SEB’s competent and committed employees play a vital role in making the customers even more satisfied.
“As a result of growing customer satisfaction, increased market shares, committed employees and reduced costs, we have succeeded in increasing our earnings quarter on quarter, despite weakness in many areas of the economy,” writes Lars H. Thunell, SEB’s CEO.

The economic trend in 2003 was far better than expected. This is the conclusion of SEB economists Klas Eklund, Gunilla Nyström and Robert Bergquist. They anticipate that growth will continue in 2004, although there is a risk that Europe will be caught between an expansive United States and the dynamic Asia.

It is self-evident for SEB that all employees must assume an ethical and long-term approach in their contacts with customers and other associates. Among other steps, SEB has pre-empted Swedish legislation on the licensing of financial advisers. By the end of 2003, all 900 advisers and asset managers within the Nordic retail operations were already licensed.

When Leena Sachsendahl is not swishing alongside the River Main on inlines, she devotes her entire energy to building up the Cash Management operations in Merchant Banking in Germany. Although the marketing activities have only been under way for two years, there has already been major success.

Mountaineer. And passionate bridge player. But, in particular, the devoted head of the successful development of SEB’s electronic banking services in Estonia. Jaan Tamm is able to say that 96 per cent of banking transactions within Eesti Uhispank are now conducted electronically and a number of new services are waiting to be launched.

Earnings for the SEB Group for 2003, condensed version. The Group’s Annual Report is available in its entirety at www.sebgroup.com
2003 in brief

Key figures

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Return on equity, %</th>
<th>Earnings per share, SEK*</th>
<th>Cost/income ratio</th>
<th>Total capital ratio, %</th>
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</thead>
<tbody>
<tr>
<td>2002</td>
<td>12.0</td>
<td>7.60</td>
<td>0.69</td>
<td>10.47</td>
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<td>2003</td>
<td>12.3</td>
<td>8.22</td>
<td>0.67</td>
<td>10.23</td>
</tr>
</tbody>
</table>

Key figures as in 2002

- Number of full time equivalents, average: 18,067
- Number of e-banking customers, thousands: 1,614
- Assets under management, SEK billion: 822

* For further information on the SEB share, please see page 24

Net profit and dividend

<table>
<thead>
<tr>
<th>Year</th>
<th>Result</th>
<th>Dividend</th>
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<tr>
<td>2003</td>
<td>8.55</td>
<td>4.73</td>
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<td>7.86</td>
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<td>1999</td>
<td>6.54</td>
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Cost development

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost development, SEKbn</th>
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</thead>
<tbody>
<tr>
<td>2003</td>
<td>12.0</td>
</tr>
<tr>
<td>2002</td>
<td>11.1</td>
</tr>
<tr>
<td>2001</td>
<td>10.3</td>
</tr>
<tr>
<td>2000</td>
<td>9.5</td>
</tr>
</tbody>
</table>

Operating result per division

- Nordic Retail & Private Banking
- Corporate & Institutions
- German Retail & Mortgage Banking
- SEB Asset Management
- SEB Baltic & Poland
- SEB Trygg Liv

Strategy and change programme

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

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

- Improved co-operation and increased cross-selling within the Group – strengthened market positions in many areas and higher employee motivation.

- Increased cost efficiency – Group’s costs amounted to SEK 19.2bn at year-end compared with SEK 22.5bn on a yearly basis summer 2001.
Chairman's statement

Continuous result improvement

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

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

The fact that most of the world’s stock markets have recovered indicates that the world economy is picking up, primarily in the U.S. and China that grows at a furious pace. Europe has fallen behind, not least due to the vast structural challenges that countries like France, Germany and Italy are facing. Nevertheless, there are signs of a slow recovery here, too.

Long-term strategy now bearing fruit

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

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

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

Commitment to corporate governance

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

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

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

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

Employee stock option programme and repurchase of own shares

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

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

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

Stockholm in February, 2004

Jacob Wallenberg
Chairman of the Board
Increased markets shares and satisfied customers

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

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

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

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

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

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

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

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

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

Stability and strength for the future
To sum up, SEB’s position is strong. We have implemented sweeping changes throughout the Group that continue to generate results. We have a solid capital base and more stability and breadth in our result. Our strategy continues to build on our 3 C programme, i.e. concentration on customers, costs and improved co-operation. Our strengthened platform provides us with new growth opportunities, particularly in the Nordic area.

We are confident that our efforts will continue to benefit our shareholders, customers and employees – especially since we now start to see a brightening of the economy!

Stockholm in February 2004

Lars H Thunell
President and Group Chief Executive
2003 better than expected, but Europe trailing behind

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

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

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

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

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

Low interest rates partly explain the positive corporate results in 2003, too. Due to the interest stimulus in combination with the rationalisation and cost-reduction measures of recent years, companies have started to report profits again. Not least has the American economy shown strongly increased results.

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

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

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

“Payment flows to Asia are extremely strong”, says Robert Bergqvist, “and this has led to enormous surpluses, particularly in China, but also in Japan.”
Fast-growing China is now a serious challenge to Japan as the economic great power of the region and Robert Bergqvist is convinced that the high rate of growth will continue during 2004.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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A North European financial group

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

The SEB Group is a North European financial banking group for companies, institutions and private individuals. Although its main activities consist of banking services SEB also conducts important life insurance operations both within and outside Sweden. SEB has a total of 670 branch offices around Sweden, Germany and the Baltic States and more than 4 million customers, of whom 1.6 million are e-banking customers. On 31 December 2003, the Group’s total assets amounted to SEK 1,279bn, while its assets under management totalled SEK 822bn. The Group is represented in some 20 countries around the world and has a staff of about 18,000.

SEB is determined to offer individual, active and developing bank relations at the customer’s choice of time and place. SEB’s internal and external behaviour shall be based upon the following values: Continuity, Commitment, Professionalism and Mutual respect.

Business concept

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

Vision and goal

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

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

The financial goals are

- a return on equity of 15 per cent after tax over a business cycle
- a continuous improvement of the cost/income ratio, to 0.60 long-term
- a core capital ratio of at least 7 per cent and
- a dividend of 40 per cent of earnings per share over a business cycle.

Strategy

SEB’s strategy is to keep building upon the Group’s traditional factors of strength as a financial partner to companies and financially active, demanding private individuals and to consolidate its position in its present markets.

The following three areas continue to be of top priority:

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

SEB of today

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

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

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

SEB of today – a North-European financial group

Geographical distribution of employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>10,500</td>
<td>Sweden 62%, Rest of Europe 6%, Rest of the Nordic Countries 5%, Rest of the world 3%</td>
</tr>
<tr>
<td>2003</td>
<td>18,000</td>
<td>Sweden 47%, The Baltic 22%, Germany 21%, Rest of the Nordic Countries 6%, Rest of Europe 3%, Rest of the world 1%</td>
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</tbody>
</table>
Financing
A selection of what SEB can offer

Large companies and institutions
SEB is an important financial partner to many major companies, both Nordic and international companies with operations in the Nordic area. SEB is also a major financial partner to institutions, offering financing, cash management, equity brokerage, asset management, advice and a series of other financial services.

Small and medium-sized companies
SEB is a strong financial partner to more than 260,000 small and medium-sized companies. These are companies that use SEB’s knowledge and competence in the form of solutions that are tailor-made for each individual company.

Private individuals
Four million private individuals have at present entrusted SEB with the task of assisting them with solutions regarding their private finances.

A selection of what SEB can offer

Financing

Financing that helps companies grow
SEB offers tailor-made financing solutions for all types of needs to both small/medium-sized companies and large ones. It could be a matter of import/export finance or large, syndicated loans involving other players. SEB offers debt financing to both companies and financial institutions via the capital market in the Nordic area as well as internationally.

Advice concerning all types of business
SEB helps all types of companies to create long-term growth opportunities. SEB acts as an advisor in everything, from simple financing solutions to complex corporate acquisitions.

Financing of great and little things
With its broad range of different financing solutions in the form of loans and credits such as car and boat loans, membership loans and open credits, SEB offers financing solutions that meet its customers’ varying needs.

Solutions that simplify housing
First and last mortgage loans, fixed or variable interest. SEB’s housing loans cover financing of houses, owner-occupied flats and second homes. SEB offers advice and several supplemental services providing extra security in housing and easier household economy.

Investments

Advanced services within investment banking
Financial advice services, equity trading and equity research services form a natural part of SEB’s activities and SEB is an important financial partner to both companies and institutions.

Asset management for institutions
SEB is one of the leading players in the market for institutional asset management in the Nordic area, offering customers active management based upon high financial competence.

Long-term return on managed assets
Private individuals are offered access to advanced financial competence in the field of asset management. SEB’s asset managers and analysts represent a strong asset manager in the Nordic mutual fund market.

Great selection of various types of savings
Tailor-made solutions are often required when it comes to private savings. SEB’s private advisors help customers find the best distribution among various types of savings, such as savings accounts, mutual funds, investments in various securities and pension solutions, among others.

Insurance solutions for long-term security
SEB helps its private and corporate customers create security in the long term with the help of an extensive selection of various insurance solutions and sophisticated advice by insurance experts.

Transactions

Solutions streamlining cash flows
An efficient cash flow is a must for any company. SEB offers sophisticated solutions to help its customers handle their payment flows through such financial services as foreign payments, custody accounts and safekeeping of securities.

Advanced foreign exchange services
SEB offers solutions that simplify customers’ foreign exchange trading and cash management administration. SEB’s advanced systems streamline transfers between companies’ various accounts.

Payment services that fulfil people’s expectations
SEB offers advanced card solutions to more than 2.4 million users in the form of credit and charge cards used by customers everyday all over the world. This, in combination with a number of other payment services, means that all needs are covered as far as the handling of invoices and payments is concerned.

E-banking services make everyday life easier
SEB’s customers are able to handle all their private finances directly via their pc’s with the help of the Bank’s advanced Internet services: everything from simple transactions to housing loans and stock market trading can be handled via the web.

Personal telephone service around the clock
Accessibility is the be-all and end-all. Banking transactions can easily be handled through SEB around the clock with the help of a couple of quick button-clicks on the telephone. In addition, SEB’s Telephone Service offers personal service and advice concerning everything, from everyday finances to pension solutions.
SEB’s customers

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

In order to reach the vision that has been set – to be a leading North European bank based upon long-term customer relations, competence and e-technology – SEB aims at achieving the highest possible degree of customer satisfaction.

SEB’s customers are very satisfied within most areas such as investment banking, private banking, large corporations as well as within the German and Baltic operations. During 2003, corporations and institutions accounted for approximately 60 per cent of SEB’s total income.

In Germany SEB is one of five nation-wide banks. The bank focuses on savings and mortgage for private individuals and real estate customers, merchant banking activities and asset management.

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

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

In the Rest of the Nordic area SEB has a strong position within its key areas, particularly merchant and investment banking, cards and asset management. Approximately 1,000 employees generate an operating profit of more than SEK 1bn.

This is SEB

SEB’s homemarkets

The market for northern Europe
• 150 million inhabitants

SEB in northern Europe
• More than 4 million customers
• 1.6 million Internet customers
• 670 branch offices

Gross income, geographical distribution

In Germany – 30%
In Sweden – 45%
Rest of the Nordic Countries – 12%
Rest of Europe – 6%
The Baltic – 5%
Rest of the world – 2%

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

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below the average of the industry as regards this particular category of customers.

By year-end 2003, more than 1.6 million private individuals were customers in SEB Group’s Internet banks in Sweden, Denmark, Germany and the Baltic States. The rate of increase is particularly high in the Baltic, where the number of e-banking customers rose by more than 60 per cent during 2003, to 600,000. Corporate customers are using financial solutions via the Internet to an increasing extent, too. For many years, SEB’s Trading Station has offered large corporations the opportunity of handling their foreign exchange and fixed income transactions via the Internet. In the fourth quarter of 2003, approximately 50 per cent of SEB’s foreign exchange transactions went via Trading Station compared with 40 per cent one year earlier.

**SEB in the market**

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

In Sweden, SEB increased its share of total household deposits, while its share of total corporate deposits dropped. SEB’s share of total lending to the general public (households, companies etc) increased to 14 per cent. Household lending rose mainly due to an increase in private mortgage lending, of which SEB’s share rose to 14.3 per cent (13.4) after its share of new lending had increased to 17.4 (15.6). The combined market shares for the three Baltic banks were 32 per cent for lending and 25 per cent for deposits. In Germany, SEB has a market share of about one per cent of the household market.

With SEK 822bn in assets under management, SEB is one of the largest asset managers in the Nordic area. In the Swedish household market for savings (excluding directly owned shares) the Group occupied the No. 1 position, once again, with a total share of 15.7 per cent (15.9) at year-end. The market share for net sales of mutual funds increased to 13.4 per cent (11.8) and the market share for net sales of unit-linked (SEB Trygg Liv) jumped to 29.1 per cent (21.2).

Within export and project finance, debt and capital market services and securities financing, for example, SEB’s competitors are primarily U.S. and European investment banks and global commercial banks. In the Swedish corporate market, SEB is the leader within foreign exchange trading, cash management, export finance and international payments, among other areas. For several years, SEB has been ranked the best foreign exchange bank globally as regards SEK trading.

Enskilda Securities is the largest player on the Stockholm Stock Exchange and number two in Oslo. Furthermore, it is one of the most frequently trusted investment banks as regards mergers and acquisitions involving Nordic companies as buyers or sellers.

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**SEB’s staff**

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

**Core Values**

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

**Competence and leadership development**

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

**Employee survey**

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

**Work environment and health**

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

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

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

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

In 2003, 40 per cent (39) of all SEB managers in Sweden were women, which means that the target on the overall level has now been reached. The share was 51 per cent (51) for group and customer service managers and 36 per cent (34) for division and office managers. The share of women on top levels in Sweden is 24 per cent (25).

The Group’s remuneration system
A modern salary structure including fixed and variable salaries forms the basis of the Group’s remuneration system. The setting of salary rates is individual. The fixed salary is based upon the complexity of work and the individual’s work performance, experience and competence.

A basic principle is that part of the salary shall be variable and based upon performance, which means that it shall be possible to receive a bonus or commission.

Corporate Governance

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

Board of Directors
The Board of Directors has the overall responsibility for the activities and decisions on the nature of the business and the business strategies and goals. The Board is also responsible for the follow-up and control of the activities.

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

During 2003, the Board of Directors had nine members and one deputy member, elected by the Annual General Meeting and two members and two deputies appointed by the employees. (The Board members are presented on page 30.)

During 2003, nine Board meetings were held. Essential matters that have been handled during the year included the following:
- Strategic direction of Group activities (nature and scope)
- Overall long term goals for the activities
- Group organisation
- Policies and instructions
- Business plans and budgets
- Capital, risk and financing issues, including risk limits
- Management supply, compensation and other personnel matters
- Issues concerning customer and staff satisfaction
- Major investments and business acquisitions
- Interim reports and annual report
- Development of credit portfolio

Follow-up of strategic and financial goals
Follow-up of external and internal audit activities
Follow-up of risks inherent in Group activities
Risk control organisation

The Board has organised committees in order to distribute certain tasks among its members. At present, there are three committees within the Board of Directors: the Credit Committee, the Audit and Compliance Committee and the Compensation Committee.

The task of the Credit Committee is to follow up the credit portfolio and the credit process within the Bank and the Group on a continuous basis. This work also includes the issuance of credit policies and the adoption of minor changes in the Credit Instructions of the Board. The Credit Committee also makes decisions on individual credit matters of principle or major importance. The Audit and Compliance Committee maintains regular contact with the external and internal auditors of the Bank and makes sure that observations and remarks from the auditors are taken care of. It also deals with the accounts and interim reports and assesses the external auditors’ independence and prepares a proposal for new auditors prior to the election of auditor by the Annual General Meeting. The Committee furthermore establishes overall plans for the internal audit function and the compliance function.

The Compensation Committee of the Board prepares, for decision by the Board of Directors, a proposal for compensation principles applicable to certain senior officers as well as a proposal for compensation to the President and the Group Audit Manager. The Compensation Committee decides on issues concerning compensation to the Deputy Group Chief Executive and to other members of the Group Executive Committee according to the principles established by the Board of Directors.

President
The President is responsible for the day-to-day management of the activities of the Group in accordance with the guidelines and established policies and instructions of the Board of Directors.
The President is the chairman of three different committees organised to focus on different areas; Group Executive Committee (presented on page 31) for business issues, Group Credit Committee for credit issues and Asset and Liability Committee for capital and risk issues.

**Internal audit, compliance and risk control**

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

The purpose of the *compliance activities* of the Group is to make sure that all the various operations of the Group are conducted in accordance with both external and internal applicable laws, rules and directives.

Through the *risk control function* of the Group the risks of the Group, primarily credit risks, market risks, operational risks, business risks and liquidity risks, are monitored.

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

The Annual General Meeting decides the total compensation amount for the members of the Board. This compensation is then distributed by the Board among those Board members who are not officers of the Bank.

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

The compensation to the President and the members of the Group Executive Committee is paid in the form of fixed and variable salary, employee stock options (see further page 32) and other benefits such as company car as well as pension benefits. The size of the variable salary is related to the fulfilment of certain quantitative and qualitative goals that have been set. It is maximised, either to a certain percentage of the fixed salary or to a certain amount. The variable salary of the President cannot be more than 50 per cent of his fixed annual salary. Employee stock options form part of the total package of compensation. As a principle, the estimated value of allotted stock options must not exceed 75 per cent of the fixed annual salary of the President and approximately 50 per cent of the fixed annual salary of the other members of the Executive Committee.

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**Board of Directors as from the Annual General Meeting 2003**

<table>
<thead>
<tr>
<th>Name</th>
<th>Elected</th>
<th>Position</th>
<th>Credit Committee</th>
<th>Audit and Compliance Committee</th>
<th>Compensation Committee</th>
<th>Remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jacob Wallenberg</td>
<td>1997</td>
<td>Chairman</td>
<td>●</td>
<td>●</td>
<td>▼</td>
<td>1,400,000</td>
</tr>
<tr>
<td>Marcus Wallenberg</td>
<td>2002</td>
<td>Deputy Chairman</td>
<td>●</td>
<td>●</td>
<td>▼</td>
<td>425,000</td>
</tr>
<tr>
<td>Gösta Wiking</td>
<td>1997</td>
<td>Deputy Chairman</td>
<td>●</td>
<td>●</td>
<td>▼</td>
<td>825,000</td>
</tr>
<tr>
<td>Penny Hughes</td>
<td>2000</td>
<td>Director</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>450,000</td>
</tr>
<tr>
<td>Urban Jansson</td>
<td>1996</td>
<td>Director</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>650,000</td>
</tr>
<tr>
<td>Tuve Johannesson</td>
<td>1997</td>
<td>Director</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>350,000</td>
</tr>
<tr>
<td>Hans-Joachim Körber</td>
<td>2000</td>
<td>Director</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>350,000</td>
</tr>
<tr>
<td>Carl Wilhelm Ros</td>
<td>1999</td>
<td>Director</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>650,000</td>
</tr>
<tr>
<td>Lars H Thunell</td>
<td>1997</td>
<td>Director, President and Group Chief Executive</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>—</td>
</tr>
<tr>
<td>Lars Lundquist</td>
<td>2003</td>
<td>Deputy Director, Deputy President and Deputy Group Chief Executive</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>—</td>
</tr>
<tr>
<td>Ulf Jensen</td>
<td>1997</td>
<td>Director appointed by the employees</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>—</td>
</tr>
<tr>
<td>Ingrid Tegvald</td>
<td>2002</td>
<td>Director appointed by the employees</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>—</td>
</tr>
<tr>
<td>Göran Amius</td>
<td>2002</td>
<td>Deputy Director appointed by the employees</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>—</td>
</tr>
<tr>
<td>Magdalena Olsson</td>
<td>2003</td>
<td>Deputy Director appointed by the employees</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>—</td>
</tr>
</tbody>
</table>

*●* Chairman  
*▼* Deputy Chairman  
*●* Director
Corporate Social Responsibility

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

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

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

The following areas of priority mirror SEB’s commitment to corporate social responsibility:

**Ethics and sustainability**

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

**SEB’s rules for ethical issues**

SEB’s rules for procedures regarding ethical issues shall serve as support of all employees, describing how they should act in relation to customers and others. All measures and decisions within SEB shall be in accordance with these rules.

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

**Bank secrecy**

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

**Treatment of personal information**

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

**Integrity on the Internet**

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

**Information security**

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

**Views and complaints**

Customers who are critical of the information received from SEB or of the way a service has been rendered can turn to the

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

- To observe confidentiality with respect to information about customers and business relations;
- To understand the purpose and meaning of every customer’s assignment and make sure that customers understand the consequences of their assignments;
- To show respect for the basic principles of equal treatment and diversity;
- To avoid situations that can lead to conflicts of interest between customers and the various parts of the SEB Group;
- To observe restrictions as regards undue benefits and gifts;
- To carry out all measures and decisions in such manner that they can withstand scrutiny by others.
SEB’s complaints departments. These units have the obligation to deal with and complaints and to identify any possible system errors in a speedy, effective and uniform manner. In the first instance, however, viewpoints or complaints are handled directly by the employee or unit that has provided the information or service at issue.

**SEB’s role as a lender**

SEB’s role as a lender is very important for the development of society. The credit policy of the Group contains rules that deal with SEB’s role and responsibility as a lender. The most important issues are those which deal with confidence in the customer, the purpose of the loan and environmental matters.

**SEB’s role as an asset manager**

SEB Fonder (mutual funds) considers that every listed company must have its own ethics and environmental policy and make sure that it acts in compliance therewith. If a company violates these rules, SEB Fonder will investigate the situation to find out what remedies the company is planning. If the desired result is not achieved, SEB Fonder may sell its shareholding in the company, provided it is to the benefit of the unit-holders.

**Ethical products**

For many years, SEB has managed funds and handled discretionary mandates for customers who wish that their investments be subject to special ethical standards. The total value of such assets under management was SEK 6bn at year-end 2003.

Today, SEB manages nine Swedish funds with an ethical profile, two German and one Finnish as well as several institutional customers’ portfolios. Most of these observe the ethical guidelines of Global Ethical Standards (GES), with certain additional rules. This means that the funds are subject to regular control by independent parties to ensure that they comply with international standards regarding human rights, work, environment, bribes, corruption and weapons.

**SEB’s role as an employer**

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

**Social commitment**

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

SEB supports Mentor Sverige, a Swedish foundation engaged in drug prevention measures for the youth. Through this co-operation SEB employees get an opportunity of being mentors for pupils at the senior level of the compulsory school during one school year. This mentor-ship has proved rewarding both for the pupils and the mentors.

In addition, a parental training programme was started in 2003 through which SEB employees are offered support in their role as parents. In 2003, SEB employees devoted more than 5,000 hours to these activities. In 2003 SEB contributed SEK 1.5m to Mentor Sverige’s activities and signed a new three-year agreement with the foundation.

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

SEB AG also co-operates with a leading environmental foundation, OroVerde, which combines environmental work with social commitment.

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

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

For several years, SEB Trygg Liv has worked with the welfare concept and taken strategic business positions based upon a comprehensive valuation process that focuses on long-term financial security for SEB’s customers. The project called “Profitable Health” aims at proposing new ways of dealing with long-term sick-reporting. Together with BoViva, the first installation of safe living for the elderly was completed, comprising 119 apartments. Furthermore, an agreement has been concluded with the Stockholm City Mission for a rehabilitation project involving shelters for the gradual reintegration of the homeless and social outcasts back into a normal life. The corresponding investment amounts to SEK 200,000.

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

**Environmental matters**

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

SEB has signed the environmental documents of both the United Nations and the International Chamber of Commerce under which the signatories are committed to paying due regard to, and to acting for, a better environment within their respective activities.
2003 has been a year in which continued focus on customer satisfaction, controlled costs and intensified sales activities were top priorities for Nordic Retail & Private Banking.

What was the most important event within your division in 2003?
“The fact that customer satisfaction continued to improve, both among our private and corporate customers, was important to us, even though the increase in relative terms was not as great as in 2002. This positive development has helped us to continue to strengthen our position in the savings and housing loan markets, among others.

As a result of tough rationalisation of our activities and a gradually improving stock market we were able to report a considerably higher level of profitability within Private Banking last year. At the same time, we managed to increase both the number of customers and managed assets and were ranked as No. 1 in Sweden within Private Banking.

Finally, SEB Kort (cards) has successfully completed the integration of the Norwegian operations that were acquired at the end of 2002.”

You started an intense drive towards small enterprises during 2003, did you not?
“By tradition, SEB has a strong position as a bank for large and internationally active companies but we have not been as successful, when it comes to using our competence and adjusting our service and offers to small and medium-sized companies. This is an area in which we are going to improve. These companies represent a large and important group of customers.”

Have you managed to keep your ambition of keeping costs down?
“As early as in 2001 and 2002, we cut our level of costs in various ways by more than SEK 1bn. However, in view of the difficult market situation, with a declining stock market and a recession in early 2003, it has been of decisive importance to continue to keep the running costs down. At the same time we have had to make certain investments in the IT area.”

What are your long-term goals?
“It is our ambition to have the most satisfied customers, the highest profitability in the market and the best-motivated staff.”

What is going to happen in 2004, then?
“Our focus is on growth. We will intensify our contacts with customers and attract new ones. We are on the right track, with increased responsibility and authority for those of our employees who have direct contacts with customers. With the help of modern IT-support in our sales and service work, I am confident that we will succeed. We continue to pursue our strategies. Putting it simply, it means that we will get even closer to our customers in order to be able to do more for them all the time.”

**Facts Nordic Retail & Private Banking**

The division comprises three main business areas: Retail Banking, including the network of branch offices, telephone service and the Internet bank, Private Banking with Enskilda Banken in Sweden and private banking activities in Luxembourg, Norway and the U.K. and SEB Kort (Diners, Eurocard etc) with business activities in the four Nordic countries.

<table>
<thead>
<tr>
<th>Profit and loss account, SEKm</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income</td>
<td>7,897</td>
<td>7,577</td>
</tr>
<tr>
<td>Total costs</td>
<td>−5,073</td>
<td>−4,944</td>
</tr>
<tr>
<td>Intra-group minority shares</td>
<td>−17</td>
<td>−20</td>
</tr>
<tr>
<td>Credit losses</td>
<td>−194</td>
<td>−85</td>
</tr>
<tr>
<td>Operating result</td>
<td>2,613</td>
<td>2,528</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key figures</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost/income ratio</td>
<td>0.64</td>
<td>0.65</td>
</tr>
<tr>
<td>Allocated capital, SEKm</td>
<td>9,100</td>
<td>7,200</td>
</tr>
<tr>
<td>Return on capital, %</td>
<td>20.7</td>
<td>25.3</td>
</tr>
<tr>
<td>Number of employees (average)</td>
<td>4,744</td>
<td>4,837</td>
</tr>
</tbody>
</table>
Improved customer satisfaction

Corporate & Institutions strengthened its market position in 2003. The positive development could also be seen in Germany, where Merchant Banking now has 300 employees. Equity-related areas continued to struggle with profitability.

How did your division fare in 2003?
“In view of the generally weak economy we are proud and satisfied with our result, SEK 4,415m. Merchant Banking had a very successful year, while Enskilda Securities’ difficulties continued in terms of result. Both Merchant Banking and Enskilda Securities have strengthened their market positions to a considerable extent during the past year.”

What went well during the year?
“Trading & Capital Markets had a fantastic year, with most of its units performing better than the year before. Our work with large and medium-sized companies has been quite successful. I am pleased to say that the same is true for financial institutions, a sector that is very much in focus. In 2003, we introduced OCM, an Internet-based cash management service for corporations. The response has been tremendous and we have attracted several new, important clients. It is also worth mentioning that we secured a foothold in Germany in earnest during the year. Our German staff now comprises 300 people. According to the latest so called TRIM Customer Loyalty Index, we were very highly ranked both by our German customers and by the Nordic subsidiaries.”

Are you less satisfied with anything?
“All our equity-related areas continue to experience a difficult market situation. Unfortunately, both stock market turnover and acquisition and IPO activities were lower than we hoped, which had a negative impact on Enskilda Securities. We are now seeing signs of a recovery within corporate finance. Enskilda is very highly ranked by our customers and we will continue to refine and develop our activities further during the coming year.

“Within our Clearing and Custody unit the number of transactions has increased, although very strong international price pressure has had a negative effect on the result. We are working intensively to improve our internal efficiency and to broaden our sales to this important client segment.”

What is your most important task in 2004?
“We intend to achieve considerable growth in our home markets – the Nordic area and Germany. Even though we have a strong position in the Nordic market for large corporations and financial institutions, a lot remains to be done. We are now investing in growth, after a couple of years of focusing on rationalisation and consolidation. Our most important task for the coming year is to find growth opportunities in our home markets.”

FACTS CORPORATE & INSTITUTIONS

The Corporate & Institutions division is responsible for all SEB’s activities relating to large and medium-sized companies and institutions and for SEB’s activities in the global financial markets. The division consists of two main business areas, Merchant Banking (cash management, trading in fixed income, currency trading, import and export financing etc) and Enskilda Securities (equity trading, corporate finance etc).

<table>
<thead>
<tr>
<th>Profit and loss account, SEKm</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income</td>
<td>10,278</td>
<td>10,511</td>
</tr>
<tr>
<td>Total costs</td>
<td>-5,637</td>
<td>-5,965</td>
</tr>
<tr>
<td>Intra-group minority shares</td>
<td>-26</td>
<td>-33</td>
</tr>
<tr>
<td>Credit losses</td>
<td>-200</td>
<td>-83</td>
</tr>
<tr>
<td>Operating result</td>
<td>4,415</td>
<td>4,430</td>
</tr>
</tbody>
</table>

1) Including write-downs of financial fixed assets.
The overall economic situation in Germany remained difficult in 2003 – didn’t it?

“Yes. GNP decreased and consumer demand was weak. However, initial signs of an economic recovery have been visible since the second half of 2003. A significant stimulus to economic activity is under way, above all from exports.

Banks in Germany responded to the difficulties through extensive cost cutting and focusing on core business areas. These measures were accompanied by a continuation of the consolidation process, especially among institutions established under public law - savings and co-operative banks. The number of banks has been reduced by approximately 300, including 5,000 branch offices over the last two years.”

How did this affect SEB’s business in Germany?

“Although both the division and SEB AG was affected by the difficult overall conditions, we were nevertheless able to achieve an improved result. We continued to cut costs and optimise our structures. Net commissions received were significantly up on a year earlier. Net sales of funds continued to increase strongly. With the help of our high-yield account we gained 20,000 new customers.”

What was the best thing that happened in 2003?

“Our open-end real estate fund topped net sales in 2003 by 35 per cent, to SEK 9,1bn and ranked number one in performance. Furthermore, SEB remained one of Germany’s leading banks in terms of customer satisfaction.”

What is in focus for SEB in Germany during 2004?

“We are now implementing a further restructuring programme in order to adjust the costs to the low demand. This programme also includes a new retail sales structure which is the key to step up our earning power through successful sales activities. With innovative products and increased focus on customers, we wish to do more business with our existing clients and accelerate the development of business with new clients. We have defined private loans, insurance products and asset management as growth areas.”

### Profit and loss account, SEKm

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income</td>
<td>4,818</td>
<td>5,156</td>
</tr>
<tr>
<td>Total costs</td>
<td>–3,760</td>
<td>–4,155</td>
</tr>
<tr>
<td>Net result from associated companies</td>
<td>40</td>
<td>–8</td>
</tr>
<tr>
<td>Credit losses¹</td>
<td>–575</td>
<td>–529</td>
</tr>
<tr>
<td>Operating result</td>
<td>523</td>
<td>464</td>
</tr>
</tbody>
</table>

¹ Including write-downs of financial fixed assets.
An upturn in sales

Stimulated by strong sales, improved performance, satisfied customers and good profitability SEB Asset Management continues to work towards its goal of becoming the leading asset manager in its markets.

How did the Swedish funds perform last year?
“A summary review indicates that we have been successful in managing our customers’ assets. Over 70 per cent of the fund assets have developed better than the market average. We now start to see the result of our hard and determined work to develop and improve our asset management skills. There are a few areas in which our performance does not yet match our ambitions, but through the measures taken we have taken a big step forward.”

How did the stock market fluctuations affect you?
“After a three-year decline, the markets turned upwards in 2003. This has been positive for the earnings trend of our division during the year and has also led to an increase in the value of our customers’ portfolios. Rising share prices mean increased income and improved key ratios.”

Your work on integrating the division – how is it going?
“We have spent a lot of time and effort on the integration of the various offices in Europe in order to get a coherent structure and to make use of the collective competence of the Group. Thanks to new division-wide and cross-border functions, we save a lot of time and have become more efficient as regards asset management and sales, for example.”

How do your customers look upon the changes?
“According to a survey among our largest customers we have taken a big step forward. Among the Swedish banks SEB is alone at the top, sharing the position as the highest-ranking asset manager among its own customers. In Denmark and Finland we are among the top three asset managers, too.”

How did your sales go?
“In total, our sales increased by 500 per cent compared with last year. SEB’s market share of both the Swedish and German fund market was the highest seen in many years, which mirrors clear confidence among our customers.”

What is the top priority of your division for the future?
“We have worked hard in order to reduce costs and will continue to be cost-conscious, but we will now focus on income. Our range of products shall meet our customers’ demands and give a competitive return.”

FACTS SEB ASSET MANAGEMENT

SEB Asset Management comprises the management and sale of mutual funds as well as institutional mandates in Sweden, Denmark, Finland, Germany and the U.S. The division distributes its services through the branch network of the Group and private banking units as well as through own sales force, via the Internet, telephone and call centres.

<table>
<thead>
<tr>
<th>Profit and loss account, SEKm</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income</td>
<td>1,339</td>
<td>1,532</td>
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<tr>
<td>Total costs</td>
<td>–884</td>
<td>–996</td>
</tr>
<tr>
<td>Operating result</td>
<td>455</td>
<td>536</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Key figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
</tr>
<tr>
<td>Cost/income ratio</td>
</tr>
<tr>
<td>Allocated capital, SEKm</td>
</tr>
<tr>
<td>Return on capital, %</td>
</tr>
<tr>
<td>Number of employees (average)</td>
</tr>
</tbody>
</table>

Harry Klagsbrun  Head of Division
Bank operations in the three Baltic States continue to develop favourably. The total number of customers increased substantially to 1.6 million. As a result, SEB further strengthened its position in a region characterised by strong growth, increased private consumption and expanding flow of trade.

The excellent performance of SEB’s three subsidiary banks in Estonia, Latvia and Lithuania continues. How come?

“The whole region continues to show strong growth, which has a very positive influence on our Group’s activities. Both increased new construction and strong domestic demand have led to a great demand for housing loans and traditional banking services. At the same time, the flow of trade between Western and Eastern Europe has grown. SEB’s leading position as the most important Nordic commercial bank provides us with great opportunities to offer our customers the most competitive products for business transactions in this region.”

Hasn’t competition become much tougher in the Baltic?

“Yes. Several large international banks, particularly German banks but also existing Nordic as well as local banks expand strongly throughout the region.”

What did you find most gratifying in 2003?

“The number of customers increased from 1.4 to 1.6 million and the number of Internet customers from 374,000 to approximately 600,000.

According to independent surveys, customer satisfaction with SEB in the Baltic region has increased to a significant extent. Euromoney and Global Finance ranked Vilniaus Bankas as the best bank in Lithuania, while The Banker ranked Latvijas Unibanka as the best bank in Latvia.

Both Estonia and Lithuania have implemented pension reforms and we have been very successful in offering our pension solutions. In addition, Eesti Ühispank has taken over the management of SEB Eastern European Small Cap Fund from Sweden.

Even though Poland still struggles with a weak economy, SEB’s fund company increased its assets under management by more than 200 per cent, to 4.3bn. Our partly owned Bank Ochrony Środowiska, BOŚ, reported a positive result, which meant a clear improvement compared to the preceding year.”

What is in focus for 2004?

“The overall most important event for all four countries is their membership in the EU, forthcoming on 1 May, 2004. This will mean access to various forms of economic support from the EU, which will contribute to an even stronger economic domestic growth and, in the long run, to a greater potential for exports within the EU area.

Through our representative office in Moscow and our leasing office in St Petersburg we will be able to offer our corporate customers improved services, now that the exchange of trade with Russia is increasing.”

FACTS SEB BALTIC & POLAND

The SEB Baltic & Poland division comprises the three Baltic banks – Eesti Ühispank (Estonia), Latvijas Unibanka (Latvia) and Vilniaus Bankas (Lithuania). The banks offer services to both private individuals and companies through 200 branch offices and via Internet banks. SEB’s fund company in Poland, SEB TFI, and the listed Polish bank Bank Ochrony Środowiska, BOŚ, of which SEB owns 47 per cent, are also a part of the division.

### Profit and loss account, SEKm

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
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<tr>
<td>Total income</td>
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<td>Credit losses1)</td>
<td>–87</td>
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<tr>
<td>Net result from associated companies</td>
<td>30</td>
<td>–11</td>
</tr>
<tr>
<td>Operating result from insurance operations</td>
<td>16</td>
<td>28</td>
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<tr>
<td><strong>Operating result</strong></td>
<td><strong>859</strong></td>
<td><strong>712</strong></td>
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</table>

1) Including write-downs of financial fixed assets.

### Key figures

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<thead>
<tr>
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<th>2002</th>
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</thead>
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<tr>
<td>Cost/income ratio</td>
<td>0.62</td>
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<tr>
<td>Allocated capital, SEKm</td>
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<td>2,750</td>
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<tr>
<td>Return on capital, %</td>
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<td>Number of employees (average)</td>
<td>4,127</td>
<td>4,270</td>
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</tbody>
</table>
Positive turn for unit-linked insurance

The favourable stock-market trend during the year resulted in the regaining of value for unit-linked insurance, while the weak balance of recent years improved in traditional life insurance companies. Sales were successful, particularly for occupational pensions.

What characterised SEB Trygg Liv’s activities in 2003?
“The positive stock market development has meant that our unit-linked insurance customers for the most part have finally begun to see an increase in the value of their savings. As regards our traditional insurance customers, the sharp decline of the stock market in recent years is still showing in the form of a historically low bonus rates and even reduced disbursements in some cases. It is true that this year’s upswing has led to a better balance within the traditional life insurance companies, although there is still a certain risk that we will need to write down the value of our traditional insurance stock.

In terms of sales and result, 2003 exceeded all our expectations. While the strengthened stock market and good sales have provided us with a better income basis, we managed to keep our costs down, which led to our best result ever. Our sales were up by more than 16 per cent on last year, mainly thanks to increased sales of occupational pension schemes within unit-linked insurance.”

Life insurance companies were strongly criticised last year. How do you look upon this?
“To a large extent, this criticism applied to certain phenomena within separate life insurance companies, but also to general insurance trade issues such as information, advice, the independence of life companies vis-à-vis their owners, etc. As for ourselves, we have fared relatively well, but we can and will better ourselves in several respects. It is a good thing that SEB Trygg Liv already at this point has a structure with a clear policyholder representation via the Trygg-Foundation, which has a strong influence.”

What is in focus for 2004?
“It is our ambition to strengthen our position even further in the area of occupational pension within unit-linked insurance. We will expand the right to transfer policies to another insurance company for our unit-linked insurance customers. Furthermore, we will continue our focus on the welfare area, for example by building new secure housing for senior citizens, improved health-care insurance featuring certain preventive measures. We believe that the positive stock market development will continue, which will lead to increased values in unit-linked insurance and to a balance in the traditional companies so that we do not have to write down values but rather increase the bonus rate”.

FACTS SEB TRYGG LIV

SEB Trygg Liv is one of the leading life insurance companies in the Nordic countries. The business offers a complete range of products in the area for investment and social security for private individuals and companies. The company has about 1 million customers and has operations mainly in Sweden.

<table>
<thead>
<tr>
<th>Profit and loss account, SEKm</th>
<th>2003</th>
<th>2002</th>
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<td>Total income</td>
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</tr>
<tr>
<td>Total costs(^1)</td>
<td>–1,301</td>
<td>–1,368</td>
</tr>
<tr>
<td>Operating result</td>
<td>149</td>
<td>40</td>
</tr>
<tr>
<td>Change in surplus values, net(^1)</td>
<td>1,739</td>
<td>1,303</td>
</tr>
<tr>
<td>Result from ongoing business</td>
<td>1,888</td>
<td>1,343</td>
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Key figures

<table>
<thead>
<tr>
<th>Key figures</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocated capital, SEKm</td>
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<td>3,900</td>
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<tr>
<td>Return on capital, %(^3)</td>
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</tr>
<tr>
<td>Number of employees (average)</td>
<td>721</td>
<td>779</td>
</tr>
</tbody>
</table>

1) Including share in profits
2) Reflects changes in the present value of future expected profits from signed insurance contracts
3) Calculated on result from current operations
“I sometimes feel like an ICA-dealer (approximately Sainsbury chain-store dealer), who – well familiar with the local market – keeps adjusting to it”, says Stig Andersson thoughtfully.

When you see the SEB office in the Örgryte town district of Gothenburg that Stig manages, that is not such a bad metaphor. The little wooden house, painted in yellow, at S:t Sigfrid’s place looks more like a little shop far out in the countryside than a bank office less than four miles away from Gothenburg’s central Göta Place.

Just like a village shop dealer, Andersson knows his customers and their needs very well. Having spent 39 years within SEB, of which 24 at the same office, has made him a well-known Örgryte person. Many people say hello cheerfully when they meet “Stig at the Bank” in the street.

Stig Andersson likes to compare his Örgryte office to “one shop in the Big Shop”, in which his and his colleagues’ deep knowledge about local conditions is supplemented by the strength, competence and broad range of services of the Big Bank.

“I feel proud and happy about representing a personal and traditional bank that is a modern and advanced Internet bank at the same time.”

Right now, it is very much a matter of housing loans at Anderssons office. Örgryte is one of Gothenburg’s most attractive areas. In the autumn of 2003 the terrace houses at S:t Sigfrids street that passes right outside the bank office broke the SEK 3m wall.

“We have long expected small house price increases to stop, but they keep rising steadily and our housing loans set up new records every year”, notes Andersson, who is very pleased with the attractive conditions and simplicity of the Bank’s housing loan offer.

“Housing loans represent a central banking service that affects practically all households. This makes it an important “entry model” for new customers. If the customer is satisfied with our service and loan conditions, we often get the rest of his household’s banking business into the bargain.”

Stig Andersson has been faithful to the Bank throughout his professional life and there is no doubt that he has it very much at heart. However, his interest in soccer and love for “blue-white” – Gothenburg’s IFK – comes in as a good second. Even though he since long knows his own limitations on the soccer ground he likes to put on the striped shirt, following his team through thick and thin. His engagement has given him many players from the Swedish national football league as customers and he is often invited to IFK’s club premises to give advice on private finance matters.

Obviously, Andersson likes to talk about his eight colleagues at the SEB office as a team and about himself as “one of the team”.

“Work at a small bank office is not unlike a soccer game. You have to be prepared to step in everywhere on the ground to cover up for our team-mates. After all, we all work towards one and the same goal”, says the “Captain of the Team”, Stig Andersson.

A passion for SEB and IFK Gothenburg

Name: Stig Andersson
Age: 55
Lives: In Gothenburg and has a summer house in Hunnebostrand, Sweden
Position: Branch office manager in Örgryte
Hobbies: Sport, especially football (and most of all IFK Gothenburg)
If something comes whizzing past you on the promenade alongside the river Main in Frankfurt it may very well be Leena Sachsendahl on one of her exercise rounds on inlines.

“It is much more fun than jogging. And since large parts of Germany are very flat you get through much faster”; she adds smiling.

Leena Sachendahl keeps full speed in her professional life, too. She is responsible for the sale of cash management services within SEB Merchant Banking in Germany. Even though marketing was started in earnest only two years ago this has proved very successful.

“German mid-sized companies have really become alive to the advantages of Cash Management and realised how much there is to be gained from winning over the money to their own accounts faster. This is important, not least in times of a general credit-granting restrictions among the banks”, says Sachendahl. She gives an example of a company that makes sacks for the transportation of stones.

“Most of this company’s customers are in countries within the currency union EMU. Earlier, it sometimes took up to two weeks before it received payments from various banks in the neighbouring countries. Nowadays transfers are made in less than a minute with the help of SEB’s cash management services, which obviously has resulted in great gains for the company.” It is not strange that curiosity among German companies is great and that SEB’s staff is received with open arms when they arrive to inform about the opportunities that cash management offers.

Thanks to her long work experience both within SEB Sweden and Germany Leena Sachendaal comes close to personifying the concept of “One SEB”. The fact that she is of Estonian origin, raised in Sweden, speaking four languages and now lives in Frankfurt does not make things worse in any way.

Given that background her words carry particularly great weight when she notes that the integration between the different parts of the Bank in different countries has advanced very much.

“Within some parts of the Bank we are close to the goal – One SEB”, she says contentedly, pointing to her own cash management activities and other global customer relations as examples.

“These days my colleagues in New York and Paris are just as much my mates as my next-door friends here at the Frankfurt office”, laughs Leena Sachendahl, before she rushes off to new important business transactions and, perhaps, yet another tour on in-lines alongside the river Main.
Are there any similarities between mountain climbing and playing bridge? Yes, actually there are. Both activities require a large amount of precision, planning and balance.

It is not difficult to understand that the latter is needed, quite literally, when hanging onto a vertical mountain slope. But if you ask Jaan Tamm, who practices both activities ardently, balance is a quality that is just as important when it comes to playing bridge.

“To win in bridge you need to understand the probabilities, risks and opportunities – and find a good balance between them,” Tamm says. And with a smile he points out that these qualities come in just as handy in the world of banking as they do at the card table or on a mountain slope.

As director of the e-Technology and Operations division at Eesti Ühispank, SEB’s subsidiary in Estonia, Jaan Tamm leads for example the development of the bank’s Internet and bank card services. And judging by results, he and his colleagues have been successful. Estonians have quickly taken to the electronic advancements within bank services. Over half of Eesti Ühispank’s half a million customers use the new technology to do most of their bank transactions.

“Today 96 per cent of all the bank’s transactions are done electronically,” Tamm reveals. “Almost half of these are done via the Internet and the rest via other automated channels including the PC bank, the telephone bank and through self-service terminals.”

The success of the electronic bank services is spurring Jaan Tamm and his colleagues on to develop new and more user-friendly products. At present they are working hard on making a number of bank services accessible via mobile phone, while at the same time also adding a number of new and unique possibilities.

Today Estonian bank customers can already access bank statements, credit card balances and a list of their latest transactions via their cellular phone. But most impressive is the service that allows mobile phones to be used for transferring money, for example to an outlet that does not accept charge cards, or to a friend who pays your bill.

“All you need is the ID number of the store or the telephone number of your friend, then you can send money directly from your bank account,” Tamm explains. Direct transfer services via mobile phone will be introduced at the beginning of 2004, and as from spring it will be possible to buy virtual e-tickets for local transport in the same way. A series of more advanced electronic services are soon to be introduced, which among other things will give Eesti Ühispank customers access to SEB Trygg Liv’s offerings and certain Asset Management and Merchant Banking services via the Internet.

With the challenges that lie ahead, Jaan Tamm hardly needs to make for the steep limestone cliffs by Estonia’s Baltic coast to find an outlet for his balancing skills.
Employee profile

Managing SEB’s three pharmaceutical and biotechnology funds demands constant activity and attention. This is something that Henrietta Theorell knows after being responsible for these funds for the last five years.

“There is a continuous flow of information and news about the companies that are represented in the funds. New products, mergers, alliances and innovations – everything has to be analysed and broken down into kronor and ören, or euros and cents. Ultimately, the new information may lead to a re-weighting of the equity portfolios”, explains Theorell.

Moreover, any change in the equity portfolio of the funds may be significant to a large number of fund investors. This is particularly true for SEB’s pharmaceutical fund, which is one of Sweden’s/SEB’s five largest equity funds, with more than SEK ten billion in assets under management.

In a long-term perspective the pharmaceutical fund, which was started in 1988, has been very successful, with a yearly return of 20 per cent on average. However, during the last two years the fund has had some setbacks, which Henrietta Theorell naturally finds worrying.

“Pharmaceutical companies are not particularly sensitive to economic fluctuations, but the dollar fall in combination with difficulties when it comes to finding quick replacements for big-selling medicines with expiring patents are the main factors behind the weakening of the pharmaceutical shares”, notes Theorell.

As a direct consequence of the pharmaceutical companies’ search for new and commercially viable products many biotechnological companies have had an upswing. These companies are often engaged in research that forms the basis of future drugs, which means that the pharmaceutical companies show a growing interest in them. This, in turn, is one of the reasons for the positive development of SEB’s biotechnology fund.

Even though she is only 33 years of age Henrietta Theorell is already a veteran, both as a fund manager and an SEB employee. She has spent 15 years with the Bank. Right after graduating from the Stockholm School of Business she started working with fund management. Since 1996 she has focused on the pharmaceutical industry. In 1999 she was appointed head of the group that manages the pharmaceutical and biotechnology funds. It consists of three people specialised in different areas and one specialist physician, who contributes medical evaluations. In addition, Theorell has spent five years in the U.S.A., where most of the major pharmaceutical companies are found, and the Swedish business magazine Veckans Affärer appointed her one of the best female fund managers.

Given this background it is not surprising that Henrietta Theorell is busy in her leisure hours, too, at least in summer. Water is the common denominator for her spare time occupation. Her last holiday was spent on diving in the Caribbean and she is now looking forward to a sailing tour in the Adriatic. During the summers Henrietta enjoys water-skiing in the archipelago of Stockholm – rather stunt water-skiing than slalom. Her 180-degree turn on stunt skiing is a skill that could come in handy when the equity portfolio needs to be re-weighted.

Always on the move

Name: Henrietta Theorell
Age: 33
Lives: In Stockholm, Sweden
Position: Manager of SEB’s pharmaceutical and biotechnology funds
Hobbies: All water-related activities – diving, sailing, water-skiing
The SEB share

SEB’s stock market value increased 46 per cent during 2003

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

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

Stock Exchange trading
During 2003, the value of the SEB share increased by 46 per cent, while the General Index rose by 30 per cent and the European Banking Index by 26 per cent. During the year, the total turnover in SEB shares amounted to almost SEK 86bn.

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

Net profit and dividend
Per SEB share, SEK

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Net profit</th>
<th>Dividend</th>
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<td>1999</td>
<td>8.22</td>
<td>4.00</td>
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<tr>
<td>2000</td>
<td>7.60</td>
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<td>2001</td>
<td>7.17</td>
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<tr>
<td>2002</td>
<td>9.43</td>
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<tr>
<td>2003</td>
<td>6.96</td>
<td>4.00</td>
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SEB share

<table>
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<tr>
<th>Data per share</th>
<th>2003</th>
<th>2002</th>
<th>2001</th>
<th>2000</th>
<th>1999</th>
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<tr>
<td>Net profit, SEK</td>
<td>8.22</td>
<td>7.60</td>
<td>7.17</td>
<td>9.43</td>
<td>6.96</td>
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<tr>
<td>Shareholders’ equity, SEK&lt;sup&gt;1&lt;/sup&gt;</td>
<td>69.88</td>
<td>65.27</td>
<td>62.86</td>
<td>59.06</td>
<td>50.12</td>
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<tr>
<td>Adjusted shareholders’ equity, SEK&lt;sup&gt;1&lt;/sup&gt;</td>
<td>75.29</td>
<td>68.63</td>
<td>67.10</td>
<td>62.61</td>
<td>55.83</td>
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<tr>
<td>Net worth, SEK&lt;sup&gt;1&lt;/sup&gt;</td>
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<td>70.29</td>
<td>67.05</td>
<td>62.60</td>
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<td>Cash flow, SEK</td>
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<td>4.49</td>
<td>5.50</td>
<td>6.00</td>
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<tr>
<td>Dividend per A and C share, SEK</td>
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<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
<td>3.50</td>
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<tr>
<td>Year-end market price</td>
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<tr>
<td>per Series A share, SEK</td>
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<td>72.50</td>
<td>95.50</td>
<td>104.00</td>
<td>86.00</td>
</tr>
<tr>
<td>per Series C share, SEK</td>
<td>96.50</td>
<td>65.00</td>
<td>83.00</td>
<td>99.00</td>
<td>76.00</td>
</tr>
<tr>
<td>Highest price paid during the year</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per Series A share, SEK</td>
<td>107.00</td>
<td>110.00</td>
<td>119.50</td>
<td>127.50</td>
<td>105.07</td>
</tr>
<tr>
<td>per Series C share, SEK</td>
<td>96.50</td>
<td>99.50</td>
<td>110.00</td>
<td>117.00</td>
<td>96.57</td>
</tr>
<tr>
<td>Lowest price paid during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per Series A share, SEK</td>
<td>66.50</td>
<td>66.00</td>
<td>61.00</td>
<td>77.50</td>
<td>69.30</td>
</tr>
<tr>
<td>per Series C share, SEK</td>
<td>61.00</td>
<td>58.50</td>
<td>55.50</td>
<td>68.50</td>
<td>62.59</td>
</tr>
<tr>
<td>Dividend as a percentage of result for the year, %</td>
<td>48.6</td>
<td>52.7</td>
<td>55.8</td>
<td>42.4</td>
<td>50.3</td>
</tr>
<tr>
<td>Yield, %</td>
<td>3.8</td>
<td>5.5</td>
<td>4.2</td>
<td>3.8</td>
<td>4.1</td>
</tr>
<tr>
<td>P/E</td>
<td>12.9</td>
<td>9.5</td>
<td>13.3</td>
<td>11.0</td>
<td>12.4</td>
</tr>
</tbody>
</table>

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

Shareholder structure
Percentage holdings of equity on 31 December 2003

- Institutions and foundations: 49.2%
- Private individuals: 17.7%
- Equity funds: 8.6%
- Foreign shareholders: 24.5%

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

Ownership concentration
The largest owners share of shares and votes, %

Distribution of shares by size of holding

- 1-500: 42,314,914, 6.01%
- 501-1,000: 20,747,883, 2.94%
- 1,001-2,000: 21,093,331, 2.99%
- 2,001-5,000: 24,653,570, 3.50%
- 5,001-10,000: 12,262,108, 1.74%
- 10,001-20,000: 9,103,812, 1.29%
- 20,001-50,000: 11,935,479, 1.69%
- 50,001-100,000: 10,270,079, 1.46%
- 100,001+: 552,176,504, 78.38%

Total: 704,557,680, 100.00%

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

Ownership by size of holding

Year | Transaction | Added no. of shares | Accumulated no. of shares | Share capital | SEKm
--- | --- | --- | --- | --- | ---
1972 | | | | 5,430,900 | 543
1975 | Rights issue 1:5 | 125 | 2,716,180 | 7,147,080 | 715
1976 | Rights issue 1:6 | 140 | 7,603,260 | 15,206,520 | 1,521
1981 | Rights issue 1A:5 | 160 | 6,014,521 | 24,087,127 | 2,409
1982 | Rights issue 1A:10 | 98.42 | 5,301,310 | 263,459,664 | 2,635
1983 | Rights issue 1:1 | 20 | 263,459,664 | 526,919,328 | 5,269
1984 | Split 5:1 | 96,348,508 | 120,435,635 | 1,204
1986 | Rights issue 1A:15 | 90 | 128,464,677 | 256,978,329 | 2,569
1989 | Rights issue 1A:5 | 160 | 128,464,677 | 256,978,329 | 2,569
1990 | Non-cash issue | 91.30 | 61,267,733 | 588,246,062 | 5,882

1) The recorded share capital at 31 December, 1986 was still SEK 1.204m, since the proceeds from the rights issue were not paid in full until early 1987.
2) The issue was directed at the member-banks of Scandinavian Banking Partners. Through splits in 1977 (2:1) and 1984 (5:1), the nominal value of the shares has been changed from SEK 100 to SEK 10.
3) According to the instructions of the Financial Supervisory Authority, subscribed shares that have been paid will not be registered as share capital in the balance sheet until the rights issue has been registered (which took place in January, 2000).

The SEB share on the OM Stockholm Stock Exchange

Year-end market capitalisation, SEKm

- 2003: 74,391
- 2002: 50,850
- 2001: 66,900
- 2000: 73,120
- 1999: 60,592

Volume of shares traded, SEKm

- 2003: 85,648
- 2002: 83,758
- 2001: 75,424
- 2000: 57,049
- 1999: 51,054

The largest shareholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Shares (SEKm)</th>
<th>Votes (SEKm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor</td>
<td>138,272,295</td>
<td>0</td>
</tr>
<tr>
<td>Trygg Foundation</td>
<td>65,677,962</td>
<td>0</td>
</tr>
<tr>
<td>SEB Funds</td>
<td>15,103,929</td>
<td>0</td>
</tr>
<tr>
<td>AFA Försäkring</td>
<td>14,158,869</td>
<td>883,180</td>
</tr>
<tr>
<td>Alecta</td>
<td>12,649,697</td>
<td>5,674,960</td>
</tr>
<tr>
<td>Robur Funds</td>
<td>11,587,123</td>
<td>0</td>
</tr>
<tr>
<td>Wallenberg foundations</td>
<td>11,080,389</td>
<td>6,621,173</td>
</tr>
<tr>
<td>Skandia Liv</td>
<td>8,603,594</td>
<td>3,858,567</td>
</tr>
<tr>
<td>SHB/SPP Funds</td>
<td>8,117,173</td>
<td>0</td>
</tr>
<tr>
<td>Andra AP-fonden</td>
<td>8,019,703</td>
<td>139,841</td>
</tr>
<tr>
<td>AMF Pension</td>
<td>7,455,000</td>
<td>0</td>
</tr>
<tr>
<td>EB Foundation</td>
<td>6,210,993</td>
<td>100,000</td>
</tr>
<tr>
<td>Första AP-fonden</td>
<td>6,136,593</td>
<td>67,847</td>
</tr>
<tr>
<td>Tredje AP-fonden</td>
<td>4,715,918</td>
<td>0</td>
</tr>
<tr>
<td>Länsförsäkringar</td>
<td>3,999,054</td>
<td>0</td>
</tr>
<tr>
<td>Foreign shareholders</td>
<td>172,622,286</td>
<td>1,522,307</td>
</tr>
</tbody>
</table>

1) Excluding SEB as shareholder through repurchased shares to hedge employee stock option program
Profit and loss account

Under this heading, all income and costs of the SEB Group during the year are reported. In order to arrive at SEB’s operating result, credit losses (both incurred and probable losses), write-downs and the result of insurance operations are taken into account.

### OPERATIONAL PROFIT AND LOSS ACCOUNT

<table>
<thead>
<tr>
<th>SEKm</th>
<th>2003</th>
<th>2002</th>
<th>Change, per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>13,782</td>
<td>13,719</td>
<td>0</td>
</tr>
<tr>
<td>Net commission income</td>
<td>10,218</td>
<td>9,975</td>
<td>2</td>
</tr>
<tr>
<td>Net result of financial transactions</td>
<td>2,084</td>
<td>2,409</td>
<td>−13</td>
</tr>
<tr>
<td>Other operating income</td>
<td>987</td>
<td>1,275</td>
<td>−23</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>27,071</td>
<td>27,378</td>
<td>−1</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs</td>
<td>−11,157</td>
<td>−11,297</td>
<td>−1</td>
</tr>
<tr>
<td>Pension compensation</td>
<td>658</td>
<td>948</td>
<td>−31</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>−6,191</td>
<td>−6,923</td>
<td>−11</td>
</tr>
<tr>
<td>Amortisation of goodwill</td>
<td>−616</td>
<td>−544</td>
<td>13</td>
</tr>
<tr>
<td>Depreciation and write-downs</td>
<td>−829</td>
<td>−933</td>
<td>−11</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>−200</td>
<td>−100</td>
<td></td>
</tr>
<tr>
<td><strong>Total costs</strong></td>
<td>−18,135</td>
<td>−18,949</td>
<td>−4</td>
</tr>
<tr>
<td><strong>Net credit losses etc</strong></td>
<td>−1,006</td>
<td>−828</td>
<td>21</td>
</tr>
<tr>
<td>Write-downs of financial fixed assets</td>
<td>−64</td>
<td>−29</td>
<td>121</td>
</tr>
<tr>
<td>Net result from associated companies</td>
<td>19</td>
<td>−104</td>
<td></td>
</tr>
<tr>
<td>Operating result from insurance operations</td>
<td>78</td>
<td>−56</td>
<td></td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>7,963</td>
<td>7,412</td>
<td>7</td>
</tr>
<tr>
<td>Taxes</td>
<td>−2,247</td>
<td>−2,057</td>
<td>9</td>
</tr>
<tr>
<td>Minority interests</td>
<td>−12</td>
<td>−37</td>
<td>−68</td>
</tr>
<tr>
<td><strong>Net profit for the year</strong></td>
<td>5,704</td>
<td>5,318</td>
<td>7</td>
</tr>
</tbody>
</table>

1) Including change in value of seized assets

### Income

#### Net interest income

The single most important source of income is net interest income, which equals the difference between earnings on lending to the general public (households, companies, etc.) and credit institutions, on the one hand, and costs for deposits and borrowings from the general public and credit institutions on the other. Of great importance for the result is of course the development of both volumes and margins within these areas.

Otherwise, net interest income was influenced by the yield on the Group’s portfolios of interest-bearing securities and by the costs of long-term borrowing for the financing of the Bank’s issuance of own securities.

In 2003 increased volumes, particularly within mortgages, offset negative effects from lower short-term interest rates.

#### Net commission income

By tradition, commission income from various services such as equity trading, advisory services and payment orders both for private individuals and companies, weighs more heavily in SEB than in other Swedish banks. This is due to the Group’s orientation towards large companies and asset management. In view of the stock market trend, however, net commission income has decreased over the last few years, both in real terms and as a percentage of the Group’s total income.

In 2003, higher activity levels on the financial markets and especially equity markets had a positive impact on equity-related commission income.
Net result of financial transactions
This item includes both realised gains/losses in connection with sales of shares, bonds and other financial instruments and unrealised changes in the value of the Group’s trading stock of securities. Both the development of the financial markets and the general interest trend are of great importance in this connection. When short-term interest rates drop faster and more than the long-term rates, good opportunities for increasing the yield on the bond portfolios of the banks are usually created. How good the return is, is rather the result of the ability to sell and buy at the right time and the right price. This item also includes the result from foreign exchange trading, of which SEB has a very high share in Sweden.

The comparison with 2002 was negatively affected by the lower activities during the summer months and uncertainty prior o the euro referendum in Sweden, whereas the last quarter of the year showed strong recovery.

Other income
Under this heading we find capital gains and dividends, for example. The lower result in 2003 was mainly due to lower capital gains compared to 2002.

Costs
Total costs decreased by 4 per cent.
The single most important cost item is staff costs, which consist of salaries, remuneration and social charges. During 2003, staff costs dropped by 1 per cent due to a decrease in the average number of employees, to 18,000 from 19,000.

Also other costs, such as costs for e.g. premises, marketing and data systems, dropped.

Credit losses
The Group’s credit losses represent partly incurred losses, partly probable losses where SEB has stipulated that the counter party presumably not will fulfil its payment liabilities. Probable recoveries affect the credit losses net positively. Even though credit losses increased in 2003, the credit loss level remained stable, at 0.15 per cent.

Insurance operations
This line includes the net result of SEB’s insurance operations, which mainly consist of life insurance activities within SEB Trygg Liv (including amortisation of goodwill). In 2003, results improved due to increased sales and lower costs.

Operating result
This result also includes compensation for pension costs from the pension funds of the Bank in the amount of SEK 658m.

Result
Net interest income accounted for 51 per cent of SEB’s income during 2003 and this was the third year in a row that this item represented the largest part of Group income. The proportion of Net commission income, which has been low in recent years due to lower securities commission, increased to 38 per cent (36 last year).

Cost level
Costs within banking operations decreased by 4 per cent during 2003, to SEK 18,135m. Including SEB Trygg Liv, total costs amounted to SEK 19.2 billion, to be compared with SEK 19.9 billion in 2002 and SEK 20.0 billion in 2001.

Credit losses
The Group’s credit losses represent partly incurred losses, partly probable losses where SEB has stipulated that the counter party presumably not will fulfil its payment liabilities. Probable recoveries affect the credit losses net positively. Even though credit losses increased in 2003, the credit loss level remained stable, at 0.15 per cent.

Net profit
The net profit, i.e. the operating result less taxes and minority interests, increased by 7 per cent to SEK 5,704m. This amount forms the basis of the calculation of earnings per share and proposed dividend to the shareholders.

The year in figures
The year in figures

Balance sheet

The book value of the Group’s assets, liabilities and shareholders’ equity as at 31 December is shown here.

### BALANCE SHEET

<table>
<thead>
<tr>
<th>SEKm</th>
<th>31 Dec 2003</th>
<th>31 Dec 2002</th>
<th>Change, per cent</th>
</tr>
</thead>
</table>

1. **Assets**

- Lending to credit institutions: 179,308 SEKm
- Lending to the public: 707,459 SEKm
- Interest-bearing securities: 189,269 SEKm
- Financial fixed assets: 2,531 SEKm
- Financial current assets: 186,738 SEKm
- Shares and participations: 12,551 SEKm
- Assets used in the insurance operations: 62,742 SEKm
- Other assets: 128,064 SEKm

**Total assets:** 1,279,393 SEKm

2. **Liabilities and shareholders’ equity**

- Liabilities to credit institutions: 246,852 SEKm
- Deposits and borrowing from the public: 494,036 SEKm
- Securities issued, etc: 218,507 SEKm
- Liabilities of the insurance operations: 60,641 SEKm
- Other liabilities and provisions: 186,632 SEKm
- Subordinated liabilities: 24,261 SEKm
- Shareholders’ equity: 48,464 SEKm

**Total liabilities and shareholders’ equity:** 1,279,393 SEKm

---

1. **Assets**

The most important item is lending to the general public (households, companies, etc.), which accounts for more than half of the assets. Other major items are lending to credit institutions and holdings of interest-bearing securities.

2. **Liabilities and shareholders’ equity**

Here, the most important item is deposits and borrowing from the general public. The second most important one is liabilities to credit institutions. Securities issued by SEB are also an important part of liabilities.

Shareholders’ equity consists of the original share capital, capital contributions through new issues, result for the year and retained earnings.

**Use of profit**

The size of the dividend depends upon the SEB Group’s financial positions and opportunities. The net profit for 2003, SEK 5,704m, corresponds to SEK 8.22 per share. Of this, SEB’s Board of Directors proposes that SEK 2,818m or SEK 4.00 per share be divided to the shareholders. Retained earnings should be brought forward to next year.

---

2) SEB has repurchased 7.0 million Series A shares and 6.2 million Series A shares for the employee stock option programme as decided at the Annual General Meeting 2002 and 2003 respectively. These shares are booked at zero but the market value as of 31 December 2003 was SEK 1,399m.

---

**Credit portfolio**

During 2003 SEB's credit exposure amounted to SEK 1,040 billion. The composition of the credit portfolio was stable both in terms of geography, where the Nordic countries represented 45 per cent and Germany 34 per cent, as well as sectors.

**Asset quality**

The credit loss level, i.e. credit losses in relation to Group lending, was stable at 0.15 per cent. The level of doubtful claims, i.e. doubtful loan claims, net, in relation to Group lending, was 0.52 per cent.

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1) Change in shareholders’ equity
Important key figures

Cost/Income ratio
The Cost/Income ratio, the ratio between costs and income, is an important measurement of the Group’s efficiency. During 2003 the Cost/Income ratio improved to 0.67 from 0.69. The goal is to reach a Cost/Income ratio of 0.60 long-term.

The capital adequacy ratio
The capital adequacy ratio shows the Group’s capital base (excluding insurance operations) in relation to risk weighted assets. The capital base consists of two parts:
1. Shareholders’ equity (see explanation above in the comments on the balance sheet) adjusted in accordance with the capital adequacy rules.
2. Borrowed capital in the form of subordinated debt that SEB has raised in the international capital market, adjusted in accordance with the capital adequacy rules.

The size of the capital base is thus decisive for how much the Bank is able to lend and invest in total. The legal requirement is 8 per cent for capital adequacy ratio and 4 per cent for core capital ratio. SEB meets these requirements by a wide margin; in 2003 the Group’s figures were 10.2 and 8.0 per cent, respectively. The capital adequacy ratio is calculated as follows:

\[
\frac{\text{SEK 54.7 billion (capital base*)}}{\text{SEK 535 billion (risk-weighted volumes)}} = 10.2 \text{ per cent}
\]

*of which, SEK 42.6 in core capital

The goal of the SEB Group is to achieve an earning capacity or return on shareholders’ equity of at least 15 per cent after tax. Calculated as follows, the earning capacity for 2003 was:

\[
\frac{\text{SEK 5,704m (net profit for the year)}}{\text{SEK 46,182m (average taxed capital)}} = 12.3 \text{ per cent}
\]

Return on equity
Return on equity, i.e. return on shareholders’ equity, was 12.3 per cent. Although this is an improvement compared with the past two years it remains a bit until the long-term target of 15 per cent is achieved.
Board of Directors

Elected by the Annual General Meeting

Jacob Wallenberg(Chairman of the Board)
Born 1956; elected 1997
Chairman W Capital Management AB and AB Svensk Stiftelseförvaltning.
Deputy Chairman Investor, Atlas Copco, Electrolux, The Knut and Alice Wallenberg Foundation and SAS. Director ABB, Confederation of Swedish Enterprise and the Nobel Foundation.

Marcus Wallenberg
Born 1956; elected 2002
Deputy Chairman.
President Investor. Deputy Chairman Investor, Atlas Copco, Electrolux, The Knut and Alice Wallenberg Foundation and SAS. Director ABB, Confederation of Swedish Enterprise and the Nobel Foundation.
Shareholding: 101,276 Series A shares and 1,626 Series C shares.

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

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

Urban Jansson
Born 1945; elected 1996
Chairman Drott, Plantagen and Proficxe.
Director Addtech, Ahfstriom Corp, Anoto Group and Eino.
Shareholding: 8,000 Series A shares.

Tuve Johannesson
Born 1943; elected 1997
Chairman Ecolean International A/S.
Deputy Chairman Volvo Car Corporation, Director Swedish Match, Cardo and IFS.
Shareholding: 101,276 Series A shares and 1,626 Series C shares.

Hans-Joachim Körber
Born 1946; elected 2000; Dr. CEO Metro AG.
Shareholding: 0

Carl Wilhelm Ros
Born 1941; elected 1999
Chairman Dahl International. Director INGKA (Ikea) Holding, LKB, Bonnier and Proffigruppen.
Shareholding: 3,301 Series A shares and 26 Series C shares.

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

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

Deputy Directors appointed by the employees

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

Magdalena Olofsson
Born 1953; appointed 2003
Director SEB Group Committee of the Swedish Union of Financial Sector Employees.
Shareholding: 0

Deputy Directors appointed by the employees:

Ulf Jensen
Chairman SEB Group Committee of the Swedish Union of Financial Sector Employees and Stockholm City Regional Club of the same union.
Shareholding: 0

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

Chairman of Credit Committee of the Board of Directors.
Chairman of Audit and Compliance Committee of the Board of Directors.
Member of Credit Committee of the Board of Directors.
Member of Audit and Compliance Committee of the Board of Directors.
Chairman of Compensation Committee of the Board of Directors.
Deputy Chairman of Credit Committee.
Director of Compensation Committee of the Board of Directors.

Chairman of Credit Committee of the Board of Directors.
Chairman of Audit and Compliance Committee of the Board of Directors.
Member of Credit Committee of the Board of Directors.
Member of Audit and Compliance Committee of the Board of Directors.
Chairman of Compensation Committee of the Board of Directors.
Deputy Chairman of Credit Committee.
Director of Compensation Committee of the Board of Directors.

Chairman of Credit Committee of the Board of Directors.
Chairman of Audit and Compliance Committee of the Board of Directors.
Member of Credit Committee of the Board of Directors.
Member of Audit and Compliance Committee of the Board of Directors.
Chairman of Compensation Committee of the Board of Directors.
Deputy Chairman of Credit Committee.
Director of Compensation Committee of the Board of Directors.

Chairman of Credit Committee of the Board of Directors.
Chairman of Audit and Compliance Committee of the Board of Directors.
Member of Credit Committee of the Board of Directors.
Member of Audit and Compliance Committee of the Board of Directors.
Chairman of Compensation Committee of the Board of Directors.
Deputy Chairman of Credit Committee.
Director of Compensation Committee of the Board of Directors.
**Lars H Thunell**  
Born 1948; SEB employee since 1997; Dr Phil.  
President and Group Chief Executive.  
Chairman IBX AB. Director Akzo Nobel N.V., b-business partners, Swedish Bankers’ Association, The Swedish Industry and Commerce Stock Exchange Committee and Mentor Foundation.  
Shareholding: 9,000 Series A shares, 1,115,687 employee stock options.

**Lars Lundquist**  
Born 1948; SEB employee since 1997; M. Sc. and MBA.  
Executive Vice President and Deputy Group Chief Executive; Chief Financial Officer as from 1 January 2003.  
Shareholding: 523,530 employee stock options.

**Annika Bolin**  
Born 1962; SEB employee since 1987; B. Sc. (Econ).  
Executive Vice President and Head of Corporate & Institutions since 2001; Head of Merchant Banking since 2000.  
Director Securitas and Ruter Dam.  
Shareholding: 486,275 employee stock options.

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

**Lars Gustafsson**  
Executive Vice President, Head of Group Staff, Head of SEB IT and Head of SEB Baltic & Poland since 2001 until January 2004.  
Director UPC, Stockholm International Fair.  
Shareholding: 322 Series A shares, 448,038 employee stock options.

**Harry Klagsbrun**  
Born 1952; SEB employee since 1985.  
Executive Vice President, Head of SEB Trygg Liv since 1997.  
Director Sveriges Försäkringsförbund, Codan Link AS, Financial Education AB.  
Shareholding: 7,008 Series A shares, 456,264 employee stock options.

**Anders Mossberg**  
Born 1954; SEB employee since 2001; M. Sc. and MBA  
Executive Vice President, Head of SEB Asset Management since 2001.  
Shareholding: 60,000 Series A shares and 233,211 employee stock options.

**Liselotte Hjorth**  
Born 1957; SEB employee 1983–97 and since 1998; B. Sc. (Econ).  
Executive Vice President, Group Credit Officer since 1998.  
Director Swedish Auditing Academy.  
Shareholding: 236,765 employee stock options.

**Nils-Fredrik Nyblæus**  
Born 1951; employee since 2004, B. Sc. (Econ).  
Executive Vice President, Head of Group Staff, Head of IT from January 2004.  
Chairman Danderyds Sjukhus AB.  
Auditor appointed by the Financial Supervisory Authority  
Chairman Swedish Financial Accounting Standards Council.  
Shareholding: 0

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**AUDITORS**  
Auditors elected by the Annual General Meeting  
PriceWaterhouseCoopers  
Göran Jacobsson  
Born 1947; signing auditor in SEB as of 1995.  
Authorised Public Accountant, auditor in charge as of 2000.  
Peter Clemedtson  
Born 1956; co-signing auditor in SEB as of 2000.  
Authorised Public Accountant.

Ulf Järlébro  
Born 1947; auditor in SEB as of 1999.  
Authorised Public Accountant, BDO Feinstein Revision.
Employee stock options cannot be sold nor pledged which means that they do not have any market value. However, an estimated value has been calculated according to an established option model (Black & Scholes). When calculating this estimated value the fact that the options cannot be exercised during the first three years has been considered. The estimated value at the time of allotment under each respective programme has varied between SEK 15 and 17 per employee stock option.

In February 2004, the Board resolved to propose that the Annual General Meeting should decide on a new employee stock option programme for 2004, based upon maximum 6,200,000 employee stock options, mainly on conditions and principles similar to those applicable to the 1999–2003 programmes, to approximately 700 senior officers and key individuals. The employee stock option programme proposed by the Board for 2004 meets with the SEB’s Board of Directors has decided to propose to the Annual General Meeting that it authorise the Board of Directors to decide to repurchase maximum 6,200,000 own shares corresponding to approximately 1 per cent of all shares in the Bank on the stock market during the period up to the 2005 Annual General Meeting in order to hedge the Bank against the costs of the 2004 employee stock option programme. It is proposed that the resolution of the Annual General Meeting should also allow the transfer of repurchased shares to the employee stock option holders under the 2004 programme. The Board of Directors should also be given a mandate to sell in the stock market, during the period up to the 2005 Annual General Meeting, the shares repurchased under the 2002, 2003 and 2004 programmes that are not used for delivery to the stock option holders.

The Board has furthermore decided to propose that the Annual General Meeting authorise the Board to decide to repurchase own shares on the Stockholm Stock Exchange during the period up to the 2005 Annual General Meeting in order to create possibilities for the improvement of the capital structure of the Bank. This authorisation is proposed to comprise 20,000,000 Series A shares and/or Series C shares, totalling a purchase price not exceeding SEK 2,300,000,000.

As in previous years, the Board of Directors has decided to propose to the Annual General Meeting to decide that the Bank – during the period up to the next Annual General Meeting – may purchase own Series A and Series C shares on a continuous basis in its securities business up to such a number as at each time means that the holding of such shares does not exceed three per cent of all the shares in the Bank.

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

### Total Employee Stock Option Programme

<table>
<thead>
<tr>
<th>Year</th>
<th>Original number of shareholders</th>
<th>No. of options issued</th>
<th>No. of options outstanding</th>
<th>A-share/ option redemption price</th>
<th>Validity</th>
<th>First date of exercise</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>874</td>
<td>6,613,791</td>
<td>5,908,062</td>
<td>1</td>
<td>2001-2008</td>
<td>2004-03-05</td>
</tr>
<tr>
<td>2002</td>
<td>1,029</td>
<td>6,790,613</td>
<td>6,545,208</td>
<td>1</td>
<td>2002-2009</td>
<td>2005-03-07</td>
</tr>
<tr>
<td>2003</td>
<td>792</td>
<td>6,200,000</td>
<td>6,078,676</td>
<td>1</td>
<td>2003-2010</td>
<td>2006-02-27</td>
</tr>
<tr>
<td>Total</td>
<td>25,374,857</td>
<td>23,570,116</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) After recalculation from SEB’s rights issue in 1999.
2) Calculated as 110 per cent of the average latest price paid for SEB’s Series A share on the Stockholm Exchange during a period of ten banking days in connection with the publication of the bank’s annual accounts.

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**Employee stock option programme and repurchase of own shares**

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

All programmes run according to similar conditions and principles. The programmes are running for a seven-year period and the options can only be exercised after an initial three-year waiting period, provided the relevant individual is still in the employ of the Bank. Allotment has presumed freezing or reduction of cash salary (fixed and/or variable salary).

The size of the programmes appears from the table below.

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**Total Employee Stock Option Programme**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of options issued</th>
<th>No. of options outstanding</th>
<th>A-share/option redemption price</th>
<th>Validity</th>
<th>First date of exercise</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>12</td>
<td>953,997</td>
<td>82.40</td>
<td>1999-2006</td>
<td>2002-02-15</td>
</tr>
<tr>
<td>2000</td>
<td>368</td>
<td>4,816,456</td>
<td>91.50</td>
<td>2000-2007</td>
<td>2003-03-01</td>
</tr>
<tr>
<td>2001</td>
<td>874</td>
<td>6,613,791</td>
<td>118.00</td>
<td>2001-2008</td>
<td>2004-03-05</td>
</tr>
<tr>
<td>2002</td>
<td>1,029</td>
<td>6,790,613</td>
<td>106.20</td>
<td>2002-2009</td>
<td>2005-03-07</td>
</tr>
<tr>
<td>2003</td>
<td>792</td>
<td>6,200,000</td>
<td>81.30</td>
<td>2003-2010</td>
<td>2006-02-27</td>
</tr>
<tr>
<td>Total</td>
<td>25,374,857</td>
<td>23,570,116</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Repurchase of own shares**

<table>
<thead>
<tr>
<th>No. of shares</th>
<th>Price</th>
<th>Date of purchase</th>
<th>Share of total number of shares in the Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,000,000</td>
<td>103</td>
<td>7 May, 2002</td>
<td>About 1%</td>
</tr>
<tr>
<td>6,200,000</td>
<td>79.50</td>
<td>8 May, 2003</td>
<td>About 1%</td>
</tr>
<tr>
<td>Total</td>
<td>13,200,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Average price at time of purchase
Addresses

Head Office

Group Executive Committee
Postal Address: SE-106 40 Stockholm
Visiting Address: Kungsträdgårdsgatan 8
Telephone: +46 771 62 10 00
+46 8 22 19 00 (management)

Divisions and Business Areas

Nordic Retail & Private Banking
Postal Address: SE-106 40 Stockholm
Visiting Address: Sergels Torg 2
Telephone: +46 771 62 10 00

Corporate & Institutions
Merchant Banking
Postal Address: SE-106 40 Stockholm
Visiting Address: Kungsträdgårdsgatan 8
Telephone: +46 771 62 10 00

Enskilda Securities
Postal Address: SE-103 36 Stockholm
Visiting Address: Nybrokajen 5
Telephone: +46 771 62 10 00

SEB Asset Management
Postal Address: SE-106 40 Stockholm
Visiting Address: Sveavägen 8
Telephone: +46 771 62 10 00

SEB Trygg Liv
Postal Address: SE-106 40 Stockholm
Visiting Address: Sergels Torg 2
Telephone: +46 771 62 10 00

SEB AG Group/German Retail & Mortgage Banking
Postal Address: DE-603 25 Frankfurt am Main
Visiting Address: Ulmenstraße 30
Telephone: +49 69 25 80

SEB Baltic & Poland
Postal Address: LV-1050 Riga
Visiting Address: Valnu St. 11
Telephone: +371 721 55 35

Skandinaviska Enskilda Banken AB's corporate registration number: 502032-9081
In mid-March the Annual Report will be available on www.sebgroup.com

Annual General Meeting

The Annual General Meeting will be held on Thursday 1 April, 2004 at 12.30 p.m. (Swedish time) at Cirkus, Djurgårdsštätten, Stockholm.

Notices convening the General Meeting including an agenda for the Meeting will be published in the major Swedish daily newspapers in March, 2004. Shareholders wishing to attend the Annual General Meeting shall
– both be registered in the shareholders’ register kept by VPC (the Swedish Securities Register Centre) on Monday 22 March, 2004, at the latest
– and notify the Bank’s Legal Department in writing under address KA2, SE-106 40 Stockholm, or by telephone 020-23 18 18 between 9.00 a.m. and 4.30 p.m. in Sweden or, from abroad, at +46 771 23 18 18 or via Internet on the home page of the Bank, www.sebgroup.com, not later than 1 p.m. on Friday 26 March, 2004.

Dividend and Record date

The Board proposes a dividend of SEK 4.00 per share. The share is traded ex dividend on Friday 2 April, 2004. Tuesday 6 April 2004 is proposed as record date for the dividend payments. If the Annual General Meeting resolves in accordance with the proposals, dividend payments are expected to be distributed by VPC on Tuesday 13 April 2004.

Financial information during 2004

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

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Telephone + 46 8 763 85 60
e-mail: annika.halldin@seb.se

In mid-March the Annual Report will be available on www.sebgroup.com