1 431	-1 410	1	-2 841	-2 604	9	-5 239
Other administrative and operating costs	-1 010	-989	2	-1 999	-1 966	2	-4 032
Depreciation and write-downs of tangible and intangible fixed assets	-73	-85	-14	-158	-171	-8	-340
Total costs	-2 514	-2 484	1	-4 998	-4 741	5	-9 611
Profit/loss from banking operations before credit losses							
	846	921	-8	1 767	1 237	43	4 199
Net credit losses ⁴⁾	-53	-57	-7	-110	7		-121
Change in value of seized assets	38	12		50			
Write-downs of financial fixed assets					-14	-100	-416
Operating profit	831	876	-5	1 707	1 230	39	3 662
Pension compensation	74	67	10	141	299	-53	590
Profit before appropriation and tax	905	943	-4	1 848	1 529	21	4 252
Other appropriations	-564	-370	52	-934	-534	75	-1 533
Current tax	-396	-91		-487	-378	29	-588
Deferred tax	252	-193		59	5		153
Net profit for the year	197	289	-32	486	622	-22	2 284

1) Net interest income - Skandinaviska Enskilda Banken

SEK m	Apr-June	Jan-Mar	Change, per cent	Jan-June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Interest income	4 461	4 548	-2	9 009	10 788	-16	20 027
Leasing income	169	199	-15	368	406	-9	781
Interest costs	-3 369	-3 362	0	-6 731	-8 347	-19	-15 018
Leasing depreciation	-62	-71	-13	-133	-141	-6	-281
Net interest income	1 199	1 314	-9	2 513	2 706	-7	5 509

2) Net commission income - Skandinaviska Enskilda Banken

SEK m	Apr-June	Jan-Mar	Change, per cent	Jan-June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Payment commissions	154	163	-6	317	319	-1	622
Securities commissions	1 024	647	58	1 671	989	69	2 094
Other commissions	85	389	-78	474	761	-38	1 500
Net commission income	1 263	1 199	5	2 462	2 069	19	4 216

3) Net result of financial transactions - Skandinaviska Enskilda Banken

SEK m	Apr-June	Jan-Mar	Change, per cent	Jan-June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
Shares/participations	27	8		35	73	-52	92
Interest-bearing securities	293	276	6	569	401	42	883
Other financial instruments	121	- 620	-120	- 499	- 270	85	- 138
Realised result	441	- 336		105	204	-49	837
Shares/participations	- 5	13	-138	8	4	100	10
Interest-bearing securities	- 379	285		- 94	- 76	24	- 331
Other financial instruments	- 40	232	-117	192	- 44		- 540
Unrealised value changes	- 424	530	-180	106	- 116	-191	- 861
FX trading/Exchange rate changes	382	452	-15	834	672	24	1 594
Redemption of bonds							
Net result of financial transactions	399	646	-38	1 045	760	38	1 570

4) Net credit losses - Skandinaviska Enskilda Banken

SEK m	Apr-June	Jan-Mar	Change, per cent	Jan-June		Change, per cent	Full year 2003
	2004	2004		2004	2003		
<i>Specific provision for individually appraised receivables:</i>							
Reported write-down, incurred losses	- 65	- 76	-14	- 141	- 171	-18	- 317
Reversal of previous provisions for probable losses, reported as incurred losses in current years accounts	54	61	-11	115	140	-18	246
Reported provision for probable losses	- 89	- 8		- 97	- 131	-26	- 288
Recovered from losses incurred in previous years	10	12	-17	22	27	-19	51
Reversal of previous provisions for probable losses	12	5	140	17	15	13	69
Net cost	- 78	- 6		- 84	- 120	-30	- 239
<i>Collective provision for individually appraised receivables:</i>							
Allocation to/withdrawal from reserve	25	- 51	-149	- 26	127	-120	118
<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							
<i>Contingent liabilities:</i>							
Allocation to/withdrawal from reserve							
Net credit losses	- 53	- 57	-7	- 110	7		- 121

Memorandum items - Skandinaviska Enskilda Banken

SEK m	30 June 2004	31 December 2003	30 June 2003
Collateral and comparable security pledged for own liabilities	86 621	68 839	75 121
Other pledged assets and comparable collateral	49 593	29 591	26 912
Contingent liabilities	39 124	39 601	37 700
Commitments	154 014	125 710	117 667

Balance sheet - Skandinaviska Enskilda Banken

SEK m	30 June 2004	31 December 2003	30 June 2003
Lending to credit institutions	268 952	228 077	225 669
Lending to the public	210 968	219 643	223 851
Interest-bearing securities	179 617	158 703	173 839
- Financial fixed assets	248	345	376
- Financial current assets	179 369	158 358	173 463
Shares and participations	82 551	56 106	57 580
Other assets	95 836	111 377	124 621
Total assets	837 924	773 906	805 560
Liabilities to credit institutions	280 289	197 619	218 231
Deposits and borrowing from the public	297 336	302 822	293 067
Securities issued, etc.	57 126	48 047	46 010
Other liabilities and provisions	153 026	176 530	201 597
Subordinated liabilities	25 701	21 567	22 154
Shareholders' equity ¹⁾	24 446	27 321	24 501
Total liabilities and shareholders' equity	837 924	773 906	805 560

1) Change in shareholders' equity

SEK m	30 June 2004	31 December 2003	30 June 2003
Opening balance	27 321	26 615	26 615
Dividend to shareholders	-2 818	-2 818	-2 818
Dividend, own holdings of shares	152	124	124
Group contributions, net	896	1 127	285
Result, holding of own shares	- 141		
Swap hedging of employee stock option programme	- 26	493	151
Eliminations of repurchased shares *	-1 424	- 468	- 468
Translation difference		- 36	- 10
Net profit for the period	486	2 284	622
Closing balance	24 446	27 321	24 501

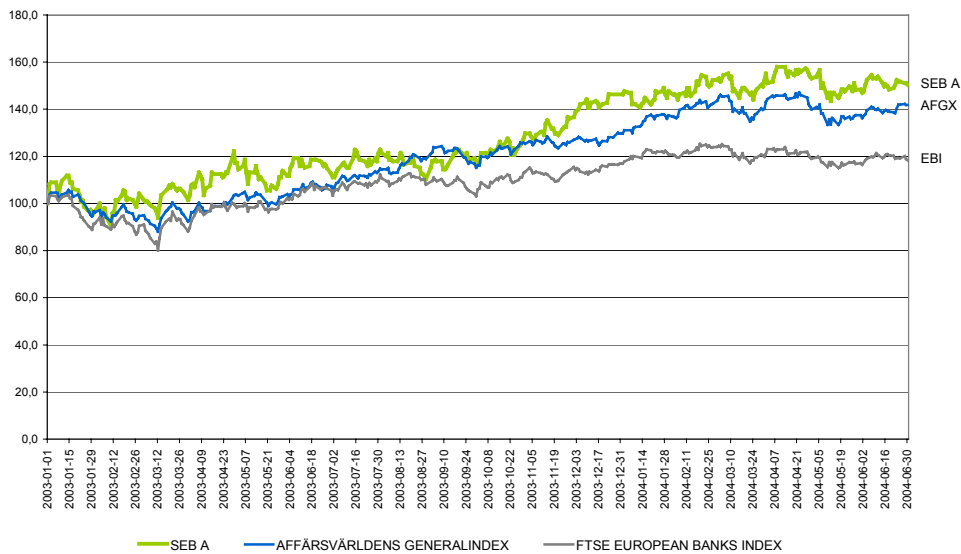
* As of 30 June 2004, SEB has repurchased 7.0, 6.2 and 6.2 million Series A shares for the employee stock option programme as decided at the Annual General Meetings in 2002, 2003 and 2004 respectively. These shares are booked at zero, but the market value as of 30 June 2004 was SEK 2,115m.

In addition, SEB has repurchased 6.9 million shares in order to create possibilities for the improvement of the capital structure of the Bank as decided at the 2004 Annual General Meeting. These shares are booked at zero, but the market value as of 30 June 2004 was SEK 756m.

Cash flow analysis - Skandinaviska Enskilda Banken

SEK m	Jan-June 2004	Jan-Dec 2003	Jan-June 2003
Cash flow from the profit and loss statement	1 594	4 240	3 219
Increase (-)/decrease (+) in trading portfolios	-40 307	-12 750	-27 127
Increase (+)/decrease (-) in issued short term securities	2 775	-4 826	-1 777
Increase (-)/decrease (+) in lending to credit institutions	-37 822	-11 345	-4 415
Increase (-)/decrease (+) in lending to the public	10 220	4 419	3 792
Increase (+)/decrease (-) in liabilities to credit institutions	78 910	-23 546	-9 989
Increase (+)/decrease (-) in deposits and borrowings from the public	-7 287	15 686	2 788
Change in other balance sheet items	-10 569	23 395	35 305
Cash flow, current operations	-2 486	-4 727	1 796
Cash flow, investment activities	-3 613	-1 147	- 465
Cash flow, financing activities	5 782	6 687	- 449
Cash flow	- 317	813	882
Liquid funds at beginning of year	2 100	6 460	6 460
Exchange difference in liquid funds	3	- 650	- 546
Exchange difference in balance sheet items	764	-4 523	-2 484
Cash flow	- 317	813	882
Liquid funds at end of period	2 550	2 100	4 312

SEB share



Rating

Moody's Outlook Stable		Standard & Poor's Outlook Stable		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

	Share of capital, per cent
June 2004	
Investor AB	19,6
Trygg Foundation	9,3
Robur Funds	2,5
AFA Försäkring	2,2
SEB Funds	1,9
Foreign shareholders	22,4

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