

Interim report January-June 2005

STOCKHOLM 26 JULY 2005

Revenue growth generates record profit, SEK 3bn

- Operating profit for the second quarter isolated amounted to SEK 3,007m, an increase of 26 per cent compared with the corresponding quarter of 2004 and of 12 per cent compared with the previous quarter. Net profit for the quarter rose to SEK 2,269m.
- Operating profit for January-June amounted to SEK 5,696m, an increase of 13 per cent compared with the corresponding period of 2004. Net profit rose to SEK 4,273m.
- 54 per cent of the operating profit was generated outside Sweden.
- Total operating income for the first half of 2005 improved by 9 per cent. Loan and leasing volumes increased by 5 per cent during the first half of the year. Assets under management were record high, at SEK 1,012bn.
- Total operating expenses rose by 7 per cent compared with the first half of 2004, largely due to acquisitions and increased investments in future growth, mainly outside Sweden, and performance-related remuneration. Excluding these effects, costs increased by 1 per cent.
- Net credit losses remained stable at a low level.
- Return on equity for January-June amounted to 16.5 per cent (14.7) and earnings per share increased by 20 per cent, to SEK 6.39 (5.33). Return on equity for the second quarter isolated was 17.5 per cent.

President's comments

Strong volume and revenue growth contributed to another strong quarter for SEB. The second quarter 2005 was indeed the best operating profit ever, supported by a stronger economic development even though competition remained fierce. SEB's home-markets outside Sweden account for the overall improvement in results. SEB's strategy to focus on customer satisfaction, cross-servicing activities and cost efficiency, i.e. the 3C-programme, continues to yield results. Customers appreciate the cross-servicing efforts to deliver SEB's full product range, bringing together our solid local knowledge and broad international competence. Client activities have increased within many areas, particularly in the corporate segment. SEB has been awarded several top ratings. Another example of the strong support for the One SEB perspective is the well received re-branding of our three Baltic banks.

SEB Merchant Banking delivered a strong pick-up in revenues, as a result of growth investments outside Sweden. The decision to increase the co-ordination of investment banking activities within the division should further enhance SEB's position as the leading Nordic

investment bank. Within the Nordic Retail & Private Banking division sales activities increased, reflecting strong equity markets and continued high demand for loans. Through the acquisition of Privatbanken, SEB is now also entering retail banking in Norway. In Germany, SEB's overall operating result improved due to strong development within Merchant Banking. However, efforts to increase sales within German Retail have not yet yielded result. SEB Asset Management's result was strong. Market shares have increased and investment performance rating improved. Eastern European Banking, just as SEB Trygg Liv, delivered another quarter with record results. Through the acquisition of Balta Life in Latvia, SEB can now offer a full bancassurance concept in all three Baltic countries.

SEB is well positioned for future profit growth. We will continue to invest in our well diversified platform, further strengthening the position in our home-markets.

The Group

Second quarter isolated

Record result

SEB's *operating profit* for the second quarter rose by 26 per cent compared with the corresponding quarter in 2004, to SEK 3,007m (2,390). In comparison with the previous quarter, the result increased by 12 per cent.

Net profit was SEK 2,269m (1,715), an increase of 32 per cent compared with the corresponding quarter of 2004 and of 13 per cent compared with the previous quarter.

Total operating income rose by 14 per cent, to SEK 8,483m (7,411), due to increased sales and customer activity levels. Volume growth was strong in all areas; lending increased by 5 per cent during the quarter, deposits by 11 per cent and assets under management by 7 per cent. Compared with the previous quarter operating income was up by 7 per cent.

Total operating expenses increased by 8 per cent, to SEK 5,284m (4,886), mainly due to acquisitions and growth outside Sweden. In comparison with the previous quarter, total expenses rose by 5 per cent.

Net credit losses remained low.

Half-year results

Improved operating profit

The accumulated *operating profit* for January-June amounted to SEK 5,696m (5,049), an increase of 13 per cent compared with the corresponding period in 2004. 54 per cent of the result was generated outside Sweden.

Net profit rose by 16 per cent, to SEK 4,273m (3,675).

Income up by 9 per cent

Total operating income increased by 9 per cent to SEK 16,412m (15,059). Excluding last year's acquisitions in Denmark and Ukraine, income rose by 5 per cent.

The introduction of new accounting principles as of 2005 (particularly IAS 39) has led to increased volatility on various income items. Therefore Net interest income, Net financial income and Net other income need to a larger extent be considered jointly.

Net interest income rose to SEK 6,971m (6,827). Increased volumes, particularly of mortgage and corporate lending and deposits, more than compensated for squeezed margins. The item was negatively affected by approximately SEK 80m, fully compensated in other areas of the profit and loss account.

Net fee and commission income rose by 6 per cent, to SEK 6,248 (5,914). Equity brokerage income as well as custody and fund management fees increased by 8 per cent. Fees from card operations rose by 17 per cent.

Net financial income increased to SEK 1,914m (1,260), following a continued positive development of customer activities. Falling interest rates in Sweden and Germany contributed to the increase as well. The high level of Net financial income has to some extent been achieved at the

expense of lower Net interest income and Net other income.

Net life insurance income almost doubled, to SEK 1,114m (566). This was a combined effect of improved sales and the acquisition of Codan Pension in Denmark, which was consolidated with SEB Trygg Liv in October 2004. A complete description of SEB Trygg Liv's operations, including changes in surplus values, is reported in "Additional information" on www.sebgroup.com.

Net other income totalled SEK 165m (492). The result for the second quarter of 2004 comprised a capital gain of SEK 175m from the sales of SEB's holding in the Danish Amagerbanken. The introduction of hedge accounting (IAS 39) as from January 2005 had a negative impact on the item Net other income.

Investments in growth affected costs

Total operating expenses increased by 7 per cent, to SEK 10,331m (9,667). Excluding the above-mentioned acquisitions, costs rose by 3 per cent.

Staff costs rose by 10 per cent, to SEK 6,356m (5,772), mainly due to the acquisitions and Merchant Banking's growth strategy outside Sweden. Raised variable salaries due to increased profit, particularly within Enskilda Securities, accounted for approximately SEK 200m of the increase.

The average number of full time equivalents in January-June 2005 increased to 18,760 (17,670) as a result of the above-mentioned acquisitions and growth ambitions. Approximately 900 full time equivalents are attributable to the acquisitions and more than 300 to growth within SEB Merchant Banking and Eastern European Banking. Efficiency measures decreased the number of full time equivalents by approximately 200.

Other expenses increased by 4 per cent, to SEK 3,767m (3,614). External IT-costs amounted to SEK 885m (899). Total IT-costs (defined as a calculated cost for all IT-related activities including costs for own personnel) were SEK 2.1bn (1.8), SEB Trygg Liv fully consolidated.

Stable credit loss level

The Group's *net credit losses* including changes in the value of assets taken over remained low, at SEK 393m (347). The credit loss level was 0.10 per cent (0.10). Asset quality remained stable.

Tax costs

Total tax amounted to SEK 1,423m (1,374). The total tax rate was 25.0 per cent (27.2). The lower tax rate was partly due to increased result in Eastern Europe, where the tax rate is low.

Record high assets under management

As of 30 June 2005, assets under management amounted to a record high SEK 1,012bn, an increase of 14 per cent compared with year-end 2004. Net inflow during the first six months was SEK 22bn (23), while the change in value was SEK 104bn (24), partly an effect of exchange rate

fluctuations. The dominating part of the net inflow emanated from Sweden and the other Nordic countries.

Balance sheet increase

The balance sheet continued to grow. The Group's total balance of SEK 1,800bn as per 30 June represented an increase of 12 per cent or SEK 194bn since year-end 2004. SEK 65bn of the increase was due to exchange rate fluctuations and the remainder mainly to growing lending and trading volumes.

Credit portfolio

Total credit exposure, including contingent liabilities and derivatives contracts, amounted to SEK 1,296bn (1,134 at year-end 2004), of which loans and leasing excluding repos amounted to SEK 909bn (825). Credit volumes grew in all sectors and home markets, with particularly strong growth in the Nordic corporate sector and the Baltic countries. This was partly a result of the weakening of the Swedish krona, particularly against the U.S. dollar. The strong volume growth to the Nordic corporate sector was to a large extent related to SEB's major clients.

On 30 June, impaired loans, gross, amounted to SEK 9,434m (8,831 at year-end 2004), of which SEK 8,628m (8,086) were non-performing (loans where interest and amortisation are not paid) and SEK 806m (745) performing loans. The increase was mainly due to the weakening of the Swedish krona. The reserve ratio was 76 per cent (79 pro forma).

The volume of assets taken over was SEK 155m (146).

Market risk

The Group's risk-taking in trading operations is measured in a Value at Risk model (VaR). During the first two quarters of 2005, VaR averaged SEK 55m. 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 during the previous year amounted to SEK 64m; the decrease reflects lower market volatility - especially in the first five months of this year.

Capital base and capital adequacy

Including the first six month-result, the capital base for the financial group of undertakings amounted to SEK 64.2bn as of 30 June 2005 (58.7 at year-end). Core capital was SEK 51.0bn (44.3), of which SEK 7.7bn (3.3) constituted so-called core capital contribution.

Risk-weighted assets rose to SEK 648bn (570) due to increased lending volumes, mainly within the SEB Merchant Banking and Eastern European Banking divisions. Partly, the increase was also a currency effect. As of 30 June 2005, the *core capital ratio* was 7.9 per cent (7.8) and the *total capital ratio* 9.9 per cent (10.3).

Repurchases of own shares

The Annual General Meeting on 13 April 2005 resolved that 17.4 million shares, repurchased for effective capital management, shall be cancelled. SEB's request to cancel

these shares is being processed legally, according to regulations.

The cancellation of shares will leave room for a decided new general repurchase programme of a maximum of 20 million shares or SEK 2.8bn.

Further, SEB has repurchased 19.4 million Class A-shares in order to hedge long-term incentive programmes from previous years. To hedge the 2005 programme, the AGM decided to re-designate one million shares repurchased for capital management purposes, and to allow for a repurchase of a maximum of 1.4 million Class A-shares, if required.

So far, the Bank has not acted upon the repurchasing mandates from the AGM. The total number of outstanding shares, after cancellation and excluding repurchased shares, remains 667.6 million, of which 643.4 million Class A-shares.

Acquisition of Norwegian Privatbanken

In the second quarter SEB acquired 6.8 million shares, representing 9.95 per cent of the outstanding shares, in Privatbanken ASA, an independent Norwegian bank focused on affluent private customers.

SEB has received acceptance from owners who together with SEB's own shares in Privatbanken represent more than 98 per cent of the shares on a fully diluted basis. The precondition for an acceptance level of at least 90 per cent is thereby fulfilled. The acquisition is subject to approval from Norwegian authorities. If the conditions are fulfilled before 31 October 2005, SEB will place a mandatory bid for the remaining shares.

The investment, at a total value of NOK 1.3bn, is in line with SEB's ambitions to strengthen its position further in Northern Europe.

Acquisition of Balta Life in Latvia

In June, SEB's subsidiary SEB Latvijas Unibanka acquired 100 per cent of the shares in Latvian life insurance company Balta Life from Codan's non-life subsidiary Balta.

The acquisition enables SEB to fulfil its strategy to offer a full product range in all home markets. The total investment amounts to EUR 7.7m. The acquisition is subject to the approval of the Latvian financial services regulator and competition authority.

Balta Life is a market leader in the Latvian market with a market share of more than 30 per cent of written insurance premiums, excluding health and accident insurance. Balta Life has a staff of 68 employees and 52 regional agents.

Increased distribution capacity

Over the past year SEB has increased its distribution capacity. 45 branch offices have been added, mainly in Eastern Europe. In addition, the acquisition of Codan Pension has added 100 sales agents and alliances with brokers.

SEB plans to increase its life insurance sales agents by approximately 100 and to establish 40 new branches during

the next year, mainly in Eastern Europe, but also in the Nordic countries. The experience from previously established branches during the last year is encouraging. As one example, a new branch established in Sweden in 2004 (Haninge) reached break-even already within ten months of operations.

Strengthening of the investment banking operations

SEB has decided to strengthen its investment banking operations within SEB Merchant Banking (previously Corporate & Institutions) in order to meet its customers' needs for integrated financial solutions better.

Together with other equity-related business in the division, Equities and Research within Enskilda Securities will form a new unit – SEB Enskilda Equities – within the Trading & Capital Markets business area. SEB Enskilda Corporate Finance will form a separate business area within SEB Merchant Banking.

Basel II application

The SEB Group has completed the self-assessment and submitted its application for approval of the internal rating based (IRB) method.

SEB's well-established foundation for advanced methods for credit risk management and further progress made through investments and project work over the last two years, enable the Group to cover more than 75 per cent of its exposures in the initial application.

All significant entities of SEB form part of the initial application and effectively 100 per cent of all exposure will migrate into the advanced IRB-method within the three year transitional period.

Changes within Senior Management

Fleming Carlborg has left his positions as Executive Vice President and Head of Nordic Retail & Private Banking due to health reasons. Pending the appointment of a new Head, Annika Falkengren, SEB's Deputy Chief Executive Officer, has taken over as acting Head of Nordic Retail & Private Banking.

Peter Buschbeck, previously member of Vorstand at Citibank Privatkunden AG, has been appointed as the new Head of Retail Germany. He will assume his position on 1 August, 2005.

Stockholm, 26 July 2005

Lars H Thunell

President and Chief Executive Officer

This report has not been reviewed by the Bank's Auditors.

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This Interim Report is set up in accordance with IAS 34. The full report includes information on Skandinaviska Enskilda Banken (publ) AB and SEB Trygg Liv, presented in "Additional information", as well as "The SEB Group's accounts according to new accounting standards IFRS", presented in "Financial statistics". All information is found on www.sebgroup.com.

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
Appendix 5	Accounts by quarter
Appendix 6	Skandinaviska Enskilda Banken

Financial information in 2005

9 February	Annual Accounts for 2004
13 April	Annual General Meeting
3 May	Interim Report January-March
26 July	Interim Report January-June
28 October	Interim Report January-September

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The SEB Group

Profit and loss account - Group

Condensed SEKm	Q2		Q1		Q2		Jan - Jun			Full year 2004
	2005	2005	%	2004	%	2005	2004	%		
Net interest income	3 435	3 536	-3	3 368	2	6 971	6 827	2	13 551	
Net fee and commission income	3 304	2 944	12	2 973	11	6 248	5 914	6	11 704	
Net financial income	1 160	754	54	430	170	1 914	1 260	52	2 176	
Net life insurance income	582	532	9	271	115	1 114	566	97	1 401	
Net other income	2	163	-99	369	-99	165	492	-66	1 209	
Total operating income	8 483	7 929	7	7 411	14	16 412	15 059	9	30 041	
Staff costs	-3 243	-3 113	4	-2 887	12	-6 356	-5 772	10	-11 579	
Other expenses	-1 953	-1 814	8	-1 835	6	-3 767	-3 614	4	-7 190	
Net Deferred Acquisition Costs	106	112	-5	95	12	218	192	14	316	
Depreciation, amortisation and impairments of tangible and intangible assets	-194	-232	-16	-259	-25	-426	-473	-10	-932	
Total operating expenses	-5 284	-5 047	5	-4 886	8	-10 331	-9 667	7	-19 385	
Gains less losses from tangible and intangible assets	4	4				8	4	100	100	
Net credit losses**	-196	-197	-1	-135	45	-393	-347	13	-701	
Operating profit*	3 007	2 689	12	2 390	26	5 696	5 049	13	10 055	
Income tax expense	-738	-685	8	-675	9	-1 423	-1 374	4	-2 673	
Net profit	2 269	2 004	13	1 715	32	4 273	3 675	16	7 382	
Attributable to minority interests	5	5		6	-17	10	11	-9	17	
Attributable to equity holders ***	2 264	1 999	13	1 709	32	4 263	3 664	16	7 365	
* SEB Trygg Liv's operating profit	242	171	42	99	144	413	197	110	684	
Change in surplus values, net	44	268	-84	324	-86	312	649	-52	1 470	
SEB Trygg Liv's business result	286	439	-35	423	-32	725	846	-14	2 154	
** Including change in value of seized assets										
*** Earnings per share (weighted), SEK	3.39	2.99		2.50		6.39	5.33		10.83	
Weighted number of shares, millions	667	668		683		668	687		680	

Restatement to IFRS - Group

Net profit SEKm	Jan - Jun 2004	Full year 2004
Net profit according to previous accounting principles	3 287	6 590
New accounting principles (IFRS 2), Employee stock options	-28	-55
New accounting principles (IFRS 3), New entities and goodwill	380	793
New accounting principles (IFRS 4), Insurance	25	37
Attributable to equity holders	3 664	7 365
Attributable to minority interests	11	17
Net profit according to IFRS	3 675	7 382

Key figures - Group

	Q2	Q1	Q2	Jan - Jun		Full year
	2005	2005	2004	2005	2004	2004
Return on equity, %	17.5	15.5	13.9	16.5	14.7	14.7
Return on total assets, %	0.52	0.49	0.47	0.50	0.53	0.51
Return on risk-weighted assets, %	1.45	1.37	1.22	1.41	1.33	1.32
Earnings per share (weighted average number), SEK*	3.39	2.99	2.50	6.39	5.33	10.83
Earnings per share (total issued shares), SEK	3.21	2.84	2.43	6.05	5.20	10.45
Cost/income ratio	0.62	0.64	0.66	0.63	0.64	0.65
Credit loss level, %	0.10	0.10	0.08	0.10	0.10	0.10
Reserve ratio for impaired loans, %	76.3	78.5	74.9	76.3	74.9	79.2**
Level of impaired loans, %	0.27	0.24	0.33	0.27	0.33	0.31
Total capital ratio, %	9.90	10.04	10.28	9.90	10.28	10.29
Core capital ratio, %	7.87	8.17	8.16	7.87	8.16	7.76
Risk-weighted assets, SEK billion	648	601	559	648	559	570
Number of full time equivalents, average	18 865	18 655	17 694	18 760	17 670	17 772
Number of e-banking customers, thousands	2 135	2 050	1 780	2 135	1 780	1 953
Assets under management, SEK billion	1 012	948	858	1 012	858	886

* Issued number of shares 704 557 680 of which SEB has repurchased 19.4 million Series A shares for the employee stock option programme. SEB has repurchased another 18.4 million shares for the improvement of the capital structure of the Bank as decided at the 2004 Annual General Meeting. Earnings per share after full dilution, calculated in accordance with the recommendations of the Swedish Financial Accounting Standards Council, was 6.30 (5.27).

** Pro forma

Profit and loss account, quarterly basis - Group

SEKm	2005:2	2005:1	2004:4	2004:3	2004:2
Net interest income	3 435	3 536	3 368	3 356	3 368
Net fee and commission income	3 304	2 944	3 059	2 731	2 973
Net financial income	1 160	754	532	384	430
Net life insurance income	582	532	557	278	271
Net other income	2	163	430	287	369
Total operating income	8 483	7 929	7 946	7 036	7 411
Staff costs	-3 243	-3 113	-2 985	-2 822	-2 887
Other expenses	-1 953	-1 814	-1 936	-1 640	-1 835
Net Deferred Acquisition Costs	106	112	77	47	95
Depreciation, amortisation and impairments of tangible and intangible assets	-194	-232	-277	-182	-259
Total operating expenses	-5 284	-5 047	-5 121	-4 597	-4 886
Gains less losses from tangible and intangible assets	4	4	86	10	
Net credit losses**	-196	-197	-188	-166	-135
Operating profit*	3 007	2 689	2 723	2 283	2 390
Income tax expense	-738	-685	-770	-529	-675
Net profit	2 269	2 004	1 953	1 754	1 715
Attributable to minority interests	5	5		6	6
Attributable to equity holders***	2 264	1 999	1 953	1 748	1 709
* SEB Trygg Liv's operating profit	242	171	253	120	99
Change in surplus values, net	44	268	520	258	324
SEB Trygg Liv's business result	286	439	773	378	423
** Including change in value of seized assets					
*** Earnings per share (weighted), SEK	3.39	2.99	2.91	2.59	2.50
Weighted number of shares, millions	667	668	671	674	683

Profit and loss account by division - Group

Jan-Jun 2005, SEKm	SEB Merchant Banking	Nordic Retail & Private Banking	German Retail & Mortgage Banking	Eastern European Banking	SEB Asset Manage- ment	SEB Trygg Liv*	Other incl elimi- nations	SEB Group
Net interest income	2 272	2 191	1 627	845	39	7	-10	6 971
Net fee and commission income	2 125	2 057	686	411	777		192	6 248
Net financial income	1 312	77	121	141	11		252	1 914
Net life insurance income				19		1 364	-269	1 114
Net other income	41	41	-45	73	11		44	165
Total operating income	5 750	4 366	2 389	1 489	838	1 371	209	16 412
Staff costs	-2 077	-1 428	-1 021	-390	-247	-469	-724	-6 356
Other expenses	-1 152	-1 305	-677	-292	-188	-685	532	-3 767
Net Deferred Acquisition Costs						217	1	218
Depreciation, amortisation and impairments of tangible and intangible assets	-36	-26	-138	-101	-6	-21	-98	-426
Total operating expense	-3 265	-2 759	-1 836	-783	-441	-958	-289	-10 331
Gains less losses from tangible and intangible assets				6			2	8
Net credit losses**	-18	-96	-261	-20			2	-393
Operating profit	2 467	1 511	292	692	397	413	-76	5 696

* Business result in SEB Trygg Liv amounted to SEK 725m (846), of which change in surplus values was net SEK 312m (649).

** Including change in value of seized assets

SEB Merchant Banking

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

Profit and loss account

SEKm	Q2			Q1		Q2			Jan - Jun			Full year 2004
	2005	2005	%	2004	%	2005	2004	%	2005	2004	%	
Net interest income	1 179	1 093	8	1 143	3	2 272	2 343	-3	4 617			4 617
Net fee and commission income	1 184	941	26	1 011	17	2 125	1 989	7	3 831			3 831
Net financial income	694	618	12	406	71	1 312	1 091	20	1 779			1 779
Net other income	2	39	-95	46	-96	41	97	-58	286			286
Total operating income	3 059	2 691	14	2 606	17	5 750	5 520	4	10 513			10 513
Staff costs	-1 091	-986	11	-881	24	-2 077	-1 787	16	-3 568			-3 568
Other expenses	-600	-552	9	-603	0	-1 152	-1 146	1	-2 309			-2 309
Depreciation of assets	-18	-18		-22	-18	-36	-42	-14	-91			-91
Total operating expenses	-1 709	-1 556	10	-1 506	13	-3 265	-2 975	10	-5 968			-5 968
Gains less losses on assets							1	-100	1			1
Net credit losses *	-3	-15	-80	-6	-50	-18	-45	-60	-16			-16
Operating profit	1 347	1 120	20	1 094	23	2 467	2 501	-1	4 530			4 530
Cost/Income ratio	0,56	0,58		0,58		0,57	0,54		0,57			0,57
Business equity, SEK bn	17,5	17,0		15,6		17,3	15,3		15,7			15,7
Return on equity, %	22,2	19,0		20,2		20,6	23,5		20,8			20,8
Number of full time equivalents, average	3 399	3 383		3 181		3 391	3 160		3 214			3 214

* Including change in value of seized assets

Convincing first six months for SEB Merchant Banking

The SEB Merchant Banking division (formerly Corporate & Institutions) reported a strong second quarter. Operating profit was SEK 1,347m, SEK 227m higher than in the first quarter of 2005. SEB Merchant Banking's performance in the first six months of 2005 was almost as strong as in the corresponding period of last year, with an operating profit of SEK 2,467m (2,501).

The home markets remained strong during the second quarter of 2005, with continued high volumes of market activity in each respective country. The result was supported by continued low credit losses. Client revenues increased in spite of continued low margins. Total expenses rose by 10 per cent compared with the first six months of last year following planned investments in the home markets and performance-related costs, particularly within Enskilda Securities.

As previously announced, SEB will strengthen its investment banking operations within the SEB Merchant Banking division in order better to meet its customers' needs for integrated financial solutions. Together with other equity-related business in the division, Equities and Research within Enskilda Securities will form a new unit - SEB Enskilda Equities - within the business area Trading & Capital Markets. SEB Enskilda Corporate Finance will form a separate business area within SEB Merchant Banking.

However, the financial reporting has been left unchanged in order to enable comparability.

Merchant Banking reported a strong second quarter

The Merchant Banking business area showed an operating profit of SEK 2,196m (2,361) for the first six months of 2005. Operating profit isolated for the second quarter was SEK 125m higher compared with the first quarter of 2005. Costs increased by 4 per cent compared with the first six months of last year, in line with the investments made during 2004. Business volumes continued to develop positively. SEB's home markets have performed well, with Germany, Finland and Denmark showing particularly strong development. Credit losses were low and credit quality remained good and stable.

Favourable markets and increasing volumes

The trading and capital market areas saw increasing volumes in many markets, particularly in Germany and Denmark. The second quarter showed increasing business volumes within such areas as foreign exchange, fixed income and structured products. Despite downward pressure on margins, income increased. Trading & Capital Markets reported a strong operating result for the second quarter of 2005. This was mainly achieved through larger business flows, market development and implementation of risk tools for the purpose of creating value for both corporates and financial institutions.

Electronic trading continued to be successful. An extended prime brokerage concept was introduced for German hedge funds. Through the combined skills of the

Group, SEB is able to offer hedge funds a full range of products including prime brokerage, custody, fund administration and fund services when setting up the hedge fund or while managing existing hedge funds.

In May 2005, Euromoney ranked SEB the best Nordic bank in FX trading with a market share almost twice as large as the second-best ranked Nordic bank.

Structured products continued to perform well in SEB's home markets. The second quarter included three issues aimed at the retail market and several private placements with institutional clients in Germany. There were also two additional issues in Estonia and one each in Latvia and Lithuania. At the same time, SEB increased its market share for structured products in Sweden.

Structured Finance contributed to the division's result with a strong second quarter. The deal flow during the period was satisfactory, with a number of large deals completed. The exits from two Swedish and one UK mezzanine investment are examples of areas which had a positive effect on income during the period.

Overall, vendor financing increased during the second quarter both in volumes and prospects. SEB Finans' Helsinki Branch and Rauma Voima Oy signed a EUR 55m leasing agreement to finance a new biofuel-fired power plant to be built at UPM Kymmene's Rauma paper mill.

The shipping finance market is experiencing continued pressure on loan margins and, partly as a result of this, financing activity is high. A large number of new transactions were closed within Shipping Finance during the second quarter of 2005.

For the second consecutive year, SEB won the "Best at Cash Management in the Nordic/Baltic region" award against fierce competition at Euromoney's Awards for Excellence in 2005.

During the first two quarters of the year SEB in Norway and Denmark successfully captured primarily pan Nordic-Baltic cash management mandates, but also overall European mandates.

Overall, the Nordic real estate markets continued to show stable or positive trends due to low interest rates in combination with higher yields from real estate investments. Several large transactions were closed in Sweden, while a NOK 3bn bridge financing agreement was made in Norway with NorGani Hotels ASA, a new hotel property company.

The custody and clearing business enjoyed healthy volumes in the Nordic region. In May, the number of transactions reached an all-time high level, 52 per cent higher than last year. Assets under custody increased to SEK 3,463bn, a rise of 35 per cent compared with the corresponding period last year. The volume growth was due to both good market conditions and customer acquisitions especially in Denmark, Finland and Norway.

Enskilda Securities – strong second quarter

Enskilda Securities' solid market shares and top rankings have enabled it to tighten its grip on the number one position in the Nordic region as a whole.

Enskilda Securities' total revenues for the second quarter of 2005 were SEK 651m, or 48 per cent higher than the previous quarter and 89 per cent above the corresponding period last year.

Total costs rose by 32 per cent compared with previous quarter, primarily due to an increase in performance-related costs. The operating result for the second quarter was SEK 186m (52), which gave an operating result of SEK 271m (140) for the first half of 2005 - an increase of 94 per cent.

Recent surveys and market statistics verify Enskilda Securities' continued leading market position among stockbrokers covering the Nordic markets. The Enskilda Research team regained the top Nordic position in Institutional Investor's annual survey, and maintained its top-ranked Nordic position in Extel's survey for the fourth consecutive year.

Enskilda Securities is also the clear market leader within Nordic corporate finance, as shown by Prospera's survey, which ranked the firm number one in Denmark and Finland and joint No 1 in Norway and Sweden. Activity within this area continued at the same high level as in the first quarter. The most significant among the large volume of transactions either completed or announced include the successful public offer for ISS by EQT and Goldman Sachs Capital Partners; the creation and syndication of NorGani Hotels, which, when listed, will be the largest public hotel property company in the Nordic region; the IPO of Affecto Genimap, the first IPO in Helsinki for two years; and the merger of the long steel businesses of Rautaruukki, SKF and Wärtsilä.

Nordic Retail & Private Banking

This division serves 1.6 million private customers and 133,000 small and medium-sized corporate customers, of whom 752,000 private and 65,000 corporate customers, respectively, are using the internet services of the Bank. The majority of the customers is found in Sweden. In the Nordic area SEB has a total of 2.9 million credit, charge and banking cards outstanding. The division comprises the Retail Banking, Private Banking and SEB Kort business areas. In Sweden, SEB provides its services around the clock via the internet, by telephone and through approximately 200 branch offices.

Profit and loss account

SEKm	Q2			Q1		Q2		Jan - Jun			Full year 2004
	2005	2005	%	2004	%	2005	2004	%			
Net interest income	1 108	1 083	2	1 050	6	2 191	2 144	2	4 373		
Net fee and commission income	1 054	1 003	5	925	14	2 057	1 869	10	3 780		
Net financial income	34	43	-21	42	-19	77	88	-13	165		
Net other income	25	16	56	29	-14	41	58	-29	83		
Total operating income	2 221	2 145	4	2 046	9	4 366	4 159	5	8 401		
Staff costs	-723	-705	3	-709	2	-1 428	-1 391	3	-2 855		
Other expenses	-662	-643	3	-610	9	-1 305	-1 223	7	-2 421		
Depreciation of assets	-10	-16	-38	-9	11	-26	-19	37	-47		
Total operating expenses	-1 395	-1 364	2	-1 328	5	-2 759	-2 633	5	-5 323		
Gains less losses on assets									82		
Net credit losses *	-44	-52	-15	-41	7	-96	-85	13	-194		
Operating profit	782	729	7	677	16	1 511	1 441	5	2 966		
Cost/Income ratio	0,63	0,64		0,65		0,63	0,63		0,63		
Business equity, SEK bn	11,8	11,6		10,6		11,7	10,4		11,0		
Return on equity, %	19,0	18,1		18,4		18,6	19,9		19,4		
Number of full time equivalents, average	4 674	4 580		4 665		4 627	4 676		4 696		

* Including change in value of seized assets

Sales increased despite fierce competition

After a slow start to the year, with low stock market and customer activities, sales picked up during the second quarter, particularly within Private Banking and such product areas as lending, insurance and equity-linked bonds. In comparison with the corresponding period of 2004, card turnover increased by 14 per cent.

Operating profit for the second quarter increased by 7 per cent compared with the preceding quarter and by 16 per cent compared with the second quarter in 2004.

The operating profit for the first six months of the year amounted to SEK 1,511m (1,441), an increase of 5 per cent compared with the corresponding period of 2004, primarily an effect of rising sales.

Income rose by 5 per cent. Net commission income was up by 10 per cent, mainly due to card sales but also to increased insurance sales.

Net interest income improved slightly since volume growth could offset the continued pressure on margins on transaction accounts and mortgage loans, for example.

By the end of June 2005, total deposits amounted to SEK 133bn (121 on 30 June 2004), of which SEK 118bn (109) emanated from Sweden. According to *Sparbarometern* (*Savings Barometer*), SEB is ranked number two in the Swedish savings market. On 31 March, SEB's share of total Swedish household savings was 14.4 per cent (14.9).

Total lending volume rose by 15 per cent, to SEK 221bn (193), of which SEK 160bn (137) consisted of mortgage loans. The market share of private mortgage loans increased to 14.8 per cent (14.6), while the share of new sales was 15.5 per cent. As regards new sales, the deterioration of margins has slowed down, but continues to affect the margin on total lending volumes.

In spite of successful sales and important volume growth in recent years, the credit losses of the division increased only marginally and remained at a low level.

Costs rose by 5 per cent for the first six months of 2005 compared with the corresponding period of 2004, partly due to costs relating to Eurocard Danmark, which is included in the result since autumn 2004. In addition, staff costs linked to salary agreements and increased marketing costs are part of the explanation of this increase.

At the end of April, SEB made a bid for the Norwegian bank Privatbanken. Since more than 98 per cent of the owners have accepted the bid, only formal permissions remain to be obtained before this acquisition can be finalised. Privatbanken will provide SEB with an extended platform in Norway for both retail and private banking.

Retail Banking – increased market shares

Retail Banking's operating profit rose by 4 per cent during the second quarter compared with the preceding quarter.

Despite intensified sales activities, income is pressured by generally low interest rates and increased competition.

The operating profit for the first six months of the year totaled SEK 826m (820). The campaign that SEB launched last year in order to attract small and medium-sized companies continued to yield results. During the first half-year, a net of 1,750 new small and medium-sized corporate customers were added, while corporate lending has risen by 6 per cent since year-end 2004.

The internet service for companies was further updated with new functions, giving the customers a more comprehensive view of insurance and occupational pensions.

At year-end 2004, a drive was started in order to increase consumer credit volumes. This is an area in which SEB's market share has been significantly lower than in the private market as a whole. In comparison with last year, both the number of quality customers and volume of consumer credits increased strongly during the first half of the year.

A new full service branch will be officially opened in September – on Lindholmen in Göteborg.

Private Banking – intensified customer activity during the second quarter

Compared with the preceding quarter the business area's operating profit increased by 20 per cent during the second quarter, mainly due to intensified customer activity. For example, the result from equity brokerage during the

second quarter was higher than during the four preceding quarters.

Despite low customer activity during the early part of 2005, operating profit increased to SEK 285m (278) for the first six months of the year. Since year-end 2004, the figures include the Danish Private Banking activities.

By the end of June, assets under management totaled SEK 221bn (207), an increase of 22 per cent. The number of customers increased, as well.

SEB Private Banking's new Singapore branch was officially inaugurated in early April 2005.

SEB Kort – stable growth

SEB Kort's operating profit increased by 6 per cent during the second quarter compared with the preceding quarter, and totaled SEK 400m (343) for the first six months of the year, an increase of 17 per cent.

This increase is mainly explained by the acquisitions of Eurocard in Norway and Denmark in recent years. In spite of growing volumes, credit losses have dropped by 15 per cent between 2004 and 2005.

Generally low interest rates had a positive effect on the results.

In April, SEB Kort was appointed Best Credit Card Issuer in the Nordic Region by Cards International.

SEB Kort's call centre in Denmark has been awarded a prize for its services, ranked as the best within the Danish financial industry and as number two in Denmark as a whole.

SEB AG Group

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

Profit and loss account

SEKm	Q2		%	Q2		Jan - Jun			Full year 2004
	2005	2005		2004	%	2005	2004	%	
Net interest income	985	1 057	-7	951	4	2 042	1 897	8	3 798
Net fee and commission income	534	529	1	491	9	1 063	978	9	1 997
Net financial income	246	-124		-22		122	73	67	37
Net other income	-118	81		25		-37	56	-166	308
Total operating income	1 647	1 543	7	1 445	14	3 190	3 004	6	6 140
Staff costs	-612	-611	0	-613	0	-1 223	-1 232	-1	-2 464
Other expenses *	-478	-431	11	-462	3	-909	-976	-7	-1 862
Depreciation of assets	-72	-72		-60	20	-144	-119	21	-302
Total operating expenses	-1 162	-1 114	4	-1 135	2	-2 276	-2 327	-2	-4 628
Gains less losses on assets									4
Net credit losses **	-157	-132	19	-78	101	-289	-188	54	-446
Operating profit	328	297	10	232	41	625	489	28	1 070
Cost/Income ratio	0,71	0,72		0,79		0,71	0,77		0,75
excluding restructuring costs	0,71	0,72		0,75		0,71	0,73		0,73
Business equity, SEK bn	12,1	11,9		11,7		12,0	11,8		11,7
Return on equity, %	7,8	7,2		5,7		7,5	6,0		6,6
excluding restructuring costs, %	7,8	7,2		6,9		7,5	7,5		7,6
Number of full time equivalents, average	3 413	3 395		3 441		3 404	3 477		3 434
* Whereof restructuring costs				-49			-124		-163
** Including change in value of seized assets									

No upswing in the German economy

The weak economic development continued in Germany in the second quarter of 2005. The business climate recovered in June after having slowed down since March, while consumer climate remained weak. Due to the market's fear of a fall-back into a recession long term interest rates reached new all time lows. The equity market developed favourably.

Improved result

Operating profit of SEB's entire operations in Germany (SEB AG Group) for the second quarter was SEK 328m, an increase of 10 per cent compared with the previous quarter.

Net interest income decreased by 7 per cent compared with the previous quarter, due to refinancing costs of SEK 78m for equities in connection with structured derivatives trading.

The contribution of Merchant Banking's German operation to the total result of the SEB AG Group is increasing. New business with large corporate customers starts to yield results. Cash management for Nordic corporate clients in Germany improved and helped keep the underlying interest income stable.

The half-year result was 2 per cent above the comparable period in 2004 (before restructuring costs).

Net interest income rose by 8 per cent, to SEK 2,042m, due to increased volumes.

Net commission rose by 9 per cent, to SEK 1,063m. This was mainly an effect of increased stock lending, which helped to compensate for lower sales of retail life insurance and equity products affected by the overall weak economy.

Assets under management, including SEB Pension trust, amounted to SEK 154bn, 8 per cent higher than in the first quarter, mainly due to ongoing positive sales of real estate funds, strong stock exchange development, but also due to currency exchange effects.

The strong improvement of income from financial transactions is a consequence of high customer activities and favourable market conditions. On the other hand, inefficiency from micro and portfolio hedging has impacted other income negatively in the same period. Several measures were taken in June to reduce future volatility considerably.

Total costs increased by 3 per cent compared with the corresponding period in 2004 (before restructuring cost), mainly due to ongoing investments in new product and customer segments in Merchant Banking and to joint efforts to provide a common internet platform for the retail business in Germany and Sweden. Cost/income ratio and return on equity were more or less unchanged.

German Retail & Mortgage Banking

This division serves one million private individuals, of which 246,000 use the bank's internet services, and real estate companies throughout Germany. Customers are able to access its services through 175 branches, more than 2,000 ATMs via cash-pooling with allied banks, an internet platform and telephone banking.

Profit and loss account

SEKm	Q2		%	Q2		Jan - Jun			Full year 2004
	2005	2005		2004	%	2005	2004	%	
Net interest income	793	834	-5	804	-1	1 627	1 590	2	3 113
Net fee and commission income	331	355	-7	319	4	686	649	6	1 337
Net financial income	203	-82		-58		121	20		83
Net other income	-123	78		32		-45	62	-173	317
Total operating income	1 204	1 185	2	1 097	10	2 389	2 321	3	4 850
Staff costs	-512	-509	1	-508	1	-1 021	-1 029	-1	-2 033
Other expenses *	-351	-326	8	-361	-3	-677	-793	-15	-1 478
Depreciation of assets	-68	-70	-3	-57	19	-138	-112	23	-290
Total operating expenses	-931	-905	3	-926	1	-1 836	-1 934	-5	-3 801
Gains less losses on assets									4
Net credit losses **	-137	-124	10	-76	80	-261	-186	40	-445
Operating profit	136	156	-13	95	43	292	201	45	608
Cost/Income ratio	0,77	0,76		0,84		0,77	0,83		0,78
excluding restructuring costs	0,77	0,76		0,80		0,77	0,78		0,75
Business equity, SEK bn	9,8	9,6		9,5		9,7	9,5		9,5
Return on equity, %	4,0	4,7		2,9		4,3	3,0		4,6
excluding restructuring costs, %	4,0	4,7		4,4		4,3	4,9		5,8
Number of full time equivalents, average	2 967	2 947		3 031		2 957	3 072		3 012
* Whereof restructuring costs				-49			-124		-163
** Including change in value of seized assets									

No pick up in underlying result

The division's second quarter operating profit was SEK 136m, 13 per cent below the first quarter, but significantly better than the corresponding quarter last year. However, excluding restructuring costs in 2004, the profit was on the same level as last year. Operating profit for the half-year decreased by 10 per cent on a comparable basis, mainly due to higher credit losses.

Total income improved slightly both on a quarterly and annual basis.

Gross sales of retail mortgage loans were SEK 2.1bn, almost in line with the comparable period 2004, while net mortgage sales were down by 31 per cent. Gross sales lending volumes were more or less flat on a quarterly basis. Total lending was SEK 88 bn, 3 per cent above the first quarter of 2005. Total deposits were SEK 38bn, 5 per cent above the previous quarter, affected by the "Bonus-Sparen", a high yield account offering cross-selling opportunities. The growth has been supported by the stronger euro versus the Swedish krona.

Net interest income decreased by 5 per cent on a quarterly basis, but was accumulated 2 per cent above 2004, supported by new credit business with real estate investors.

The top-ranked real estate fund SEB ImmoInvest continued to develop strongly and increased its market share further, to 6.0 per cent. Gross sales totalled SEK 7.3bn, 14 per cent above 2004 and 52 per cent above the previous quarter. Gross sales of SEB Invest's mutual funds sold by retail branches were SEK 3.8bn, 14 per cent lower than the corresponding period in 2004 and 39 per cent below the previous quarter.

Net commission income increased compared with last year, but was lower than in the previous quarter. This is a comparable trend across German banks in the light of the weak economy.

Profit improvement measures are ongoing in order to increase revenues. Examples include new products and customer acquisition programmes, new concepts for professionals and small and medium-sized companies.

Total costs increased slightly, to SEK 931m, on a comparable basis. Staff costs remained stable. Other costs increased, mainly due to investment in the common retail internet platform and in mandatory projects like Basel II.

Net credit losses amounted to SEK 137m, slightly more than in the previous quarter.

Cost/income ratio and return on equity were more or less unchanged.

Eastern European Banking

This division comprises three Baltic banks- SEB Eesti Ühispank (Estonia), SEB Latvijas Unibanka (Latvia) and SEB Vilniaus Bankas (Lithuania) - and Bank Agio in Ukraine. The Baltic banks serve 2.2 million customers, of which more than 1.0 million use the internet services via some 200 branch offices and internet banks. SEB's mutual fund company in Poland, SEB TFI, and the listed medium-sized Polish Bank Ochrony Środowiska, BOS, of which SEB owns 47 per cent, also form part of the division.

Profit and loss account

SEKm	Q2			Q1		Q2		Jan - Jun			Full year 2004
	2005	2005	%	2004	%	2005	2004	%			
Net interest income	430	415	4	390	10	845	762	11	1 560		
Net fee and commission income	218	193	13	191	14	411	361	14	760		
Net financial income	78	63	24	40	95	141	91	55	209		
Net life insurance income	9	10	-10	10	-10	19	26	-27	57		
Net other income	52	21	148	26	100	73	50	46	91		
Total operating income	787	702	12	657	20	1 489	1 290	15	2 677		
Staff costs	-206	-184	12	-175	18	-390	-355	10	-709		
Other expenses	-164	-128	28	-130	26	-292	-246	19	-534		
Depreciation of assets	-52	-49	6	-50	4	-101	-99	2	-196		
Total operating expenses	-422	-361	17	-355	19	-783	-700	12	-1 439		
Gains less losses on assets	4	2	100	-2		6	1				
Net credit losses *	-13	-7	86	-12	8	-20	-31	-35	-85		
Operating profit	356	336	6	288	24	692	560	24	1 153		
Cost/Income ratio	0,54	0,51		0,54		0,53	0,54		0,54		
Business equity, SEK bn	4,6	4,3		3,9		4,4	3,8		4,0		
Return on equity, %	22,5	22,6		21,3		22,5	21,4		20,6		
Number of full time equivalents, average	4 695	4 595		4 037		4 645	4 033		4 043		

* Including change in value of seized assets

Continued profit growth

The operating profit for the second quarter was 6 per cent up on the first quarter and 24 per cent higher than for the corresponding period of last year, even though the division had SEK 30m additional costs due to re-branding of SEB's Baltic banks in the second quarter. Operating profit for the first half of the year was 24 per cent higher than last year.

Due to higher business volumes and an increasing number of transactions, total income rose by 15 per cent, although margin pressure remained strong in the Baltic markets.

Total expenses increased by 12 per cent compared with the corresponding period last year. The cost/income ratio improved to 0.53 (0.54). Net credit losses decreased to SEK 20m (31).

A SEK 23m contribution from BOS bank's first quarter result is included in the division's half-year result under Net other income.

Steady volume growth

The total loan portfolio increased by 42 per cent, year-on-year, reaching SEK 60bn by the end of June. Deposits rose by 41 per cent, to SEK 44bn. Strong volume growth was experienced in all three Baltic banks. Lending to the household sector, particularly mortgage loans, remains the

major growth area. The combined market share for lending and deposits in the Baltic countries is close to 30 per cent.

Assets under management increased by 28 per cent, year-on-year, to SEK 9bn by the end of June.

High activity level

The re-branding of the Baltic banks has been successful both among own customers and in the market in general.

SEB Eesti Ühispank and the mutual fund company in Poland, SEB TFI, have taken over the previously outsourced management responsibility for SEB's Eastern European funds.

In June, SEB Latvijas Unibanka acquired the life insurance company Balta Life in Latvia. SEB will hereby be able to meet the increasing demand for new savings products in a uniform way in all three Baltic countries.

The work on integrating the recently acquired Bank Agio in Ukraine with SEB has gained momentum. As the only Nordic player in Ukraine it is clearly noticeable that the companies in SEB's other home markets have a need for Bank Agio's products and services.

Both SEB Latvijas Unibanka and SEB Vilniaus Bankas have been named as the best bank in their respective countries by Euromoney.

SEB Asset Management

This division 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 and Stockholm. The division employs about 100 portfolio managers and analysts.

Profit and loss account

SEKm	Q2			Q1		Q2			Jan - Jun			Full year 2004
	2005	2005	%	2004	%	2005	2004	%	2005	2004	%	
Net interest income	21	18	17	17	24	39	36	8	77			
Net fee and commission income	413	364	13	383	8	777	756	3	1 516			
Net financial income	8	3	167	3	167	11	4	175	9			
Net other income	9	2		1		11	8	38	22			
Total operating income	451	387	17	404	12	838	804	4	1 624			
Staff costs	-127	-120	6	-126	1	-247	-249	-1	-475			
Other expenses	-101	-87	16	-87	16	-188	-176	7	-358			
Depreciation of assets	-3	-3		-5	-40	-6	-10	-40	-19			
Total operating expenses	-231	-210	10	-218	6	-441	-435	1	-852			
Operating profit	220	177	24	186	18	397	369	8	772			
Cost/Income ratio	0,51	0,54		0,54		0,53	0,54		0,52			
Business equity, SEK bn	1,8	1,8		1,8		1,8	1,8		1,8			
Return on equity, %	35,2	28,3		29,8		31,8	29,5		30,9			
Number of full time equivalents, average	445	443		450		444	446		443			

Strong result

The division's operating profit for the second quarter of 2005 improved by 18 per cent compared with the corresponding period last year. Performance fees accounted for SEK 42m of the result. The underlying profit level, excluding performance fees, also increased both compared with the previous quarter and the corresponding periods last year. This was mainly due to increased assets under management.

For the first half of the year operating profit increased by 8 per cent compared with 2004. Costs remained stable compared with the first half of last year and the cost/income ratio improved to 0.53 on a year-to-date basis. Staff costs also remained at a stable level compared with last year. All in all, SEB Asset Management showed a strong result for the second quarter and the first half of 2005.

Increased market shares

The pace of net sales slowed down during the second quarter compared to the first quarter of 2005. Accumulated net sales for the first half were SEK 12.8bn (15.5).

Institutional sales continued to do well in Sweden and Germany, whereas Finland and Denmark were lagging behind last year's strong net sales. Retail sales continued at the same pace as in the previous quarter, but at a lower level than last year. The market in Sweden has been flat and the increase came mainly from Denmark and Finland.

In Sweden, SEB's net sales of its own mutual funds increased to SEK 5.5bn (3.4), compared to a total market of SEK 44bn (44). SEB has improved its market share of net

sales to 12.5 per cent (7.9), due to net sales of mutual funds to institutional clients.

Assets under management at new all-time-high

The division's total assets under management, including third party mutual funds, increased by a further 6 per cent during the second quarter to SEK 718bn, which is new all-time-high for comparable business units. This was primarily due to value and exchange rate changes.

The equity portion increased to 40 per cent (38) and fixed income decreased to 53 per cent (56). Total mutual funds, including third party mutual funds, increased its share of the division's assets under management and represented 41 per cent (39) of the total, corresponding to SEK 291bn (245), of which SEK 207bn (176) in Sweden.

Investment performance picked up

Investment performance improved during the second quarter within almost all asset classes and geographic markets. Year-to-date, 47 per cent of assets under management were ahead of their respective benchmarks. Average Morningstar ratings for all SEB mutual funds also continued to improve and the average is now 3.11 (2.82).

During the first half of the year additional recruitments were made to strengthen the investment teams. A review of the key investment processes has also been made in order to focus resources on core areas with a growth and cross-border sales potential.

SEB Trygg Liv

SEB Trygg Liv is one of the Nordic region's leading life insurance groups. 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 group operates in Sweden, Denmark, Finland, Ireland, the UK and Luxembourg and serves 1.5 million customers.

The traditional life insurance operations in Sweden are conducted in the mutually operated insurance companies Nya and Gamla Livförsäkringsaktiebolaget, which are not consolidated with the SEB Trygg Liv Group's results.

Profit and loss account

SEKm	Q2		Q1	Q2		Jan - Jun			Full year
	2005	2005	%	2004 ¹⁾	%	2005	2004 ¹⁾	%	2004
Net interest income	3	4	-25	8	-63	7	17	-59	33
Net life insurance income	706	658	7	402	76	1 364	814	68	1 907
Net other income				-3	-100		-6	-100	-8
Total operating income	709	662	7	407	74	1 371	825	66	1 932
Staff costs	-240	-229	5	-141	70	-469	-278	69	-634
Other expenses	-318	-367	-13	-256	24	-685	-530	29	-1 021
Net Deferred Acquisition Costs	105	112	-6	95	11	217	192	13	316
Depreciation of assets	-14	-7	100	-6	133	-21	-12	75	-23
Total operating expenses	-467	-491	-5	-308	52	-958	-628	53	-1 362
Operating profit	242	171	42	99	144	413	197	110	570
Change in surplus values, net	44	268	-84	324	-86	312	649	-52	1 427
Business result	286	439	-35	423	-32	725	846	-14	1 997
Change in assumptions		-39	-100			-39			789
Financial effects of short-term market fluctuations	703	223		-86		926	140		101
Total result	989	623	59	337	193	1 612	986	63	2 887
Cost/Income ratio	0,66	0,74		0,76		0,70	0,76		0,70
Business equity, SEK bn	7,4	7,4		4,5		7,4	4,5		5,2
Return on equity, % *									
based on operating profit	10,1	7,6		6,3		8,9	6,4		8,0
based on business result	11,8	18,0		27,1		14,9	27,4		27,7
Number of full time equivalents, average	1 095	1 113		721		1 104	719		816
1) Excluding Codan Pension that was acquired 1 Oct 2004									
* Excluding separation costs amounting to	-18	-24				-42			-12

Continued positive trend in operating result

SEB Trygg Liv's second quarter result reached SEK 242m including one-off costs of SEK 18m. On a comparable basis, excluding Codan Pension, the result for the first half of the year was SEK 257m (197). The operating result, excluding Codan Pension, was SEK 157m (99) for the second quarter. The main trend during the second quarter has been falling interest rates, increasing unit fund values from rising stock markets, a weaker Swedish krona and high premium payments off-setting a somewhat higher outflow compared to last year. In addition high sales volumes and moderate actual costs were achieved. The negative one-off effect of SEK 30m from adjusting the highest level of discount rate for valuation of the sickness insurance liabilities, required by the Swedish Financial Supervisory Authority, during the first quarter was compensated by value increases in related assets due to falling interest rates. The development for sickness and care

products was satisfactory during 2005 with an operating result of SEK 58m after investment return.

Codan Pension's operating profit in the second quarter was SEK 103m before deduction of integration costs, a one-off effect of SEK 18m. The result was slightly higher than in the first quarter, well in line with expectations.

The division's income increased by 7 percent during the quarter as a result of higher unit values and a continued increase in the share of equity-related funds among unit linked assets and the fall in market rates. Total costs, both regarding sales and administration, were lower than in the first quarter. A process focusing on enhancing operational excellence in distribution and administration was started during the quarter. Project costs, to date SEK 12m, are included among operational expenses.

One-off expenses relate to the separation of Codan Pension from the Codan Group. Total costs for the first half of 2005 amounted to SEK 42m which was less than anticipated.

Expected total integration costs for 2005 amount to approximately SEK 100m. The separation process continues well according to plan.

New business margin accumulated was 23.4 per cent (19.5 for the full year 2004), excluding Codan Pension. The increase was due to the change in discount rate assumptions, effective as at year-end, and higher sales volumes in relation to sales costs.

The business result accumulated (including changes in surplus values) amounted to SEK 725m (846). The result was adversely affected by negative deviations from assumptions, which to a large extent were related to increased surrenders of endowment policies, due to abolished inheritance tax in Sweden. Surplus values are not calculated in the Danish operations. The surplus values are not included in the SEB Group's result and balance sheet. For details, see Additional Information at www.sebgroup.com.

Continued strong sales

SEB Trygg Liv's total sales reached SEK 20.8bn (19.7) during the first half year measured as weighted volume of which SEK 9.9bn was related to the second quarter.

The sales from SEB Trygg Liv's Swedish business, accounting for the largest part of total sales, reached SEK 16.1bn (15.9). The strong trend of sales to private individuals, mainly of the new endowment pension product, "kapitalpension", continued during the second quarter, while sales of regular premium products to the corporate segment levelled off somewhat. The market statistics for the first quarter of 2005 show that SEB Trygg Liv increased its market share within unit linked, to 35.0 per cent (34.6) in total. For endowment policies the market share for new business was 43.7 per cent (36.2) as a result of the timely early launch of the new product "kapitalpension". Premium income in total amounted to SEK 10,723m (7,275) during the first half of the

year. Payments into the Individual Pension Savings (IPS) product were SEK 275m (287) and into PPM SEK 548m (491).

Codan Pension's sales reached SEK 3.4bn (3.1) measured as weighted volume, of which 52 per cent (46) was unit-linked insurance. Premium income amounted to SEK 2,395m (2,026) of which SEK 443m (191) was unit-linked. Assets under management amounted to SEK 89bn. Codan Pension is consolidated with SEB Trygg Liv since its acquisition on 1 October, 2004.

Sales from SEB Life (Ireland) and its branch office in Luxembourg rose to SEK 836m (91), measured as weighted volume, mainly attributable to the endowment pension product. Premium income amounted to SEK 958m (145) and assets under management to SEK 4.5bn.

The SEB Trygg Liv Group's (including Codan Pension) premium income amounted to SEK 14,078bn (7,424) during the first half of the year, of which SEK 10,374bn or 74 per cent was unit-linked related. Assets under management, net assets, increased to SEK 343bn, compared to SEK 312bn at year-end.

Traditional life insurance

The traditional life insurance operations of Codan Pension are carried out in a profit-sharing company and are therefore part of the SEB Trygg Liv Group result above. Market/investment risk is controlled through advanced hedging. In Sweden, these operations are conducted in two mutually operated companies, whose results are not consolidated with SEB Trygg Liv's result. This implies that profits and investment risks are attributed to the policyholders.

Total return for Gamla Livförsäkringsaktiebolaget was 8.0 per cent and the collective consolidation ratio 112 per cent as per June 30, 2005. For Nya Livförsäkringsaktiebolaget total return was 3.2 per cent and the collective consolidation ratio 103 per cent. For more facts concerning these companies, see Additional Information at www.sebgroup.com.

The SEB Group

Net fee and commission income – Group

SEKm	Q2			Q1			Q2			Jan - Jun			Full year 2004
	2005	2005	%	2004	%	2005	2004	%	2005	2004	%		
Issue of securities	30	21	43	21	43	51	43	19	58				
Secondary market shares	679	568	20	516	32	1 247	1 154	8	2 047				
Secondary market other	104	57	82	127	-18	161	181	-11	335				
Custody and mutual funds	1 153	1 096	5	1 112	4	2 249	2 092	8	4 207				
Securities commissions	1 966	1 742	13	1 776	11	3 708	3 470	7	6 647				
Payments	427	397	8	387	10	824	774	6	1 584				
Card fees	863	746	16	726	19	1 609	1 372	17	2 950				
Payment commissions	1 290	1 143	13	1 113	16	2 433	2 146	13	4 534				
Lending	230	174	32	272	-15	404	463	-13	965				
Deposits	26	24	8	32	-19	50	65	-23	153				
Advisory	370	212	75	180	106	582	356	63	736				
Guarantees	53	51	4	54	-2	104	107	-3	216				
Derivatives	88	74	19	104	-15	162	213	-24	348				
Other	139	160	-13	117	19	299	349	-14	637				
Other commissions	906	695	30	759	19	1 601	1 553	3	3 055				
Commission income	4 162	3 580	16	3 648	14	7 742	7 169	8	14 236				
Securities commissions	-185	-76	143	-132	40	-261	-205	27	-368				
Payment commissions	-447	-384	16	-364	23	-831	-699	19	-1 525				
Other commissions	-226	-176	28	-179	26	-402	-351	15	-639				
Commission expense	-858	-636	35	-675	27	-1 494	-1 255	19	-2 532				
Securities commissions, net	1 781	1 666	7	1 644	8	3 447	3 265	6	6 279				
Payment commissions, net	843	759	11	749	13	1 602	1 447	11	3 009				
Other commissions, net	680	519	31	580	17	1 199	1 202	0	2 416				
Net fee and commission income	3 304	2 944	12	2 973	11	6 248	5 914	6	11 704				

Net financial income – Group

SEKm	Q2			Q1			Q2			Jan - Jun			Full year 2004
	2005	2005	%	2004	%	2005	2004	%	2005	2004	%		
Equity instruments and related derivatives	275	124	122	383	-28	399	531	-25	964				
Interest bearing instruments and related derivatives	291	22		-321	-191	313	368	-15	1 116				
Currency related	594	608	-2	433	37	1 202	925	30	1 975				
Other financial instruments*				-65	-100		-564	-100	-1 879				
Net financial income	1 160	754	54	430	170	1 914	1 260	52	2 176				

* From 2005 classification is in accordance with IAS 39. A major part is interest related.

Net credit losses – Group

SEKm	Q2			Q1			Q2			Jan - Jun			Full year 2004
	2005	2005	%	2004	%	2005	2004	%	2005	2004	%		
<i>Provisions:</i>													
Net collective provisions	70	40	75	32	119	110	-154	-171				280	
Specific provisions	-211	-235	-10	-182	16	-446	-282	58				-1 010	
Reversal of specific provisions no longer required	82	83	-1	82		165	171	-4				467	
Net provisions for contingent liabilities	-4	-11	-64	-4		-15	-4					80	
Net provisions	-63	-123	-49	-72	-13	-186	-269	-31				-183	
<i>Write-offs:</i>													
Total write-offs	-346	-354	-2	-522	-34	-700	-813	-14				-1 971	
Reversal of specific provisions utilized for write-offs	142	203	-30	344	-59	345	513	-33				1 043	
Recovered from previous write-offs	71	79	-10	79	-10	150	174	-14				368	
Net write-offs	-133	-72	85	-99	34	-205	-126	63				-560	
Net credit losses	-196	-195	1	-171	15	-391	-395	-1				-743	
Change in value of seized assets		-2	-100	36	-100	-2	48	-104				42	
Net credit losses incl change in value	-196	-197	-1	-135	45	-393	-347	13				-701	

Balance sheet - Group

Condensed SEKm	30 June 2005	1 January 2005 *	31 December 2004	30 June 2004
Cash and cash balances with central banks	18 710	12 979	12 979	7 702
Loans and advances to credit institutions	202 995	208 554	208 226	214 141
Loans and advances to the public	828 897	786 551	783 355	719 429
Financial assets at fair value **	494 169	387 801	336 814	343 688
Available-for-sale financial assets **	162 699	135 290	175 400	61 158
Held-to-maturity investments **	16 019	13 781	15 536	17 568
Investments in associates	1 350	1 315	1 266	1 476
Tangible and intangible assets	22 155	21 432	17 574	16 803
Other assets	53 415	47 821	55 401	37 632
Total assets	1 800 409	1 615 524	1 606 551	1 419 597
Deposits by credit institutions	348 768	361 755	370 483	362 784
Deposits and borrowing from the public	589 608	516 836	516 513	507 109
Liabilities to policyholders	167 600	145 730	145 730	65 951
Debt securities	332 530	268 124	268 368	244 293
Financial liabilities at fair value	208 713	177 137	101 366	68 318
Other liabilities	63 751	63 918	120 896	93 364
Provisions	1 592	758	628	736
Subordinated liabilities	34 914	30 868	30 804	27 919
Total equity	52 933	50 398	51 763	49 123
Total liabilities and equity	1 800 409	1 615 524	1 606 551	1 419 597
* Including effects of IAS 32 and IAS 39.				
** Of which interest bearing	522 116	439 090	430 085	324 016

Restatement to IFRS - Group

Total equity SEKm	31 December 2004	30 June 2004
Equity according to previous accounting principles	51 008	48 800
New accounting principles (IFRS excl IAS 32 and 39)	- 160	- 160
New accounting principles (IFRS 2), Employee stock options	55	27
New accounting principles in profit and loss	775	377
Equity according to IFRS	51 678	49 044
Minority interests	85	79
Total equity according to IFRS	51 763	49 123

Memorandum items - Group

SEKm	30 June 2005	31 December 2004	30 June 2004
Collateral and comparable security pledged for own liabilities	285 500	272 326	119 547
Other pledged assets and comparable collateral	143 769	111 773	104 890
Contingent liabilities	53 568	43 082	42 352
Commitments	276 750	221 815	216 339

Total equity – Group

SEKm	30 June 2005	1 January 2005 *	31 December 2004	30 June 2004
Opening balance	85	85	73	73
New accounting principles (IFRS excl IAS 39)			- 5	- 4
Net change	21		17	10
Minority interests	106	85	85	79
Opening balance	1 015			
New accounting principles (IAS 39), Cash flow hedges and Afs valuation		1 015		
Net change in reserves	908			
Revaluation reserves	1 923	1 015	0	
Opening balance	49 298	51 678	48 464	48 464
New accounting principle (IAS 19), Pensions			1 383	1 383
New accounting principles (IFRS excl IAS 32 and 39)			- 160	- 160
New accounting principles (IFRS 2), Employee stock options			55	27
New accounting principles (IAS 32), Swap agreements		- 1 424		
New accounting principles (IAS 39), Non IAS 39 compliant hedges		- 956		
New accounting principles (IFRS 1), BOS	- 32			
Dividend to shareholders	- 3 065		- 2 818	- 2 818
Dividend, own holdings of shares	162		152	152
Result, holding of own shares	- 73		- 3	- 141
Swap hedging of employee stock option programme	270		- 37	- 26
Neutralisation of PL impact of employee stock option programme	32			
Utilization of employee stock options	89			
Eliminations of repurchased shares for stock option programme**			- 674	- 674
Eliminations of repurchased shares for improvement of the capital structure***	- 218		- 1 804	- 750
Net group contribution to non-consolidated subsidiaries			- 129	
Translation difference****	178		- 116	- 77
Net profit attributable to equity holders ¹⁾	4 263		7 365	3 664
Core equity	50 904	49 298	51 678	49 044
Total equity	52 933	50 398	51 763	49 123
1) Net profit attributable to equity holders				
Reported	4 263		6 590	3 287
New accounting principles (IFRS excl IAS 39)			775	377
Total	4 263		7 365	3 664

* Including effects of IAS 32 and IAS 39.

** As of 30 June 2005, SEB has repurchased 7.0, 6.2 and 6.2 million Series A shares for the employee stock option programme as decided at the Annual General Meetings in 2002, 2003 and 2004 respectively. The acquisition cost for these shares are deducted from shareholders equity. In 2005 0.8 million employee stock options have been utilised. The market value corresponding to the 18.6 million shares net was SEK 2,413m as of 30 June 2005.

*** Repurchased 18.4 million shares in order to create possibilities for the improvement of the capital structure of the Bank as decided at the 2004 Annual General Meeting. The acquisition cost for these shares are deducted from shareholders equity, the market value as of 30 June 2005 was SEK 2,385m.

**** In accordance with IFRS 1 SEB has chosen to zero out the translation difference accumulated before 2004-01-01.

Cash flow analysis - Group

SEKm	Jan - Jun			Full year 2004
	2005	2004	%	
Cash flow from the profit and loss statement	3 195	2 946	8	7 808
Increase (-)/decrease (+) in portfolios	-86 478	-79 672	9	-78 920
Increase (+)/decrease (-) in issued short term securities	40 004	8 221		23 411
Increase (-)/decrease (+) in lending to credit institutions	5 849	-34 384	-117	-28 321
Increase (-)/decrease (+) in lending to the public	-43 162	-11 656		-76 846
Increase (+)/decrease (-) in liabilities to credit institutions	-12 987	100 506	-113	110 336
Increase (+)/decrease (-) in deposits and borrowings from the public	72 771	13 531		23 484
Increase (-)/decrease (+) in insurance portfolios*	7 336			
Change in other balance sheet items	-5 762	-17 833	-68	-5 856
Cash flow, current operations	-19 234	-18 341	5	-24 904
Cash flow, investment activities	-1 176	-12		-383
Cash flow, financing activities	25 546	16 441	55	28 652
Cash flow	5 136	-1 912		3 365
Liquid funds at beginning of year	12 979	9 707	34	9 707
Exchange difference in liquid funds	595	-93		-93
Cash flow	5 136	-1 912		3 365
Liquid funds at end of period	18 710	7 702	143	12 979

* From 2005 classification is in accordance with IAS 39.

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

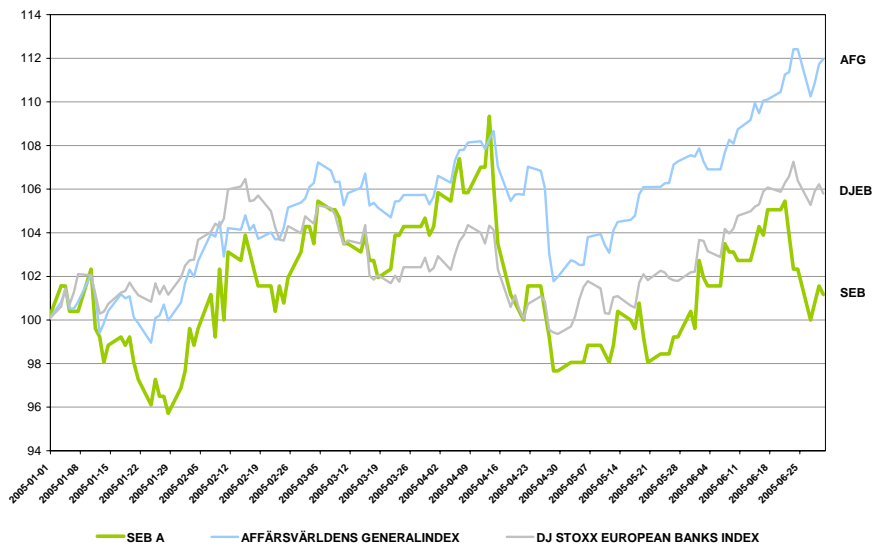
Impaired loans and seized assets - Group

SEK m	30 June 2005	1 January proforma**	31 December 2004	30 June 2004
Non-performing impaired loans	8 628	8 086	8 086	8 226
Performing impaired loans	806	745	745	1 097
Impaired loans gross*	9 434	8 831	8 831	9 323
Specific reserves for lending losses	-4 711	-4 547	-4 893	-5 062
of which reserves for non-performing loans	-4 228	-4 180	-4 526	-4 419
of which reserves for performing loans	-483	-367	-367	-643
Collective reserves	-2 487	-2 448	-1 487	-1 919
Impaired loans net	2 236	1 836	2 451	2 342
Reserves not included in the above:				
Reserves for country risk			-615	-648
Reserves for off-balance sheet items	-283	-255	-255	-272
Total reserves	-7 481	-7 250	-7 250	-7 901
Level of impaired loans	0.27%	0.23%	0.31%	0.33%
(Impaired loans, net in relation to lending, net at end of period)				
Reserve ratio for impaired loans	76.3%	79.2%	72.2%	74.9%
(Specific + collective reserves in relation to impaired loans gross, per cent)				
<i>Specific reserve ratio for impaired loans</i>	49.9%	51.5%	55.4%	54.3%
Pledges taken over				
Buildings and land	109	106	106	44
Shares and participations	46	40	40	44
Total volume of pledges taken over	155	146	146	88

* Individually impaired loans.

** As a consequence of IFRS, reserves for country risk and homogeneous groups have been reclassified to collective reserve. Reserves for homogeneous groups were previously classified as specific reserves.

The 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

June 2005	Share of capital, per cent
Investor AB	17,5
Trygg Foundation	9,3
AFA Försäkring	2,6
Robur Funds	2,4
SHB/SPP Funds	2,2
SEB Funds	1,7
Wallenberg Foundations	1,5
Foreign shareholders	25,2

Source: VPC/SIS Ägarservice