At SEB we are well familiar with the local markets and always close to our customers. At the same time, we can offer our customers the most attractive solutions thanks to our resources and network of contacts as an international bank.

We are quite simply more local than the international banks – and more international than our local competitors.
SEB’s result for 2004 is the best result ever. It is with great pleasure that I note improved results within all divisions and the success of SEB’s internationalisation since the mid 90’s, writes Lars H. Thunell, Group Chief Executive of SEB.

SEB’s three economists Klas Eklund, Gunilla Nyström and Robert Bergqvist summarise the past year and look to the rest of 2005 with confidence. The only dark cloud on the horizon is the growing imbalances between the U.S. and the new economic superpowers in Asia, primarily China.

Not many can master Ewa Malyszko’s powerful and well-placed strokes on the squash court. With the same energy and focus she has led the Polish fund company she manages, SEB TFI, to great success.

Mikael Carlson enjoys getting out his toolbox to work on his summer house outside Umeå, but above all he builds bridges between companies in the north of Sweden and the Baltic countries. Joint action between SEB’s operations on both sides of the Baltic Sea has opened up new cooperation.

The chance to make a difference to a fellow human being was what led Johannes Larsson to apply for SEB’s mentorship programme for youngsters. During his year as mentor, Johannes and his teenage partner Andreas met regularly to go to the theatre, the cinema or just to talk.

Earnings for the SEB Group 2004, condensed version. The Group’s Annual Report is available in full at www.sebgroup.com

SEB – history and strategic development

SEB was formed in 1972 through a merger between Stockholms Enskilda Bank (established 1856) and Skandinaviska Banken (established 1864). Important reasons for the merger were to strengthen the bank’s position among corporate clients and to meet competition from major international banks. Over the years, SEB has developed into a leading North European financial banking group, which next year will celebrate its 150th anniversary.

In the mid 1990s SEB took several strategic steps towards the vision of becoming a leading North European bank, based upon long-term customer relations, competence and e-technology. SEB’s traditional strong position among corporate customers and affluent individuals was broadened through acquisitions within life insurance and asset management operations as well as new home market acquisitions in Germany and Eastern Europe. The investments in three Baltic banks and a partly owned bank in Poland was a means of meeting increased client activities in these countries.

Today SEB has ten home markets in Northern Europe and more than 50 per cent of its customers and employees outside Sweden.

SEB of today – a North European financial group

Geographical distribution of employees

<table>
<thead>
<tr>
<th>1997</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,300 employees</td>
<td>18,000 employees</td>
</tr>
<tr>
<td>Sweden: 48%</td>
<td>Sweden: 46%</td>
</tr>
<tr>
<td>Rest of Europe: 6%</td>
<td>Rest of Europe: 6%</td>
</tr>
<tr>
<td>Rest of the Nordic Countries: 5%</td>
<td>Rest of the Nordic Countries: 5%</td>
</tr>
<tr>
<td>Rest of the world: 3%</td>
<td>Rest of the world: 3%</td>
</tr>
<tr>
<td>Germany: 22%</td>
<td>Rest of the world: 1%</td>
</tr>
<tr>
<td>The Baltic: 20%</td>
<td>Rest of Europe: 2%</td>
</tr>
<tr>
<td>Rest of the Nordic Countries: 7%</td>
<td>Rest of the world: 1%</td>
</tr>
</tbody>
</table>

Sweden 48%
Rest of Europe 6%
Rest of the Nordic Countries 5%
Rest of the world 3%
Germany 22%
The Baltic 20%
Rest of the Nordic Countries 7%
Rest of Europe 2%
Rest of the world 1%
2004 in brief

Result and proposed dividend

- Operating result increased by 16 per cent, to SEK 9,273m (7,963m).
- Net profit increased by 16 per cent to SEK 6,590m (5,704m) representing SEK 9.69 (8.22) per share.
- The SEB share rose by 21 per cent, better than Swedish SAX-index and European bank index.
- The credit loss level remained low.
- Return on equity was 13.2 per cent (12.3).
- Proposed dividend is SEK 4.35 (4.00).

Important events during 2004

- SEB Trygg Liv purchased 100 per cent of the shares of Codan Pension, one of the leading Danish life insurance companies, for SEK 3.3bn.
- SEB Kort acquired Eurocard’s card-issuing activities in Denmark for SEK 490m.
- SEB’s Lithuanian subsidiary bank, Vilniaus Bankas, acquired 95 per cent of the shares of the Ukrainian Bank Agio (purchase completed in January, 2005) – an investment of approximately SEK 200m.
- In order to strengthen relations with commercial real estate customers and to take advantage of the potential in this market, a new business unit was formed called Commercial Real Estate.
- Jacob Wallenberg announced his wish to withdraw as Chairman of the Board as from SEB’s 2005 Annual General Meeting, although remaining a director. Marcus Wallenberg, at present Deputy Chairman of the Board, is proposed as new Chairman after the 2005 Annual General Meeting.
- SEB’s Board of Directors appointed Annika Falkengren President and Group Chief Executive as from 1 January, 2006. Lars H Thunell, the present Group Chief Executive, will retire in 2006.
SEB poised for further growth

SEB’s geographic expansion and hard internal work over recent years have formed a strong platform for future growth.

For Europe, 2004 was a year in which a historical step was taken. On 1 May, the EU welcomed another 10 member countries and 75 million people. This means great opportunities for Europe as a whole and, in particular, for SEB. We see enormous potential for new customers in new markets. In recent years, SEB has expanded successfully eastwards and is now looking forward to increased trade, deregulation and further harmonisation in those markets.

A consistent strategy

Looking at our own activities, the past year was characterised by continued efficiency measures. Our strategy remained firmly established and over the past year SEB continued to focus on increased customer satisfaction, cost consciousness, co-operation and cross-selling within the Group.

Last autumn, we announced some changes at the executive management level. After eight years as Group Chief Executive, Lars Thunell will retire in January 2006. He will be succeeded by Annika Falkengren who has already left her position as Head of the Corporate & Institutions division in order to devote her time as Deputy Group Chief Executive until she assumes the role of CEO.

Swedish Corporate Governance Code

Swedish and international scandals have in recent years shown how vital it is for companies to enjoy confidence from both the market and society in order to be effective. Sweden has a long tradition of self-regulation as far as ethical ownership control is concerned. A Swedish Corporate Governance Code will now be introduced to increase transparency and to make it easier for companies to manage their businesses. Although the Code will be effective from 1 July 2005, implementation work is already in progress. The Code Group has presented guidelines for how companies can improve their corporate governance through elaborate self-regulation. In particular, I would like to stress the importance of the Code’s basic comply or explain principle.

Eight intense years

After eight challenging years as Chairman of SEB’s Board of Directors, I will resign at the 2005 Annual General Meeting. The years gone by have been intense and rewarding as expansion and growth have characterised SEB’s development. We started operations in the Baltic countries, in Poland and Germany and consolidated our position in our Nordic neighbour countries. For me personally, this has been both exciting and demanding. It is with great satisfaction that I look back at SEB’s achievements of growth, customer satisfaction and return to our owners.

The Bank’s services were revolutionised by the introduction of the Internet. SEB was at the forefront of utilising this technological development. We managed this experience and gained knowledge in a way that enabled us to offer our customers competitive and user-friendly Internet services today. Initially, however, SEB underestimated the importance of personal contact with customers, which possibly caused us to close down some of our branch offices too quickly. In my opinion, we have now learned to balance the interactive office with customer relations through personal contact. Another important example of progress is how SEB successfully developed into one of the leading asset management banks in the Nordic region through strong leadership and clear goals. The Bank’s significant expansion over the last few years is a result of both strategic acquisitions and organic growth. In part, this work has proved to be prosperous because SEB has realised how important it is to spend its time and resources integrating the Bank’s activities and employees in line with growth.

SEB’s negotiations with FöreningsSparbanken for the purpose of a planned merger represent another eventful period. As we know, the merger did not materialise since the European Commission demanded too many concessions that would minimise the planned synergy effects. It should, however, be noted that SEB has since then expanded substantially. The necessary platform has been built upon which SEB can realise its vision of becoming a leading North-European bank based upon long-term customer relations, competence and e-technology.

It is gratifying to see that both our customers and employees are more satisfied today, which means that SEB is able to create long-term value for its owners. This is the result of recent years’ hard work and focused activities. Co-operation has been, and remains, the guiding principle.

On behalf of myself and the Board, I wish to convey my warmest thanks to all employees and management for a rewarding year and for all your hard work and commitment. Even though I say goodbye to the Chairmanship I will, as an ‘ordinary’ director, look forward to the opportunities and challenges that 2005 will offer.

Stockholm in February 2005

Jacob Wallenberg
Chairman of the Board
Best result to date

SEB’s position is strong. The past year was a good year for SEB and its shareholders. Our decision a few years ago to focus more strongly on our customers, improve internal co-operation and reduce costs has yielded results.

SEB’s customers have step by step become more satisfied, which has led to increased volumes and market shares within several areas. SEB presents its best result ever. It is with great pleasure that I note improved results within all divisions and the success of SEB’s internationalisation since the mid 90’s. I am proud of our competent and committed staff.

SEB combines local presence with international competence
We continue to aim for a position as a leading bank in Northern Europe, based upon long-term customer relations, competence and e-technology. Over the last years we have successfully met high customer demands, building on our platform as an international bank with a local presence in nine home markets in the Nordic region, the Baltic countries, Germany and Poland. During the year we have strengthened our Nordic position further through the acquisitions of Eurocard and Codan Pension in Denmark. In addition, Merchant Banking’s expansion in the Nordic countries outside Sweden and in Germany has been successful. The Group has now more banking customers in the Baltic countries than in Sweden and more than half of the staff is employed internationally. Approximately 45 per cent of profits are generated in our non-Swedish home markets.

Improved results within all divisions
Five out of six divisions present their best results ever. SEB’s corporate business accounts for an increasingly large part of the result. The Corporate & Institutions division has delivered high and stable results, despite varying market conditions. The corporate side is also growing in importance within retail and life operations.

Despite a tough interest rate environment, the Nordic retail operations reported improved results following intensified sales activities leading to higher mortgage and savings volumes. We have strengthened our competence further within the area of individual financial advice and Euromoney recently ranked SEB’s Private Banking as number one in Sweden.

SEB Asset Management presents a large result improvement. Strong equity markets contributed, but the improved result was also an effect of increased sales. Portfolio performance is in line with that of SEB’s peers, but our ambitions are higher than so. We therefore continue our efforts to improve investment processes further.

The strategy for the life insurance business focusing on unit-linked and occupational pension schemes has proved successful. SEB Trygg Liv has strengthened its position as market leader in Sweden within these areas and presented its best result to date. Clearly, the embedded values that have been built up over several years are now beginning to contribute to the operating result.

SEB in Germany has over the last years taken several steps towards increased profit growth. The profit improvement programme within retail has yielded results. Results have improved step by step, even though there is still room for further improvement. Merchant Banking in Germany has exploited growth opportunities and increased volumes.

High loan portfolio volumes and active product development have contributed to the Eastern European Banking division’s result of over SEK 1bn. The competence and experience of our Baltic banks constitute the stepping-stone for further expansion into Eastern Europe through the acquisition of Bank Agio in the Ukraine and continued investments in Russia.

Employees’ competence and commitment
Ultimately, SEB’s strong position and our customers’ willingness to increase business volumes with us is a result of our employees’ competence and commitment. Our aim over the last years to increase co-operation between different units, more distinctly offering ‘One SEB’ to our customers, has deepened employee motivation. Our core values are now implemented and form part of SEB’s day-to-day operations. This is clearly reflected in the strong SEB culture that is developing, where decisions are taken on a local basis near the customers.

A strong SEB for the future
It is with confidence that I look forward to 2005, which will also be my last year as Group Chief Executive of SEB. On 1 January next year, Annika Falkengren, who has successfully managed the Group’s largest division, Corporate & Institutions, will succeed me. SEB will continue to focus on customers, costs and increased co-operation in our 3 C-programme. The strategy remains the same. It is through our North-European platform and around the Baltic rim that we can offer our customers even better solutions and thus promote growth.

Stockholm in February 2005

Lars H Thunell
President and Group Chief Executive
Globalisation and the new economy characterised 2004

It was in 2004 that we for the first time became really aware of the fact that we are living in a global economy. In principle, this affects private individuals, companies and the world economy as a whole in a positive way.

Consequently, the effects of globalisation are prominent when SEB’s Chief Economist Klas Eklund, Merchant Banking’s Chief Analyst Robert Bergqvist and SEB’s Private Economist Gunilla Nyström summarise 2004.

“The past year was very favourable for the real economy”, says Robert Bergqvist. “Across the world, 2004 was characterised by good growth, while inflation was kept low thanks to continued advances in productivity.”

Klas Eklund agrees, noting at the same time that the great imbalances in the world economy persist. To a great extent, the twin deficits of the U.S. are financed by Asia, particularly China, through continued Asian support of the dollar in the form of purchases of U.S. government bonds. And even though the Nordic countries and Eastern Europe show solid growth, economic performance in most of Europe is sluggish.

“In a long-term perspective we are facing a macro-economic triangle drama”, explains Klas Eklund. “The U.S. must tighten its fiscal and monetary policy, the European situation demands structural policy measures like deregulation and, in Asia, savings must be reduced and the pace of consumption speeded up.

Some experts believe that this disequilibrium between mainly the U.S. and Asia can last for a long time, but most economists would agree that it is an indicator of structural problems in the economy that must be remedied, the sooner the better”, says Eklund.

More worrying than anything else is that the twin deficits are on the increase - in the U.S. federal budget and in its current balance – despite the fall of the dollar. This shows that there are underlying problems in the U.S. economy.

“Turning the U.S. deficits is not a piece of cake. It will take a long time,” notes Robert Bergqvist. “Right now, however, the American growth rate looks good. The problem child is Western Europe that continues to be a disappointment.”

The set-backs and poor growth of Germany, the heart of the euro zone, are the prime source of concern for the economists, although the effects of the German Government’s economic reforms start becoming visible. At the same time another trend grows ever stronger. Increasingly, European and international companies resort to countries with low production costs. This has caused concern in many West-European countries, not least in Sweden that saw many companies move their production abroad in 2004. In the economists’ opinion, however, this form of globalisation brings a lot of good, not least an increased pace of corporate establishment in various growth markets such as Eastern Europe and Asia.

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**Currency trend**

<table>
<thead>
<tr>
<th>SEK against EUR and USD, current rates</th>
<th>EUR against USD, current rates</th>
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<tbody>
<tr>
<td>EUR/SEK</td>
<td>USD/SEK</td>
</tr>
<tr>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>1</td>
<td>0</td>
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</table>

**Interest rates**

<table>
<thead>
<tr>
<th>Weekly averages, per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
</tr>
<tr>
<td>6</td>
</tr>
</tbody>
</table>

**Stock market**

<table>
<thead>
<tr>
<th>Index 1997 = 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden: Affärsvärdens General Index</td>
</tr>
<tr>
<td>Great Britain: FTSE 100 Index</td>
</tr>
</tbody>
</table>
The three economists are impressed by Swedish industry’s ability to adapt its operations and to use its resources under new conditions and demand patterns.

“The Swedes lived in the best of worlds last year. I believe that 2004 will be recorded in the macro-economic history book as the year of return of the new economy. Thanks to the rapid rise in productivity, growth rates could remain high without inflationary pressure,” notes Klas Eklund. Robert Bergqvist agrees, describing the productivity trend as remarkable.

Nevertheless, in spite of this favourable development the economists’ apprehensions about a jobless recovery have been confirmed. New jobs were conspicuous by their absence and investments were at a record low during 2004.

“Companies were able to use existing resources to increase their utilisation of capacity. In this connection the strong gains in productivity were of course an important factor. Besides, many Swedish corporate managers remember their ‘scars’ from the last recession, which makes them extra wary about all sorts of new investments,” says Eklund. At the same time, he believes that this negative trend may be broken in 2005.

“Given industry’s full utilisation of capacity, the prerequisites for investments to get started and for the creation of new jobs,” he confidently continues, pointing at the noticeable upswing in demand in the construction sector, for example, which is an important economic motor.

More jobs will even further improve the economic conditions of the households, which were very favourably affected by the economic development in 2004. In addition, falling consumer prices on many goods contribute to the positive outlook, yet another effect of globalisation.

“As a matter of fact, the households have never been better off than during the past year. Housing prices have continued upwards. In combination with low interest rates this has created a very favourable climate for the households,” says Gunilla Nyström, pointing at a number of clear indicators of a better 2005:

“Low interest rates, tax cuts and the increased basic allowance together with continued low inflation and increases in real wages indicate that the purchasing power of the households will rise.”

She stresses an innovation that may affect small company growth positively in a more long-term perspective.

“The abolishment of succession and gift taxes will be an important incentive to help many small companies to survive and to implement successions of generations. This will contribute to growth, too.”

Even though the prospects for 2005 undoubtedly look good, not least from a Nordic perspective, there are storm clouds if a long-term view is taken. One such disquieting sign is the increasing pressure on the U.S. as the driving motor of the world economy, a position which moreover is challenged by fast-growing China.

“There is a heavy burden on America to show high growth and a stable economic system”, says Robert Bergqvist. Among other things he mentions the fact that the U.S. must continue to attract 70 per cent of the savings of the world in order not to lose ground to primarily China, whose position as a great economic power was further strengthened in 2004.

Klas Eklund says that China’s share of the world economy will grow further during 2005 and that we will see a series of Chinese brand names establishing themselves in earnest in the international market.

“During the past year’s continued upswing, China has proved, once for all, that it is an economic superpower that we have to count with.”
Profit growth in focus

The SEB Group is a North-European financial group for companies, institutions and private individuals. Although its main activities consist of banking services SEB also conducts important life insurance operations. SEB has a total of 670 branch offices around Sweden, Germany, the Baltic countries and Poland and more than 5 million customers, of whom close to 2 million use the Internet services. As from January 2005, SEB has operations in the Ukraine. On 31 December 2004, the Group’s total assets amounted to SEK 1,591bn, while its assets under management totalled SEK 886bn. The Group is represented in some 20 countries around the world and has a staff of about 18,000.

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 and contributing to the view of SEB as a good citizen of society.

Vision and goals. It is SEB’s vision to be a leading North-European bank, based upon long-term customer relations, competence and e-technology. The goals shall be reached with the help of motivated employees and through co-operation between the different areas of activity within SEB.

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 strengthen its position in its home markets. SEB’s change programme, called 3 C as in Customer satisfaction, Cross-selling (improved internal co-operation and increased cross-selling) and Cost efficiency continues to be a top priority.

Financial goals and outcome

<table>
<thead>
<tr>
<th>Financial goal</th>
<th>Target: 15 per cent after tax over a business cycle</th>
<th>Target: 0.60 long-term (0.65 by year-end 2005)</th>
<th>Target: at least 7 per cent</th>
<th>Target: 40 per cent of earnings per share over a business cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Core capital ratio</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Dividend per share</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Customers and employees – goals and outcome

The most important non-financial goals to be achieved are:
- Increased share of satisfied private and corporate customers
- Increased share of highly motivated employees

In addition, SEB has established a number of goals for equality, environmental work etc.

PULSE
Percentage share of staff that is highly motivated and satisfied with leadership

<table>
<thead>
<tr>
<th>The SEB Group</th>
<th>European average</th>
<th>2004</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>56</td>
</tr>
<tr>
<td>Leadership</td>
<td>55</td>
<td>73</td>
<td>68</td>
<td>n/a</td>
</tr>
</tbody>
</table>

KNIX (Customer satisfaction index)
Percentage share of customers who report that they are satisfied, or more than satisfied, with SEB’s services

<table>
<thead>
<tr>
<th>Country</th>
<th>European average</th>
<th>2004</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden Private individuals</td>
<td>69</td>
<td>66</td>
<td>59</td>
<td>51</td>
</tr>
<tr>
<td>Companies and institutions</td>
<td>64</td>
<td>69</td>
<td>61</td>
<td>46</td>
</tr>
<tr>
<td>Germany Private individuals</td>
<td>69</td>
<td>71</td>
<td>74</td>
<td>n/a</td>
</tr>
<tr>
<td>Companies and institutions</td>
<td>64</td>
<td>88</td>
<td>82</td>
<td>n/a</td>
</tr>
<tr>
<td>The Baltic Private individuals</td>
<td>69</td>
<td>75</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Companies and institutions</td>
<td>64</td>
<td>69</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>
Customer categories

<table>
<thead>
<tr>
<th>Large companies and institutions</th>
<th>Small and medium-sized companies</th>
<th>Private individuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEB is a financial partner to approximately 500 major company groups, predominantly Nordic and German, and to international corporations with operations in the Nordic and Baltic areas. SEB is also a major financial partner to approximately 700 international banks and between 100–200 large institutions. The offerings comprise, among others, trading, financing, cash management, investment banking services, insurance and asset management. SEB serves some 390,000 small and medium-sized companies in its home markets in the Nordic and Baltic countries. These companies can use SEB’s knowledge and competence, built upon the experience from co-operation with large companies and adapted to the needs of small enterprises.</td>
<td>More than five million private individuals in all home markets have entrusted SEB with the task of assisting them with solutions regarding their private finances at present.</td>
<td></td>
</tr>
</tbody>
</table>

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 private individuals and institutions**
SEB is one of the leading players in the market for institutional asset management in the Nordic area. The bank also offers private individuals active management based upon high financial competence.

**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 stream-lining 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 safe-keeping 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 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**
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.
Increased growth outside Sweden

SEB’s home markets in Northern Europe account for the dominating part of Group income, result and number of employees. During the past year, SEB continued to consolidate its position in its home markets through increased volumes and by acquiring the Danish company Codan Pension, among other things.

Northern Europe’s bank and insurance markets have undergone radical changes in recent years as a result of deregulation, globalisation, economic growth in several East European countries and last, but not least, a technological development that forms the basis of the rapid development of banking services via the Internet.

However, there are also several differences between SEB’s home markets in Northern Europe. In all essentials, Sweden and the other Nordic countries are deregulated and mature markets, with a limited number of big domestic banks and insurance companies. Within several areas, foreign financial groups and domestic niche players are tough competitors. The German banking market is still fragmented and government guarantees and regulations have restricted competition within a number of areas. The Baltic countries and Poland are growth markets, with a great demand for loans, but also a growing interest in mutual fund savings, life insurance, etc. The growth potential of the Ukraine and Russia is seen as very promising.

In Sweden, SEB’s share of Swedish household deposits remained stable during 2004, whereas its share of corporate deposits was slightly higher than the year before. SEB’s share of household lending rose, mainly due to an increased share of mortgage loans. SEB’s forceful focus on the market for small and medium-sized companies in 2004 meant that the Bank managed to attract 4,500 new corporate customers in 2004, thus increasing its share of corporate lending.

Within life insurance SEB Trygg Liv is one of the largest players in the Swedish market and number one within unit-linked insurance, with a share of 34.8 per cent (29.5) of new sales in 2004. Through the acquisition of Codan Pension SEB is now expanding in this area in the rest of the Nordic region.

In the market for large companies SEB has a very strong position in Sweden, in tough competition with international commercial and investment banks, among others. SEB is the market leader within foreign exchange trading, cash management, export finance and international payments, among other things, and has been ranked best foreign exchange bank in Swedish kronor on a global scale for a number of years. Enskilda Securities remained the most important player on the Stockholm Stock Exchange during 2004.

In the rest of the Nordic region SEB has a strong position within selected areas such as credit and charge cards, asset management, merchant and investment banking. The goal is to reach similarly leading positions in the other Nordic home markets. In Norway, for example, SEB is now one of the five top-ranked corporate banks and clearly leading within investment banking. In Finland, SEB advanced its position within corporate finance and is now number two among the leading players.

SEB Kort has consolidated its position in the Nordic region by acquiring Eurocard in Norway at year-end 2002 and in Denmark in the summer of 2004. Today, SEB can offer its customers in Sweden, Denmark and Norway a complete assortment of Eurocard, Diners Club, MasterCard and Visa cards (with the exception of Visa in Norway). In Finland, SEB Kort is the owner of Diners Club.

With SEK 886bn in assets under management at year-end 2004, SEB is one of the largest asset managers in the Nordic region. Sales to institutional customers reached the highest level since the year 2000 and the units outside Sweden accounted for two thirds of total net sales.

In Germany SEB AG is one of five nation-wide banks, with one million customers. Its focus is on private and real estate customers, particularly on savings and mortgage loans, merchant banking activities and asset management. SEB’s share of the German household deposit and lending market was less than one per cent.
By offering advanced domestic and international cash management services, among other things, SEB gained a considerable number of new customers in the corporate market in 2004.

SEB has three subsidiary banks in the Baltic countries – Eesti Ühispank in Estonia, Latvijas Unibanka in Latvia and Vilniaus Bankas in Lithuania – with a total of 2.1 million customers. These three banks occupy leading positions in their respective markets. Eesti Ühispank is the second-largest bank in Estonia both in size and in terms of deposits and lending. In Latvia, Latvijas Unibanka is number three in size, but number one in terms of deposits and lending. Vilniaus Bankas is the second-largest bank in Lithuania and market leader within deposits and lending.

In Poland SEB has a wholly-owned mutual fund company, SEB TFI, and a 47-per cent ownership in Bank Ochrony Środowiska, BOŚ, with a total of 190,000 customers (of which 135,000 in BOŚ). During 2004 BOŚ marginally increased its market share of deposits and lending. The high growth rate reported for mutual fund sales in 2003 declined in 2004. SEB TFI’s market share was approximately 5 per cent.

In line with its traditional principle of following its customers into the world, SEB has increasingly started to look east in recent years, towards Russia and the Ukraine. In Russia, SEB has a representative office in Moscow and a leasing company in Saint Petersburg and has also applied for a banking licence. Since January 2005, SEB has a bank in the Ukraine, Bank Agio, with a staff of 500 and 20,000 customers. This purchase should primarily be seen as a result of the growing business with the Ukraine that SEB’s corporate customers in the Nordic, Baltic and German home markets are engaged in.

SEB’s customers

Today, the SEB Group has approximately 5 million private customers and 390,000 small and medium-sized corporate customers in ten countries, with a total population of more than 200 million. For many years, SEB occupies a leading position as a bank for large companies and financial institutions in Sweden, in several cases with hundred-year-long relations. During 2004, companies and institutions accounted for about 65 per cent of SEB’s total income. To a great extent, growth takes place in SEB’s home markets outside Sweden. For example, the Group has now more banking customers in the Baltic counties than in Sweden and 45 per cent of Group income was generated in markets outside Sweden in 2004.

In order to realise its vision of being a leading North European bank based upon long-term customer relations, competence and e-technology, SEB strives to achieve the highest possible degree of customer satisfaction.

SEB’s customers are very satisfied within most areas. This is for example true for large companies, i.e. merchant and investment banking, private banking as well as for the German and Baltic operations. According to the Bank’s own customer satisfaction index, KNIX, the small and medium-sized corporate customers to whom SEB paid special attention during 2004 had become markedly more satisfied. The number of corporate customers that were satisfied, or more than satisfied, with SEB’s products and services was 69 per cent in Sweden and the Baltic and 88 per cent in Germany in 2004, while the European average for banks was 64 per cent.

The Group’s Swedish private customers raised their ratings for SEB during 2004, too. According to the Swedish Quality Index, SKI, SEB was the only one of the major Swedish banks that reported an increase during the past year.

Improved customer satisfaction remains high on the agenda and the work on improving services and increasing the level of activities towards customers goes on continuously. SEB shall offer individual, active and developing banking relations whenever and wherever customers so demand.
Ewa Malyszko is the Head of the expansive Polish fund company SEB TFI, which often means both early mornings and late evenings. Twice a week, however, she gets up extra early in order to find time for a tough squash game before work. Ewa is not only a successful fund manager but also a very skilful squash player. Recently, she stood at the top of the victors’ stand among women at the end of the tournament of the Bank and Insurance Association in Warsaw.

At work at SEB TFI, Ewa has to switch from the deceptive and well-placed strokes on the squash court to a more pedagogic approach, because Poland is still a young market for fund savings. Polish savers are traditionally very prudent investors. It is therefore not surprising that low-risk funds have attracted the largest number of customers so far, such as bond and mixed funds.

However, during 2004 the rate of change speeded up considerably. On 1 July, the requirement that all funds marketed in Poland had to be registered in the country was abolished. This means that the Polish market is now open to international funds, which has attracted several important competitors.

“SEB TFI has witnessed a fantastic expansion over the last few years and has now a market share of 5 per cent,” says Ewa. “Competition is getting tougher, but we still believe that we will see continued growth in 2005.”

“Above all, I look forward to being able to introduce SEB’s whole broad range of funds in Poland.”

In her pioneering work on the Polish fund market Ewa and her 28 colleagues maintain close relations with other parts of SEB’s Asset Management division. Furthermore, the Polish fund company cooperates closely with its Baltic sister banks, which find themselves in approximately the same stage of development on the fund market.

The increasingly stronger links between SEB’s activities in various countries became very clear to Ewa when she, as the first colleague from Poland, took part in the training programme of the Wallenberg Institute together with colleagues from the other countries in which SEB is active.

“It was a marvellous experience to spend time with fellow-workers from different parts of Europe and to see how SEB grows ever stronger all the time,” says Ewa and continues:

“I am now perfectly aware that SEB is no longer a Swedish bank, but a large North-European banking group.”
The head of SEB’s Umeå branch office gladly changes his briefcase for his tool-box during his free time. For doing joinery is one of Mikael Carlsson’s favourite occupations during his time off. Last summer he built a so-called friggebod, a special type of a small house, in his villa garden at Umeå. And there are plenty of opportunities to pick out the tools in summer, at the summer house that Mikael’s family shares with his siblings.

But his skills are not limited to the handling of hammer and saw. In his daily work as corporate market head for the whole northern province of Norrland, Mikael has patched together a series of new relations between his own native district and the Baltic countries on the other side of the Baltic Sea. On two occasions last year he brought a group of business owners from his district to Estonia in order to establish contacts with local business leaders and with the subsidiary bank Eesti Ühispank.

These trips have already led to concrete results. Two of the Swedish companies that visited Tallinn in May, 2004 have initiated co-operation with Estonian companies.

“It is above all manufacturing companies that find opportunities of production co-operation with Baltic companies,” says Mikael.

“The success of these trips is a result of the close contacts with SEB’s banks in Estonia, Latvia and Lithuania,” notes Mikael, stressing in particular how impressed he is by his colleagues at Eesti Ühispank.

“My fellow-workers in Tallinn took care of their Swedish visitors in a very professional way. The Chief Economist of the bank explained the economic development of Estonia and an expert on new ventures contributed excellent advice regarding legislation and fiscal matters, for example.”

Ultimately, this effort to help our corporate customers to establish new relations in the Baltic area is a matter of further profiling SEB as the natural choice of bank for companies.

“In the fierce competition for corporate customers this is one of several ways of doing a little more for customers, showing them the meaning of our slogan: ‘SEB is more international than the other local banks and more local than the international banks’,“ Mikael maintains, before resuming the planning of the next trip eastwards together with the Umeå Chamber of Commerce. This time the destination will be Latvia and Riga.
Even though both her children are now teenagers, who start getting new interests, Elisabet Lindström and her family stick to their common tradition of paying a joint visit to Skansen, the famous open-air museum of Stockholm, at least once a year. There is no doubt whatsoever that Elisabet’s life with her son and daughter Jakob and Malin and her husband Anders is more important to her than anything else. Actually, it is thanks to her children that SEB Trygg Liv was able to hire Elisabet.

Until about six years ago, Elisabet worked as a children’s nurse at the children’s surgery department of St Göran’s Hospital in Stockholm. Eventually, however, the constant shift work became impossible to combine with the task of having two small children at home, why Elisabet took the important step of leaving her work as a hospital nurse and started working at SEB Trygg Liv.

Her past experience comes in very handy in her work as a risk assessor in areas that almost always are characterised by medical circumstances. The task of Elisabet and her colleagues is to form an opinion on how various diseases, injuries and medical risk factors should influence insurance conditions. Sometimes, the result of this evaluation may be that the customer has to pay a higher premium in order to take out a life insurance, for example.

“Most people accept a higher premium after we have explained how we made our assessment,” says Elisabet. “Practically all risk evaluation is based upon statistics. We are not making an estimate of the expected length of life of individual customers.”

One of the job aspects that Elisabet likes the most is the contact with customers, who often get in touch with her after receiving a negative reply. Co-operation with fellow-workers within other parts of the SEB Group is another thing that she finds stimulating. Nowadays, SEB’s branch offices are actively selling Trygg Liv’s insurance solutions, channeling many customers to specialised insurance advisers. Increasingly, people adopt a comprehensive view of their private finances, collecting all their savings, loans, pension savings and health or life insurance schemes with SEB, for example.

A comprehensive view is also something of a rule of conduct for Elisabet, who is as committed a worker as a spouse and mother of the two children that once made her start working at SEB Trygg Liv.
During last year’s autumn hunting in Sweden, Michael Dicks finally brought down his first elk ever. According to Michael himself, the successful shot was his reward after several years of insistent waiting at his elk-stand, without seeing anything but trees, trees and more trees.

The great patience that any inveterate hunter must arm himself with stands Michael in good stead in his work as SEB Merchant Banking’s Deputy Global Head of Debt Capital Markets, based in London. At present, the “game” is widely scattered on the syndicated loan market for which Michael is responsible, while the “forest is filled with hunters”. The borrowers, large companies, have overflowing cash balances and consequently low borrowing needs. At the same time, many banks are over-capitalised and actively looking for new business.

“Too many banks are simply competing for too few business opportunities, which affects margins accordingly,” says Michael with a sigh and continues: “In less than six months, the cost of a new syndicated loan facility has been halved, and bond spreads have crashed. This means that practically all new inquiries are about the refinancing of existing loans, or the exchange or buybacks of existing Bond facilities”, he notes.

In spite of the pricing pressure and fierce competition, Michael takes a bright view of the future. M&A activity seems to be picking up, with the resultant need for bridge financing facilities. In Sweden, SEB is number one on the syndicated loan market, and market leader in the Corporate Bond market and has a very strong position in the other Nordic countries. Starting in 2005, Michael and his colleagues will establish themselves also in Germany with four bankers.

“I believe that we stand a good chance of making headway in the German market. SEB has already a strong basis in Germany. In addition, by being neither a German nor a large multinational bank we will be able to compete with our different approach to customers,” says Michael optimistically. “Debt Capital Markets can certainly contribute to the one fifth of the division’s revenue that is expected to be generated in Germany within a couple of years” he adds.

Even though Michael will be a frequent traveller to Germany over the coming years he will always return to his family and home, the farm in Surrey, where he can relax with his family and devote himself to his favourite occupations – shooting, hunting and fishing. Interests that his daughters, nine and ten years old, share with him. Additionally there are plenty of animals to care for and comfort him at home on the farm: 16 cows, 10 sheep, 5 dogs, 2 polecat-ferrets and a very old cat...
How do you look upon 2004 as a whole as far as Corporate & Institutions is concerned?
“Even though I am satisfied with the result, 2004 did not prove to be as easy as we thought at the beginning of the year. The first quarter was extremely strong, but during the three last quarters there was more of a waiting game in the markets, again. Since our customers are financially strong, our credit losses are very low and our risk profile modest. This is positive in many ways, but at the same time it means that the large companies and institutions have less need for new loans. Both Merchant Banking and Enskilda Securities continued to consolidate their market and customer positions during the year, which of course is very pleasing.”

What were you most satisfied with in 2004?
“This year we can really see results of our steady focus on our home markets outside Sweden, that is the rest of the Nordic area, Germany and the Baltic. Norway and Germany performed better than ever. A customer satisfaction survey among our German customers showed remarkable results; we were ranked in the absolute top, far above the average for the German banks at large. This shows that we are able to compete in a broad sense also outside Sweden. We established a new Commercial Real Estate unit during the year, headed by Liselotte Hjorth, former Head of Group Credits. This unit is responsible for our relations and business with major real estate players and is based in Germany. Last year Merchant Banking strengthened its Finnish activities by acquiring Hex’s foreign securities customers, which means that we are now the second-largest custody bank in Finland. All this together will help to strengthen our international basis and to distinguish us from our Nordic competitors.”

What were you least satisfied with in 2004?
“I had expected to see good and stable profitability within all equity-related areas during 2004. Despite strong price pressure, our unit for securities handling and custody performed well, even better than in 2003. However, our investment bank Enskilda Securities did not quite manage to live up to expectations after the strong first quarter. Even though the result was disappointing, Enskilda continued to receive very high rankings from its customers.”

What will you focus upon this year?
“I do hope, of course, that the economy will remain strong. What is good for our customers is good for us. There will not be any sudden changes this year, when Magnus Carlsson takes over. We will continue to work with our home markets and products. It is important to check the screwed-up competitive situation without exposing ourselves to undesired risks.”

“During 2004 we invested in staff, product development and increased capital allocation in order to develop our home markets. This year new investments must be balanced against cost-savings, as long as the uncertain business cycle persists and customers remain hesitant. To manage this balancing will be one of our main tasks in 2005. We will furthermore continue our long-term work on increased customer satisfaction. We have made good progress in this respect, but the battle is never won. Improved internal co-operation is the road to increased profitability and more satisfied customers. ‘One SEB’ thus continues to be a lodestar for us.”

**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>2004</th>
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<tr>
<td>Total income</td>
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<td>10,278</td>
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<tr>
<td>Total costs</td>
<td>-6,010</td>
<td>-5,637</td>
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<tr>
<td>Credit losses1)</td>
<td>-16</td>
<td>-200</td>
</tr>
<tr>
<td>Intra-group minority shares</td>
<td>-26</td>
<td>-</td>
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<tr>
<td>Operating result</td>
<td>4,488</td>
<td>4,415</td>
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1) Including write-downs of financial fixed assets.

<table>
<thead>
<tr>
<th>Key figures</th>
<th>2004</th>
<th>2003</th>
</tr>
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<tbody>
<tr>
<td>Cost/income ratio</td>
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<tr>
<td>Allocated capital, SEKbn</td>
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</tr>
<tr>
<td>Return on capital, %</td>
<td>20.6</td>
<td>21.9</td>
</tr>
<tr>
<td>Number of employees (average)</td>
<td>3,214</td>
<td>3,171</td>
</tr>
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</table>
Increasing customer satisfaction

2004 was a year of growth in terms of financial result, volumes and market shares within important areas.

What is the most important thing the division has done in 2004?

“One of the most pleasing results is that our customers are continuing to be increasingly satisfied. Customer satisfaction has improved considerably for the third year in a row, both among private and business customers.

“Our private banking business has bounced back even stronger from 2002 and 2003, which were difficult years for the entire portfolio management sector. We’ve attracted new customers and new business, and Euromoney magazine voted SEB the leading private bank in the Nordic region.

“SEB Kort has continued to consolidate its position, for example by the acquisition of Eurocard in Denmark.”

Are you less satisfied with anything?

“Although we have been successful in many areas we are still not best in class in terms of customer satisfaction and profitability. We have not increased our share of total savings or in the private credit market during 2004.”

2003 saw the beginning of an initiative focusing on small and medium-sized enterprises. How has that been going?

“It’s going well, although the whole process of becoming ‘the entrepreneurs bank’ is still in its infancy. The number of customers is increasing and we now have 130,000 corporate customers. Lending to these customers has also increased during the year.

“We’ve continued to devote more time and resources to our corporate customers. At the same time we’re intensifying cooperation with other parts of SEB, such as the cash management specialists in Merchant Banking.”

SEB has the highest proportion of Internet banking customers among Sweden’s major banks. How significant is the Internet in relation to conventional branches?

“Use of the Internet has increased steadily since the start in 1996 – quite dramatically in fact. We now have over 750,000 e-banking customers, and almost 95 per cent of all customer contacts take place online.

“Having said that, our branches are also extremely important. They’re meeting-places and promote a clear local presence, and they also act as starting points for our specialists and consultants as they cultivate their local markets. I don’t think of it as a clash between different meeting-places. On the contrary, it enables customers to choose exactly where, when and how they bank in a way that was inconceivable just 10 years ago!”

What’s happening in 2005?

“We will continue along our established path and further increase our activities towards the customer. Our focus on corporate customers is continuing. We will be even better at exploiting SEB’s strong position as the bank for major and multinational companies, and will be translating our expertise and adapting our service for smaller business customers as well.”

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>2004</th>
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<tr>
<td>Total income</td>
<td>8,491</td>
<td>7,897</td>
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<td>Total costs</td>
<td>-5,365</td>
<td>-5,073</td>
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<tr>
<td>Credit losses</td>
<td>-194</td>
<td>-194</td>
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<tr>
<td>Intra-group minority shares</td>
<td>-17</td>
<td>-</td>
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<tr>
<td>Operating result</td>
<td>2,932</td>
<td>2,613</td>
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<td>Cost/income ratio</td>
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<td>Allocated capital, SEKbn</td>
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<td>Return on capital, %</td>
<td>19.2</td>
<td>20.7</td>
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<td>Number of employees (average)</td>
<td>4,696</td>
<td>4,744</td>
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</table>
After three years of stagnation, the German economy fared slightly better in 2004. Will this upturn continue in 2005?

“Last year’s growth was mainly due to increased exports. The domestic market, which is more important to us, remained weak. Unfortunately it seems that growth will only be modest this year, since the pressure on the labour market is not likely to ease.”

How will this affect your retail operations?

“Loan demand will remain weak, with prudent customers preferring low-risk investments. However, the German debate on pensions has led to an increased interest in life insurance products.”

What was your most important achievement in 2004?

“2004 was a year of transition, with radical restructuring measures within our retail operations towards a more customer-oriented organisation. The sales work was remodelled and the sales-force was relieved from administrative duties. We introduced a completely new advisory concept for our customers. New competence centres were installed across the country in the form of seven investment business centres (BörsenCenter) and 18 credit business centres (FinanzierungsCenter).

The new advisory concept has clearly increased our customer contacts. Life insurance sales went up strongly and our commission-based business improved during the year, with rising profits as a result. Our rationalisation measures proceeded favourably and the quality of our credit portfolio was improved.”

What is on your agenda for 2005?

“We must continue to improve our operating result by focusing on customers and business where we see a growth potential. This means primarily household/mortgage loans and more sophisticated investment products. We intend to position ourselves in the market for small and medium-sized companies, making use of the experience that the Nordic Retail & Private Banking division has gained from this sector in Sweden.”

The division German Retail & Mortgage Banking is responsible for 175 branch offices in Germany. The division is part of SEB AG that also comprises services for large corporate customers and mutual funds management.

### Profit and loss account, SEKm

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income</td>
<td>4,777</td>
<td>4,818</td>
</tr>
<tr>
<td>Total costs</td>
<td>-3,714</td>
<td>-3,760</td>
</tr>
<tr>
<td>Credit losses1)</td>
<td>-445</td>
<td>-575</td>
</tr>
<tr>
<td>Net result from associated companies</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Operating result</td>
<td>618</td>
<td>523</td>
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1) Including write-downs of financial fixed assets.

### Key figures

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Cost/income ratio</td>
<td>0.78</td>
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<tr>
<td>Allocated capital, SEKbn</td>
<td>9.5</td>
<td>9.4</td>
</tr>
<tr>
<td>Return on capital, %</td>
<td>4.7</td>
<td>4.0</td>
</tr>
<tr>
<td>Number of employees (average)</td>
<td>3,012</td>
<td>3,412</td>
</tr>
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</table>
Eastern European Banking

Customer growth, increased demand

The strong demand for savings products and credits led to a substantial volume growth and contributed to an operating result well exceeding SEK 1 billion.

How did the economies and financial markets develop during 2004 in the countries in which the Eastern European Banking division operates?

“The GDP growth of all the countries concerned was quite strong in 2004 and the growth rates of the Baltic countries and Poland are still among the highest in Europe. This has led to an increased demand for banking products, such as loans and various forms of savings, but obviously also to intensified competition among the banks.”

What were you most pleased about in 2004?

“The fact that our operating result exceeded SEK 1bn for the first time. We are proud of the influx of new customers, too. Today, we have 2.3 million customers, of which more than 2 million are found in the Baltic countries. This is a very good platform for a positive development in the future.”

Is there anything that you are less pleased with?

“Yes. We did not fully manage to keep our market shares of the traditional deposit and lending markets. On the other hand, we did increase our shares and volumes of unit-linked and life insurance savings.”

Your division has reported increased volumes and improved results for several years now. How will you manage to remain successful?

“As long as the Baltic economies as well as those of Poland and the Ukraine are growing fast, there is a continued, strong demand for various financial services. At the same time competition is intensifying, which means that we must keep adding new services and products to our assortment. We continue to enhance our co-operation with the rest of the SEB Group to show our customers the advantages of having us as their financial partner. The concept of ‘One SEB’ will help us to continue to grow, while keeping our costs under control.”

What challenges do you see for 2005?

“There are of course several, but let me mention two: Rebranding of our three Baltic banks in the spring of 2005 and the integration of the recently acquired Ukrainian Bank Agio with the SEB Group.

Last year, we started the comprehensive work of giving Eesti Ühispank, Latvijas Unibanka and Vilniaus Bankas new and stronger brand names. By adding the name of SEB to their original names, we wish to show that we live up to SEB’s motto of being ‘more local than the international banks and more international than the local banks’.

After the purchase of Bank Agio in the Ukraine was completed in January 2005, we started to integrate it with the SEB Group. We believe that there is a great potential for this bank to develop quickly both as a result of the economic development of the Ukraine and the business that our Nordic, Baltic, German and Polish customers are doing with this country.”

<table>
<thead>
<tr>
<th>Facts Eastern European Banking</th>
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<tbody>
<tr>
<td>The SEB Baltic &amp; 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.</td>
</tr>
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## Profit and loss account, SEKm

<table>
<thead>
<tr>
<th></th>
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<th>2003</th>
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</thead>
<tbody>
<tr>
<td>Total income</td>
<td>2,580</td>
<td>2,342</td>
</tr>
<tr>
<td>Total costs</td>
<td>–1,465</td>
<td>–1,442</td>
</tr>
<tr>
<td>Credit losses¹</td>
<td>–87</td>
<td>–87</td>
</tr>
<tr>
<td>Net result from associated companies</td>
<td>48</td>
<td>30</td>
</tr>
<tr>
<td>Operating result from insurance operations</td>
<td>31</td>
<td>16</td>
</tr>
<tr>
<td>Operating result</td>
<td>1,107</td>
<td>859</td>
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¹ Including write-downs of financial fixed assets.

## Key figures

<table>
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<tr>
<th></th>
<th>2004</th>
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<tr>
<td>Cost/income ratio</td>
<td>0.57</td>
<td>0.62</td>
</tr>
<tr>
<td>Allocated capital, SEKbn</td>
<td>4.02</td>
<td>3.3</td>
</tr>
<tr>
<td>Return on capital, %</td>
<td>19.8</td>
<td>18.7</td>
</tr>
<tr>
<td>Number of employees (average)</td>
<td>4,043</td>
<td>4,127</td>
</tr>
</tbody>
</table>

Mats Kjær  Head of division
What’s your general view on 2004 for Asset Management?
“The negative result trend we have had since 2001 was broken in 2004. Our hard work with increasing client satisfaction and revenues really paid off, and at the same time costs continued to decrease. The restructuring of the division is now completed and we can see that our cost/income ratio for 2004 was the best in the division’s history. I am also happy that the entities outside Sweden now all show very satisfactory profitability.”

How did sales develop?
“Our total sales amounted to SEK 26bn, an increase of 63 per cent compared to last year. This is the highest level since 2000. Sales to institutional customers developed very well, whilst sales of funds to retail customers showed a somewhat weaker development, especially after summer. However, the outlook for 2005 on the retail side is reasonably positive.”

How did customers’ investment return develop during 2004?
“A summary review indicates that our customers’ return, in absolute terms, was good in 2004, thanks to strong stock markets and decreasing interest rates. More than half of our mutual fund assets performed better than market average. Our Morningstar rating was 3 on average for 2004, which is also the highest level since 2000. The fact that we performed well compared to competitors does not mean that we are completely satisfied. We continuously work to improve performance, i.e. investment return for our customers.”

What customer reactions have you seen?
“Looking at the institutional customers in Sweden, SEB has regained a top position among the banks, according to the latest customer surveys. In Denmark and Finland, we are now among the top three players. In the retail segment in Sweden, we strengthened our position significantly. In the latest survey, SEB came in second place among all fund companies. If we look at the results in more detail, the strongest improvements were achieved within the areas advisory, client interface, skilful investment managers, global competence and good investment return.”

Finally, what is on the agenda for 2005?
“We will continue to be cost-conscious but increase focus on client satisfaction, sales and revenues. Our product range must meet our customer’s needs and deliver a competitive return. We have strengthened our product development resources during 2004 and this will, among other things, give new product launches shorter time to market. We have also put more emphasis on Corporate Governance, where we as a large shareholder on the Stockholm Stock Exchange, have an important responsibility to look after the interests of our fund customers. Last, but not least important, we will continue to enhance and refine investment processes and methods to create the best possible investment return for our customers.”

---

### Profit and loss account, SEKm

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income</td>
<td>1,624</td>
<td>1,339</td>
</tr>
<tr>
<td>Total costs</td>
<td>–851</td>
<td>–884</td>
</tr>
<tr>
<td>Operating result</td>
<td>773</td>
<td>455</td>
</tr>
</tbody>
</table>

### Key figures

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost/income ratio</td>
<td>0.52</td>
<td>0.66</td>
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<tr>
<td>Allocated capital, SEKbn</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Return on capital, %</td>
<td>30.9</td>
<td>18.2</td>
</tr>
<tr>
<td>Number of employees (average)</td>
<td>443</td>
<td>474</td>
</tr>
</tbody>
</table>

SEB Asset Management comprises the management and sale of mutual funds as well as institutional mandates in Sweden, Denmark, Finland and Germany. 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.
How would you summarise 2004?
“The continued upturn in the stock market has provided a positive base for most of our customers. For those with unit-linked insurance, it has had a direct effect on the value of their insurance policies, while it will be more gradual for those with traditional insurance. We regained a consolidation ratio of 100 per cent in both Gamla and Nya Liv, thus eliminating the threat of having to reduce the value of the insurance policies in one stroke. The consolidation ratio improved to such an extent that we could raise the bonus rate in Gamla Liv to 4 per cent and in Nya Liv to 3 per cent. Accordingly, we have a good starting point as we enter 2005!”

Any other points you would like to underline?
“We increased our range of unit-linked funds by adding a hedge fund, SEB Global Hedge, which already has attracted an important inflow. With its assortment of about 80 funds, SEB Trygg Liv is one of the unit-linked insurance companies that offer the greatest range of funds.

Even though the introduction of insurance transfer rights has not led to any major transfers according to international surveys, transfer options are greatly appreciated by our customers. We therefore decided to introduce transfer rights for occupational pensions as from 1 January 2005. We offer transfer rights for private unit-linked insurance since 2003.

We continued to focus on the welfare segment through a number of activities. The concept Lönsam Hälsa (Profitable Health) was launched to help companies reduce their sickness-absence rates. To meet the increase in demand, we developed our medical expenses insurance programmes further during the year. Our ambition to offer security during all phases of life was reflected in our two new safe-living projects for the elderly that we started to build in Gothenburg and Stockholm.”

It seems that 2004 could be described as a year of growth?
“Yes, that is true from several aspects. Our acquisition of the Danish life insurance company Codan Pension transformed us into a completely different type of life insurance company. We now have another home market, consisting of 300,000 customers and 400 employees. We also achieved our best ever operating result and were very successful in terms of sales of unit-linked insurance. Our market share in Sweden was 35 per cent at year-end.”

What will happen in 2005?
“Our main goal is to increase the level of customer satisfaction in 2005. We cannot feel satisfied as long as public confidence in our sector is as low as it is at present. For example, we will start a customer service for companies and review our customer offerings, our annual statements and other customer information.

In late 2004, we decided to streamline Nya Liv to focus exclusively on savings and to transfer sickness insurance, among other operations, to the Unit-linked insurance company. This will provide Nya Liv with stronger capital resources, enabling us to increase equity exposure in the portfolio and thus the chance of higher returns for our customers.”

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**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 1.5 million customers and has operations in Sweden, Denmark, Ireland, Luxembourg, England and Finland. After the acquisition of Codan Pension, the division has 1,150 employees.

<table>
<thead>
<tr>
<th>Profit and loss account, SEKm</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income</td>
<td>1,941</td>
<td>1,450</td>
</tr>
<tr>
<td>Total costs1)</td>
<td>–1,425</td>
<td>–1,291</td>
</tr>
<tr>
<td>Result from associated companies</td>
<td>–8</td>
<td>–10</td>
</tr>
<tr>
<td>Operating result</td>
<td>508</td>
<td>149</td>
</tr>
<tr>
<td>Change in surplus values, net2)</td>
<td>1,470</td>
<td>1,739</td>
</tr>
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<td>Business result</td>
<td>1,978</td>
<td>1,888</td>
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</table>

**Key figures**

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocated capital, SEKbn</td>
<td>5.2</td>
<td>4.3</td>
</tr>
<tr>
<td>Return on capital, %3)</td>
<td>27.3</td>
<td>31.6</td>
</tr>
<tr>
<td>Number of employees (average)</td>
<td>816</td>
<td>721</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 business result from current operations

SEB ANNUAL REVIEW 2004
Clear structure promotes confidence

A clear and effective structure for distributing responsibility and governance contributes to strengthening SEB’s confidence among customers, lenders and shareholders.

The Swedish Code of Corporate Governance
The Swedish Code of Corporate Governance takes effect as from 1 July 2005. However, SEB already applies the rules of the Code in principle.

Clear distribution of responsibilities
The ability to maintain confidence among customers, depositors, lenders, shareholders and others is of vital importance for SEB. An essential factor in this connection is a clear and effective structure for responsibility distribution and governance. Avoiding conflicts of interest is another purpose of such a structure. SEB therefore attaches great importance to the creation of clearly defined roles for employees and decision-making bodies. The structure for responsibility distribution and governance comprises:
- the Board of Directors
- the President
- Internal Audit, Compliance and Risk Control.

Board of Directors
The Board members are appointed by the shareholders at the Annual General Meeting for a term of office that lasts until the next Annual General Meeting. During 2004, the Board of Directors had ten members, without deputies, elected by the Annual General Meeting and two members and two deputies appointed by the employees. The composition of the Board of Directors as from the Annual General Meeting in 2004 appears in the table on opposite page and presentation on page 30.

During 2004, eleven Board meetings were held. Essential matters dealt with during the year included the following:
- Strategic direction of Group activities (nature and scope)
- Overall long-term goals for the activities
- Group organisation

The Board has organised committees in order to distribute certain tasks among its members: the Credit Committee, the Audit and Compliance Committee and the Compensation Committee.

The task of the Credit Committee of the Board is to follow up the credit portfolio and the credit process within the Bank and the Group on a continuous basis. This work includes among other things to initiate analysis and follow-up of high risk sectors and separate risk exposures. The Committee also examines proposed changes in the credit risk strategy of the Group, issues credit policies and decides on minor changes in the Credit Instruction of the Board. Furthermore, the Committee makes decisions on certain individual credit matters of principal or major importance.

The Audit and Compliance Committee of the Board is responsible for preparing the work of the Board in terms of quality control of the Bank’s financial reports, maintains regular contact with the external and internal auditors of the Bank, discusses co-ordination between external and internal auditors and the Bank’s views on risks. It makes sure that observations and remarks from the auditors are attended to and deals with the accounts and interim reports, including any changes in the accounting rules. The Committee establishes an overall audit plan for the internal audit function and an overall plan for the work of the compliance function.

The Compensation Committee of the Board prepares, for decision by the Annual General Meeting and the Board, respectively, 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.

The Committee furthermore prepares matters regarding incentive programmes and pension plans. It also discusses personnel matters of strategic importance, such as succession planning.

**The President**
The President, who is appointed by and reports to the Board of Directors, is responsible for the day-to-day management of the activities in accordance with guidelines and established policies and instructions of the Board. The President is the chairman of three different committees, which have been set up for the purpose of focusing on different areas; Group Executive Committee for business issues (presentation on page 32), 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 of Directors, which ensures that the evaluation of the internal control is satisfactory and that the activities of the Group are conducted in accordance with the intentions of the Board and the President.

The compliance officers throughout the Group assist the business units on compliance matters. The task of the Group Compliance Officer is to assist the Board and the President on compliance matters and to co-ordinate the handling of such matters within the Group.

The risk control function of the Group monitors the risks of the Group, primarily credit risk, market risk, operational risk and liquidity risk.

**Nomination committee**
At the Annual General Meeting (AGM) in 2004, a decision was made on a nomination committee for the AGM 2005. Representatives appointed by the four largest shareholders together with the Chairman of the Board has formed the committee. The task of the committee is i.a. to prepare proposals for the election of Board members and deputies and remuneration to the Board and the auditors.

**Compensation to the Board of Directors, President and other Senior Officers**
The 2004 Annual General Meeting decided on the total compensation amount for the members of the Board. This compensation has then been distributed by the Board among those Board members who are not officers of the Bank.

For the President and other Senior Officers in SEB, the following principles for remuneration are applied. The compensation system is based upon four main components, base salary, variable salary, long-term incentive programmes and pension. These components shall form a total remuneration competitive in the market where the officer is active. In addition, customary benefits such as company car may be offered. Variable salary is paid out based on achievement of certain pre-determined goals. The variable salary is maximised to either a certain percentage of the base salary or a certain amount. Long-term incentive programmes shall be share based. The estimated value at allotment, which shall be performance-based, shall amount to a maximum of 50 per cent of the yearly base salary. The pension plan may be defined benefit-based or defined contribution-based and shall be inviolable. The size of the pensionable salary is maximised. At termination of employment by the Bank, severance pay of between 12 and 24 months’ salary will be paid.

As part of the total compensation package offered to senior officers, key individuals and certain specialists’ employee stock option programmes have been launched during the years 1999–2004. The purpose of long-term incentive programmes is to give a stimulus to employees to take the same kind of long-term interest in the Bank as the shareholders through an equity-related programme. SEB’s long-term incentive programmes also constitute a way of keeping other salary costs down.
SEB’s role in society

Higher ambitions for sustainable development

As a financial group, SEB is an important part of society, e.g. as a payment agent and lender. 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 wherever the Group operates.

SEB shall stand for good ethics, openness and contribute to sustainable development. The work shall be based upon SEB’s common values: commitment, continuity, professionalism and mutual respect.

At the end of 2003, SEB’s Board of Directors adopted a Corporate Social Responsibility (CSR) policy for the Group. In February 2004, SEB acceded to the Global Compact of the United Nations. This policy implies that SEB assumes long-term responsibility in its daily work both for ethical issues with a direct impact on its customers, business and employees and, in a broader sense, for society and the environment. Furthermore, SEB supports the OECD guidelines for multinational companies.

Ethics and sustainability
Since SEB’s activities are based upon confidence and long-term relations with customers, the Group and its employees must meet the highest ethical standards and act in a long-term perspective.

It goes without saying that SEB observes all laws and other regulations concerning bank secrecy, treatment of personal information, integrity protection and information security. In addition, the SEB Group has a number of own ethical rules and a Code of Business Conduct for its employees.

SEB’s ethical rules
SEB’s ethical rules shall serve as support for all employees and as a guide for how they are to act in their relations with customers and others. Furthermore, there are rules for specific subject areas that supplement and clarify the principles of the ethics policy such as measures against money laundering, etc., employees’ own securities transactions and conflicts of interest.

SEB’s Code of Business Conduct
SEB’s Code of Business Conduct summarises SEB’s views on how employees should act in relation to each other, customers, suppliers, competitors and the world around them.

SEB’s role as a lender
SEB’s credit policy describes the role and responsibility of the Group as a lender. It is SEB’s ambition to increase awareness of the indirect effects that the Group’s credit-granting activities have on the environment and what they mean for a sustainable development. There is a special section in the credit policy that stresses SEB’s social responsibility beyond the important issues regarding customer confidence, the purpose of credit and environmental matters.

SEB’s role as an asset manager
SEB strives to maintain high ethical standards in its relations with customers, employees, suppliers and other partners. The Group offers a broad range of asset management products with a special ethical profile and works actively with ownership issues. To SEB Fonder (mutual funds) it is important that each company they choose to invest in has established ethics and environmental policies.

SEB’s role as an employer
To be perceived as an attractive employer both by the staff and society is an important success factor for the Group. Ultimately, employer responsibility is based upon SEB’s fundamental values and SEB’s observance of these. Employees’ motivation is regularly measured as well as their satisfaction with the leadership.

For a long time, SEB has actively worked for equality between the sexes. During 2004, the Bank approached its long-term goal of achieving an equal distribution between the sexes at all levels.

According to SEB’s ethics policy, the following principles, 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 all customer assignments, making 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 various parts of the SEB Group;
- To observe restrictions as regards undue benefits and gifts;
- To carry out all measures and decisions in such a manner that they can withstand scrutiny by others.
The chance to make a difference

“Most important of all is to show a youngster he is good enough just the way he is.”

This is how Johannes Larsson describes his mentorship for Andreas, a senior school pupil from a south Stockholm suburb. Larsson, who is responsible for private customers in the north-west district of Greater Stockholm, took part in SEB’s mentorship programme during the 2002/2003 school year and met Andreas regularly over a one-year period. Andreas, a rather shy and introverted youth, had insisted on participating in the mentorship project.

“Sometimes we met for planned activities, such as going to the theatre or trips on a sailing boat. But the most important thing is just to meet and talk,” says Larsson.

“It isn’t always easy, though,” he adds. “There were a lot of periods of silence before we really got talking.”

For Larsson, who himself has a six-year-old boy, the possibility of being able to make a difference to a fellow human being was what led him to apply for the mentorship programme. And he feels proud to work for a company which takes such active social responsibility.

Although almost two years have passed since Larsson’s formal mentorship period with Andreas ended, they continue to meet – even if less frequently than before.

In connection with one of the worst disasters of our time – the tsunami in South East Asia – SEB’s employees collected approximately SEK 3m to support the victims. SEB donated as much, in addition to a basic contribution of SEK 500,000. The total contribution from the Group, SEK 6.7m, was distributed equally between the Red Cross and Save the Children.

Social commitment

Being a good member of society forms part of SEB’s business concept and this is why the Group supports various social projects both centrally and through its different business areas. Youth, education, equality, diversity and sustainable development are areas of priority. The goal is that SEB’s staff shall actively contribute knowledge and personal commitment to these issues.

Since 1997, SEB has supported Mentor Sverige, a Swedish foundation engaged in drug prevention measures for youth. In 2004, SEB employees devoted more than 10,000 hours to these activities, which means twice as much as in 2003. SEB contributed over SEK 1.5m to Mentor Sverige’s activities and Mentor in Lithuania during the year.

Other projects comprise for example a close co-operation with Livslust, a foundation that runs a vocational school for teenaged orphans in Latvia, support to the Paralympics from SEB in Germany and help to a sports association for mentally retarded children and youth in Gothenburg.

In 2004, SEB contributed SEK 2m through its ethical funds, of which SEK 1.5m went to the WWF and SEK 0.5m to the Swedish Cancer Society.
Common culture unifies

SEB’s approximately 18,000 employees and their ability to identify and meet customer needs are crucial for a successful development of the Group’s activities. Therefore, SEB’s ability to attract and develop the most competent employees with the help of a strong corporate culture is a very important competitive factor.

SEB’s values
The SEB Group’s common corporate culture is based upon the following four values: Commitment, Continuity, Mutual respect and Professionalism. These shall form a natural part of the organisation and its leadership as well as of the daily relations between employees and with customers. SEB’s commitment to customers and society shall be reflected in these values. The goal is to create value for customers and shareholders and, obviously, for the employees.

Competence and leadership development
Today, the SEB Group has more than half of its staff outside Sweden. In line with SEB’s international growth, its competence development and leadership programmes have become even more international.

Last year, SEB invested a total of SEK 241m (208) in training and staff development and 10,500 employees, including 800 managers, participated in the Group’s various internal and external training programmes.

Internal attitude survey
SEB’s ambition is to establish an open and continuous dialogue about employees’ views on motivation, leadership, work environment and Group performance. The internal global attitude survey that was carried out throughout the Group in 2004 indicated generally high levels of motivation and an outstanding level of perceived leadership quality in the Group.

Work environment and health
Since a good work environment is of great importance both for a company’s profitability and from a competition, quality and productivity point of view, SEB continues its long-term investments in health and work environment.

SEB has a well-functioning, systematic work environment plan and a good overview of the health situation through efficient signal systems, such as work environment inspections, sickness absence statistics, attitude surveys, career development conversations and systematic personal contacts with employees being sick-listed long term.

Equality and diversity
SEB strives to offer everybody equal opportunities and equal rights, regardless of gender, national/ethnic origin, age, sexual orientation or religious faith. All Group units have fixed equality targets and established action plans for reaching them, together with representatives of the staff.

The long-term goal is an equal distribution between men and women, according to the equality plan that was adopted by SEB Sweden in 1998. Each sex shall be represented by at least 40 per cent at each level. SEB has taken several measures in order to achieve an equal distribution between women and men. For example, when a new manager is appointed both sexes shall be represented among the three main candidates. Worth mentioning among other efforts to increase equality are mentor programmes and home and family services in the form of cleaning and child minding for employees with children under the age of eight and for senior managers.

In 2004, 38 per cent of all the Group’s managers were women. The highest share, or 45 per cent, is found in the Baltic. In Sweden, 40 per cent (39) of all managers were women, which means that the overriding goal has been achieved. The share for group and customer service managers was 51 per cent, while it was 36 per cent for department and branch office heads. At superior levels, the share of women was 25 per cent.

SEB’s compensation system
The total compensation structure in SEB can consist of five parts: base salary, variable salary, long term incentives, pensions and other benefits.

The base salary is individual and based upon work complexity and individual performance, training, experience and competence. The salary shall be according to market and fixed according to the local conditions prevailing in each country.

Most SEB employees are eligible for performance-based compensation. In Sweden, a system was put in place during 2004 through which all employees can receive a variable salary of maximum SEK 18,000, based on the financial result of the Group, plus another maximum SEK 18,000 based on the result of the local unit and/or individual. Managers and key specialists are generally subject to individual agreements, usually maximised to 10 – 15 per cent of the annual salary and sometimes higher for senior managers and specialists.

Approximately 700 managers and key specialists were granted employee stock options in 2004 as a long-term incentive.

No. of employees
Distributed by age and gender

<table>
<thead>
<tr>
<th>No. of employees</th>
<th>Women</th>
<th>Men</th>
</tr>
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<tbody>
<tr>
<td>8,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,000</td>
<td></td>
<td></td>
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<tr>
<td>4,000</td>
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<td>3,000</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

-29  30–39  40–49  50–
The SEB share

SEB’s market value increased by 21 per cent during 2004

After a 46 per cent rise in 2003, the SEB Series A share rose by 21 per cent in 2004. Earnings per share were SEK 9.69 (8.22). The proposed dividend is SEK 4.35 (4.00) per share.

Share capital
The SEB share is listed on the 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 2004, the value of the SEB Series A share increased by 21 per cent, while the General Index rose by 18 per cent and the European Banking Index by 11 per cent. During the year, the total turnover in SEB shares amounted to close to 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.

The largest shareholders\(^1\)

<table>
<thead>
<tr>
<th>December 31, 2004</th>
<th>No. of shares</th>
<th>Of which</th>
<th>Per cent of number of shares votes</th>
</tr>
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<tbody>
<tr>
<td>Investor</td>
<td>138,272,295</td>
<td>0</td>
<td>19.6</td>
</tr>
<tr>
<td>Trygg Foundation</td>
<td>65,677,962</td>
<td>0</td>
<td>9.3</td>
</tr>
<tr>
<td>Robur Funds</td>
<td>16,475,671</td>
<td>0</td>
<td>2.3</td>
</tr>
<tr>
<td>AFA Försäkring</td>
<td>15,847,049</td>
<td>887,480</td>
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</tr>
<tr>
<td>SHB/SPP Funds</td>
<td>14,203,565</td>
<td>0</td>
<td>2.0</td>
</tr>
<tr>
<td>Walleberg foundations</td>
<td>11,080,389</td>
<td>6,621,173</td>
<td>1.6</td>
</tr>
<tr>
<td>SEB Funds</td>
<td>10,911,310</td>
<td>0</td>
<td>1.5</td>
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<tr>
<td>Actex</td>
<td>9,729,359</td>
<td>3,202,711</td>
<td>1.4</td>
</tr>
<tr>
<td>AMF Pension</td>
<td>8,900,000</td>
<td>0</td>
<td>1.3</td>
</tr>
<tr>
<td>SHB</td>
<td>6,862,763</td>
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<td>1.0</td>
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<tr>
<td>Skandia Liv</td>
<td>6,049,285</td>
<td>3,352,567</td>
<td>0.9</td>
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<tr>
<td>Tredje AP-fonden</td>
<td>5,891,062</td>
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<td>0.8</td>
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<tr>
<td>EB Foundation</td>
<td>5,710,993</td>
<td>0</td>
<td>0.8</td>
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<tr>
<td>Andra AP-fonden</td>
<td>5,548,791</td>
<td>0</td>
<td>0.8</td>
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<tr>
<td>Första AP-fonden</td>
<td>3,328,393</td>
<td>67,847</td>
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<tr>
<td>Foreign shareholders</td>
<td>159,004,435</td>
<td>1,199,422</td>
<td>22.6</td>
</tr>
</tbody>
</table>

\(^1\) Excluding SEB as shareholder through repurchased shares to hedge employee stock option programme and for capital management.

Source: SIS Ägarservice

SEB share

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit, SEK</td>
<td>9.69</td>
<td>8.22</td>
<td>7.60</td>
<td>7.17</td>
<td>9.43</td>
</tr>
<tr>
<td>Net profit after accounting dilution, SEK</td>
<td>9.56</td>
<td>8.19</td>
<td>7.60</td>
<td>7.17</td>
<td>9.43</td>
</tr>
<tr>
<td>Shareholders’ equity, SEK</td>
<td>76.31</td>
<td>70.10</td>
<td>65.51</td>
<td>62.86</td>
<td>59.06</td>
</tr>
<tr>
<td>Adjusted shareholders’ equity</td>
<td>84.46</td>
<td>75.53</td>
<td>68.88</td>
<td>67.10</td>
<td>62.61</td>
</tr>
<tr>
<td>Net worth, SEK</td>
<td>87.05</td>
<td>78.03</td>
<td>70.55</td>
<td>67.05</td>
<td>62.60</td>
</tr>
<tr>
<td>Cash flow, SEK</td>
<td>4.95</td>
<td>4.24</td>
<td>4.49</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividend per A and C share, SEK</td>
<td>4.35</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Year-end market price per Series A share, SEK</td>
<td>128.50</td>
<td>106.00</td>
<td>72.50</td>
<td>95.50</td>
<td>104.00</td>
</tr>
<tr>
<td>per Series C share, SEK</td>
<td>124.50</td>
<td>96.50</td>
<td>65.00</td>
<td>83.00</td>
<td>99.00</td>
</tr>
<tr>
<td>Highest price paid during the year per Series A share, SEK</td>
<td>131.00</td>
<td>107.00</td>
<td>110.00</td>
<td>119.50</td>
<td>127.50</td>
</tr>
<tr>
<td>per Series C share, SEK</td>
<td>126.50</td>
<td>96.50</td>
<td>99.50</td>
<td>110.00</td>
<td>117.00</td>
</tr>
<tr>
<td>Lowest price paid during the year per Series A share, SEK</td>
<td>99.50</td>
<td>66.50</td>
<td>66.00</td>
<td>61.00</td>
<td>77.50</td>
</tr>
<tr>
<td>per Series C share, SEK</td>
<td>92.50</td>
<td>61.00</td>
<td>58.50</td>
<td>55.50</td>
<td>68.50</td>
</tr>
<tr>
<td>Dividend as a percentage of result for the year, %</td>
<td>44.9</td>
<td>48.6</td>
<td>52.7</td>
<td>55.8</td>
<td>42.4</td>
</tr>
<tr>
<td>Yield, %</td>
<td>3.4</td>
<td>3.8</td>
<td>5.5</td>
<td>4.2</td>
<td>3.8</td>
</tr>
<tr>
<td>P/E</td>
<td>13.3</td>
<td>12.9</td>
<td>9.5</td>
<td>13.3</td>
<td>11.0</td>
</tr>
<tr>
<td>Number of outstanding shares average at year-end</td>
<td>679.8</td>
<td>699.5</td>
<td>701.0</td>
<td>704.6</td>
<td>704.6</td>
</tr>
</tbody>
</table>

SEB Share

- “Affärsvärldens” General Index
- European Bank Index (FTSE)

Sources: Thomson Financial and SIX

Price equals last closing price paid on last day of each month.

© SIX
The year in figures

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), write-downs and the result of insurance operations are taken into account.

### Operational Profit and Loss Account

<table>
<thead>
<tr>
<th></th>
<th>SEKm 2004</th>
<th>SEKm 2003</th>
<th>Change, per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Net interest income</td>
<td>13,521</td>
<td>13,782</td>
<td>–2</td>
</tr>
<tr>
<td>2 Net commission income</td>
<td>11,299</td>
<td>10,218</td>
<td>11</td>
</tr>
<tr>
<td>3 Net result of financial transactions</td>
<td>2,176</td>
<td>2,084</td>
<td>4</td>
</tr>
<tr>
<td>4 Other operating income</td>
<td>1,229</td>
<td>987</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>28,225</td>
<td>27,071</td>
<td>4</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs</td>
<td>–10,912</td>
<td>–10,499</td>
<td>4</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>–6,318</td>
<td>–6,191</td>
<td>2</td>
</tr>
<tr>
<td>Amortisation of goodwill</td>
<td>–655</td>
<td>–616</td>
<td>6</td>
</tr>
<tr>
<td>Depreciation and write-downs</td>
<td>–753</td>
<td>–829</td>
<td>–9</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>–163</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total costs</strong></td>
<td>–18,801</td>
<td>–18,135</td>
<td>4</td>
</tr>
<tr>
<td><strong>Net credit losses etc.</strong></td>
<td>–701</td>
<td>–1,006</td>
<td>–30</td>
</tr>
<tr>
<td>Write-downs of financial fixed assets</td>
<td>–31</td>
<td>–64</td>
<td>–52</td>
</tr>
<tr>
<td><strong>Net result from associated companies</strong></td>
<td>21</td>
<td>19</td>
<td>11</td>
</tr>
<tr>
<td>Operating result from insurance operations</td>
<td>560</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>9,273</td>
<td>7,963</td>
<td>16</td>
</tr>
<tr>
<td>Taxes</td>
<td>–2,666</td>
<td>–2,247</td>
<td>19</td>
</tr>
<tr>
<td>Minority interests</td>
<td>–17</td>
<td>–12</td>
<td>42</td>
</tr>
<tr>
<td><strong>Net profit for the year</strong></td>
<td>6,590</td>
<td>5,704</td>
<td>16</td>
</tr>
</tbody>
</table>

1) Including change in value of seized assets

### Income

**1 Net interest income**

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

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

During 2004 there was an increase in volumes, particularly within mortgage loans. However, since the margins dropped due to low market rates of interest, net interest income still declined somewhat compared with 2003.

**2 Net commission income**

By tradition, commission income from various services such as equity trading, advisory services and payment orders, weighs more heavily in SEB than in other Swedish banks. This is due to the Group’s orientation towards large companies and asset management.

Capital market activities picked up during 2004, with rising income from equity trading and asset management, which had a positive effect on SEB’s net commission income.

**3 Net result of financial transactions**

This item includes both realised gains/losses in connection with the sales of shares, bonds and other financial instruments and unrealised changes in the value of the Group’s trading stock of securities. Both the financial markets development and the general interest trend are of great importance in this connection. When short-term interest rates drop faster

### IFRS – International Financial Reporting Standard

As from 2005, new accounting principles will be introduced that are expected to affect corporate results both upwards and downwards.

- One important difference is that the new rules focus on market valuations of corporate assets and liabilities more than before. This means that future profit and loss accounts will say less about the historical development of the company than previously. On the other hand, it will hopefully be easier to evaluate companies and their opportunities for the future.
- Another important change is that depreciation of goodwill according to plan is abolished. A company, having purchased another company for a purchase amount that exceeds the equity of the purchased company, has so far amortised this goodwill on an annual basis. According to the new rules, the remaining surplus value shall instead be calculated each year, after which possible writedowns are made.
- In the future the value of the employee stock options shall be booked as staff costs just like salaries.
- Regarding insurance operations, liabilities shall be distributed on insurance and savings contracts, respectively, depending on the size of the insurance risk being borne by the company.
and deeper than the long-term rates, good opportunities for increasing the yield on the bond portfolios of the banks are usually created. How good a yield is rather the result of each respective bank’s ability to sell and buy at the right time and right price. This item also includes the result from foreign exchange trading, of which SEB has a very high share in Sweden.

During 2004 the result of this income item fluctuated strongly between the quarters. Taken together, however, the difference compared with 2003 was not significant.

### Other income

Under this heading we find capital gains and dividends, for example. The increase in 2004 was due to capital gains of SEK 290m that SEB realised last year.

### Costs

Total costs increased by 4 per cent. The single most important cost item is staff costs, which consist of salaries, compensation and social charges. During 2004 staff costs rose due to a new performance-based programme for all employees in Sweden and to new recruitment of staff outside Sweden.

Other costs remained stable such as costs for premises, marketing and data systems.

### Credit losses

The Group’s credit losses consist of both incurred losses and probable losses, where SEB has established that it is unlikely that the counter-party will be able to fulfil his payment obligations. Possible recoveries will affect net credit losses positively. During 2004, credit losses dropped and the loss level remained low, at 0.10 per cent of lending.

### Insurance operations

The net result of SEB’s insurance operations, which mainly consist of life insurance activities within SEB Trygg Liv and amortisation of goodwill on insurance operations. The result for 2004 improved due to increased sales and lower costs.

### Operating result

The operating result increased by 16 per cent, to SEK 9,273m, the highest ever in absolute terms.

### Net profit for the year

Net profit for the year, i.e. the operating result less taxes and minority interests, increased by 16 per cent, to SEK 6,590m, which amount forms the basis of the calculation of earnings per share and proposed dividend to the shareholders.
Balance sheet

The year in figures

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

<table>
<thead>
<tr>
<th>BALANCE SHEET</th>
<th>31 Dec 2004</th>
<th>31 Dec 2003</th>
<th>Change, per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lending to credit institutions</td>
<td>207,724</td>
<td>179,308</td>
<td>16</td>
</tr>
<tr>
<td>Lending to the public</td>
<td>783,019</td>
<td>707,459</td>
<td>11</td>
</tr>
<tr>
<td>Interest-bearing securities</td>
<td>259,822</td>
<td>189,269</td>
<td>37</td>
</tr>
<tr>
<td>Financial fixed assets</td>
<td>2,427</td>
<td>2,531</td>
<td>-4</td>
</tr>
<tr>
<td>Financial current assets</td>
<td>257,395</td>
<td>186,738</td>
<td>38</td>
</tr>
<tr>
<td>Shares and participations</td>
<td>20,635</td>
<td>12,551</td>
<td>64</td>
</tr>
<tr>
<td>Assets used in the insurance operations</td>
<td>155,021</td>
<td>62,742</td>
<td>147</td>
</tr>
<tr>
<td>Other assets</td>
<td>165,097</td>
<td>128,064</td>
<td>29</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>1,591,318</strong></td>
<td><strong>1,279,393</strong></td>
<td><strong>24</strong></td>
</tr>
<tr>
<td><strong>Liabilities and shareholders’ equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities to credit institutions</td>
<td>357,188</td>
<td>246,852</td>
<td>45</td>
</tr>
<tr>
<td>Deposits and borrowing from the public</td>
<td>517,520</td>
<td>494,036</td>
<td>5</td>
</tr>
<tr>
<td>Securities issued, etc</td>
<td>266,693</td>
<td>218,507</td>
<td>22</td>
</tr>
<tr>
<td>Liabilities of the insurance operations</td>
<td>147,753</td>
<td>60,641</td>
<td>144</td>
</tr>
<tr>
<td>Other liabilities and minority</td>
<td>220,352</td>
<td>186,632</td>
<td>18</td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>30,804</td>
<td>24,261</td>
<td>27</td>
</tr>
<tr>
<td>Shareholders’ equity*</td>
<td>51,008</td>
<td>48,464</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td><strong>1,591,318</strong></td>
<td><strong>1,279,393</strong></td>
<td><strong>24</strong></td>
</tr>
</tbody>
</table>

* Change in shareholders’ equity

| Opening balance | 48,464 | 45,696 |
| New accounting principle for pensions | 1,383 |
| Dividend to shareholders | -2,818 | -2,818 |
| Dividend, own holdings of shares | 152 | 124 |
| Result, holding of own shares | -3 | 9 |
| Swap hedging of employee stock option programme | -37 | 493 |
| Eliminations of repurchased shares for stock option programme | -674 | -468 |
| Eliminations of repurchased shares for improvement of the capital structure | -1,804 |
| Net group contribution to non-consolidated subsidiaries | -129 |
| Translation difference | -116 | -276 |
| **Net profit for the period** | **6,590** | **5,704** |

1) As of 31 December 2004, SEB has repurchased 7.0, 6.2 and 6.2 million Series A shares for the employee stock option programme as decided at the Annual General Meetings in 2002, 2003 and 2004 respectively. The acquisition cost for these shares is deducted from shareholders equity. The market value as of 31 December 2004 was SEK 2,493m (1,399).

2) Repurchased 16.7 million shares in order to create possibilities for the improvement of the capital structure of the Bank as decided at the 2004 Annual General Meeting. The acquisition cost for these shares is deducted from shareholders equity, the market value as of 31 December 2004 was SEK 2,146m.

**Asset quality**
The lending loss level, credit losses in relation to the Group’s lending et cetera, remained low, at 0.10 per cent. The share of doubtful loans net in relation to Group lending was 0.31 per cent.

**Credit portfolio**
During 2004 SEB's total credit exposure was SEK 1,134bn. The distribution of the credit portfolio was stable both in terms of geography (with the Nordic region accounting for 47 per cent and Germany for 33 per cent) and industry sectors.

**Use of profit**
The size of the dividend depends upon the entire SEB Group’s financial positions and opportunities.

The net profit for the year after tax of SEK 6,590m corresponds to SEK 9.69 per share. The SEB Board of Directors proposes that SEK 3,065m of this, or SEK 4.35 per share, be distributed to the shareholders. Retained earnings are brought forward to next year.
Important key figures

The Cost/Income ratio, the ratio between costs and income, is an important measurement of the Group’s efficiency. During 2004 the Cost/Income ratio of 0.67 (0.67) was maintained. The goal is to reach a Cost/Income ratio of 0.60 long-term.

The capital adequacy ratio shows the Group’s capital base (excluding insurance operations) in relation to business volumes (weighted according to special risk classes). 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. This is subject to special rules, too.

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 for the total capital ratio is 8 per cent and 4 per cent for the core capital ratio. SEB meets these requirements by a wide margin: during 2004 the Group had a total capital ratio of 10.3 per cent and a core capital ratio of 7.8 per cent. The total capital ratio is calculated as follows:

\[
\text{Total capital ratio} = \frac{\text{Total assets}}{\text{Risk-weighted assets}} \times 100
\]

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 2004 was 13.2 per cent:

\[
\text{Return on equity} = \frac{\text{Net profit for the year}}{\text{Average capital}} \times 100
\]

\[
\text{Return on equity} = \frac{\text{SEK 6,590m}}{\text{SEK 49,863m}} \times 100 = 13.2 \text{ per cent}
\]

The capital adequacy ratio is calculated as follows:

\[
\text{Capital adequacy ratio} = \frac{\text{Total capital ratio}}{\text{Risk-weighted assets}} \times 100
\]

\[
\text{Capital adequacy ratio} = \frac{10.3}{7.8} \times 100 = 13.2 \text{ per cent}
\]
Board of Directors

Elected by the Annual General Meeting

**Jacob Wallenberg**

Born 1956; elected 1997, B. Sc. (Econ) and MBA.

Chairman of the Board.

Other assignments: Chairman W Capital Management AB; Deputy Chairman Investor, Atlas Copco, The Knut and Alice Wallenberg Foundation and SAS. Director ABB, Confederation of Swedish Enterprise and the Nobel Foundation.

Background: Jacob Wallenberg joined SEB in London in 1984. Thereafter he held various positions in SEB in Singapore, Hong Kong and primarily in Sweden. In 1990 he joined Investor AB as Executive Vice President and in 1993 he rejoined SEB. In 1997 he was appointed President and Group Chief Executive of the SEB Group and shortly thereafter Chairman of the Board. Jacob Wallenberg began his banking career at JP Morgan in New York in 1981. Own and closely related persons' shareholding: 149,330 Series A shares and 5,046 Series C shares. Independent in relation to the bank and management, non-independent in relation to major shareholders (Deputy Chairman Investor).

**Marcus Wallenberg**

Born 1956; elected 2002, B. Sc. of Foreign Service. Deputy Chairman.

Other assignments: President Investor, Deputy Chairman Ericsson and Saab. Director AstraZeneca Plc, Knut and Alice Wallenberg Foundation, Scania and Stora Enso.

Background: Marcus Wallenberg joined Investor AB in 1993 as Executive Vice President and was appointed President and Group Chief Executive 1999. Prior to that he worked at Stora Feldmühle AG in Germany for three years. Marcus Wallenberg began his career at Citibank in New York 1980, followed by various positions at Deutsche Bank in Germany, S G Warburg Co Ltd in London and Citicorp in Hong Kong. He joined SEB in 1985 and worked there until 1990. Own and closely related persons' shareholding: 100,638 Series A shares and 1,473 Series C shares. Independent in relation to the bank and management, non-independent in relation to major shareholders (President and Group Chief Executive Investor).

**Gösta Wiking**

Born 1937; elected 1997 Deputy Chairman.

Other assignments: Chairman Molnycke Health Care and Angiogenetics. Director Bong Ljungdahl, Karlskrona and XCouter.

Background: In 1972 Gösta Wiking joined Perstorp AB where he held various senior positions. He was appointed President and Group Chief Executive in 1991 when he also became a board member. In 1997 he was appointed Chairman of the Board of Perstorp. He was Chairman of Trygg Hansa until the merger with SEB. Own and closely related persons' shareholding: 3,600 Series A shares. Independent in relation to the bank and management, independent in relation to major shareholders.

**Penny Hughes**

Born 1959; elected 2000, B. Sc. (Chemistry)

Other assignments: Director Vodafone, Reuters, GAP Inc, Trinity Mirror and Bridgepoint Capital (Advisory Board).

Background: Penny Hughes began her career at Procter & Gamble in 1980. In 1984 she joined Coca-Cola and was appointed President of Coca Cola UK Ltd 1992. She left the company in 1994 and has since then held several directorships. Own and closely related persons' shareholding: 0 Independent in relation to the bank and management, independent in relation to major shareholders.

**Urban Jansson**

Born 1945; elected 1996, Higher bank degree.

Other assignments: Director Additech, Ahlstrom Corp, Anoto Group, Eniro, Ferd A/S, HMS, Plantasjen A/S (Deputy Chairman), Stockholm Stock Exchange Listing Committee and Tylö (Chairman).

Background: Urban Jansson joined SEB in 1966 where he held various management positions between 1972 and 1984. In 1984 he joined AB HNU (in the former subsidiary of the Incentive Group) as President and Group Chief Executive. In 1990 Urban Jansson was appointed Executive Vice President of the Incentive Group. In 1992 he was appointed President and Group Chief Executive of AB Ratos. He left the company in 1998 and has since then held several board directorships. Own and closely related persons' shareholding: 8,000 Series A shares. Independent in relation to the bank and management, independent in relation to major shareholders.

**Tuve Johannesson**

Born 1943; elected 1997, B. Sc. and MBA.

Other assignments: Chairman Ecolene International A/S and Findus AB, Chairman Swedish Match and Cardo.

Background: Tuve Johannesson began his career at Tetra Pak in 1974 where he held various senior positions in South Africa, Australia and Sweden. In 1983 he was appointed Executive Vice President of Tetra Pak. He became President of VME, presently Volvo Construction Equipment, in 1988. He then became President of Volvo Car Corporation in 1995 a position he held until 2000. Own and closely related persons' shareholding: 16,800 Series A shares. Independent in relation to the bank and management, independent in relation to major shareholders.

**Dr Hans-Joachim Körber**

Born 1946; elected 2000, Dr. (Chemistry)

Other assignments: President and Group Chief Executive METRO AG.

Background: Hans-Joachim Körber joined Metro in 1985 and was appointed Member of the Management Board METRO AG in 1996 and President and Group Chief Executive in 1999. He began his career as Senior Controller at the Oetker Group in 1980. Own and closely related persons' shareholding: 0 Independent in relation to the bank and management, independent in relation to major shareholders.

**Jesper Ovesen**

Born 1937; elected 1997

Other assignments: President Investor, Atlas Copco, The Knut and Alice Wallenberg Foundation and SAS. Director ABB, Confederation of Swedish Enterprise and the Nobel Foundation.

Background: Jesper Ovesen began his career as Senior Controller at the Oetker Group in 1980.

Own and closely related persons' shareholding: 16,800 Series A shares.
Jesper Ovesen  
Born 1957, elected 2004, Bachelor of Commerce Degree (Econ) and MBA.  
Other assignments: Chief Financial Officer (CFO) LEGO Holding A/S.  
Background: In 2003 Jesper Ovesen joined the LEGO Group as CFO. Prior to that he held the position as CFO of Dan Danske Bank during five years. Between 1994 and 1998 he joined Novo Nordisk as Vice President and Head of Finance. Jesper Ovesen began his career at Price Waterhouse where he worked between 1979 and 1989. Thereafter he joined Baltica Holding as Vice President, later on as Group Chief Executive.  
Own and closely related persons’ shareholding: 0  
Independent in relation to the bank and management, independent in relation to major shareholders.  

Carl Wilhelm Ros  
Other assignments: Director Axel Wilhelmsen & Co AS, Bonnier, Camfil AB, INGKA (Ikea) Holding, KKB and ProfiGruppen.  
Background: Carl Wilhelm Ros worked at AB Astra between 1967 and 1975. In 1975 he joined Alfa Laval AB where he was appointed Group Controller in 1978. 1985 he joined Ericsson AB as Executive Vice President. He left the company 1999 and has since then held several directorships.  
Own and closely related persons’ shareholding: 3,301 Series A shares and 26 Series C shares.  
Independent in relation to the bank and management, independent in relation to major shareholders.  

Dr Lars H Thunell  
Born 1948; SEB employee since 1997; Ph. D.  
President and Group Chief Executive  
Other assignments: Chairman IBX AB and the Mentor Foundation. Director Akzo Nobel N.V., b-business partners and the Swedish Bankers’ Association.  
Background: Lars Thunell was Group Chief Executive of Trygg Hansa before he took over as Group Chief Executive of SEB in connection with the merger between the two companies. Prior to that he was Executive Vice President of ABB, Deputy Group Chief Executive of Nordbanken and Group Chief Executive of Securum. Lars Thunell began his career at American Express Co in New York, USA in 1977.  
Own and closely related persons’ shareholding: 9,000 Series A shares, 1,292,157 employee stock options.  
Non-independent in relation to the bank and management (President and Group Chief Executive SEB), independent in relation to major shareholders.  

Ulf Jensen  
Chairman Financial Sector Union of Sweden SEB Group.  
Background: Ulf Jensen joined SEB in 1977 where he held various positions. He was elected Chairman of Financial Sector Union of Sweden Stockholm City in 1989 and Financial Sector Union of Sweden SEB Group in 1999. Since 2002 Ulf Jensen is also Chairman of the European Works Council SEB Group.  
Own and closely related persons’ shareholding: 0  

Ingrid Tegvald  
Born 1946; appointed 2002, Bachelor of Laws.  
Chairman Financial Sector Union of Sweden SEB Group since 2004.  
Chairman Regional Club Väst of the same union since 1999. Director Financial Sector Union of Sweden.  
Background: Ingrid Tegvald joined Trygg-Hansa in 1972 where she held various positions until 1999 when she joined SEB as union representative.  
Deputy Directors appointed by the employees  

Magdalena Olofsson  
Born 1953; appointed 2003  
Director Financial Sector Union of Sweden SEB Group. Vice Chairman Regional Club Stockholm & Ost of the same union. Director Financial Sector Union of Sweden.  
Background: Magdalena Olofsson joined SEB in 1974 and has since then held various positions in the SEB Group, including twelve years at SEB Biolån AB. Since 2002 Magdalena Olofsson is also a Director of the European Works Council SEB Group.  
Own and closely related persons’ shareholding: 0

1) Chairman of Credit Committee of the Board of Directors.  
2) Chairman of Audit and Compliance Committee of the Board of Directors.  
3) Member of Credit Committee of the Board of Directors.  
4) Member of Audit and Compliance Committee of the Board of Directors.  
5) Chairman of Compensation Committee of the Board of Directors.  
6) Deputy Chairman of Credit Committee of the Board of Directors.  
7) Member of Compensation Committee of the Board of Directors.  

* * *
Group executive Committee and Auditors

Dr Lars H Thunell
Born 1948; SEB employee since 1997; Ph. D., President and Group Chief Executive
Other assignments: Chairman BIX AB and the Mentor Foundation, Director Akzo Nobel, businessness partners and Swedish Bankers’ Association
Background: Group Chief Executive of Trygg Hansa before taking over as SEB’s Group Chief Executive when the two companies were merged. Previously he was Executive Vice President of ABG, Deputy Group Chief Executive of Nordbanken and Group Chief Executive of Securum. He started his career at American Express Co in New York in 1977.
Own and closely related persons’ shareholding: 9,000 Series A shares, 1,292,157 employee stock options.

Annika Falkengren
Born 1962; SEB employee since 1987; B. Sc. (Econ.), Executive Vice President and Deputy Group Chief Executive, Head of Corporate & Institutions until February 2005. President and Group Chief Executive as of 1 January 2006.
Other assignments: Director Sveriges Försäkringsförbund and Founder of the Mentor Foundation. Director of the Financial Accounting Standards Council. Other previous positions held include Group Controller within Alfa-Laval Group, USA and Netherlands, and Treasurer of Lesjöfors AB.
Own and closely related persons’ shareholding: 1,248 Series A shares, 120 Series C shares, 506,273 employee stock options.

Magnus Carlsson
Born 1956; SEB employee since 1993; M. Sc., Executive Vice President, Head of Corporate & Institutions since February 2005.
Background: He started his career at Bank of Nova Scotia in 1980, holding several leading positions in London. In 1993 he joined SEB as Senior Client Relationship Manager and Head of shopping. He was appointed Head of Project & Structured Finance in 1996, Head of Corporate Banking in 1999, later on Deputy Head of Merchant Banking and Head of the Corporate & Institutions division and Executive Vice President of SEB in 2005.
Own and closely related persons’ shareholding: 2,148 Series A shares, 120 Series C shares, 506,273 employee stock options.

Mats Kjær

Harry Klagsbrun
Born 1954; SEB employee since 2001; M. Sc. and MBA, Executive Vice President, Head of SEB Asset Management since 2001.
Own and closely related persons’ shareholding: 4,500 Series A shares, 148,177 employee stock options.

Lars Lundquist
Other assignments: Chairman Försäkrings AB Erika.
Background: He was responsible for SEB’s German operations 2000–2003. Before that he was CFO of Trygg Hansa and Head of Life insurance operations 1995–1999. Prior to that he held several leading positions within Nordbanken Asset Management, Carnegie and Swedbank.
Own and closely related persons’ shareholding: 4,000 Series A shares, 641,177 employee stock options.

Anders Mossberg
Born 1952; SEB employee since 1985, Executive Vice President, Head of SEB Trygg Liv since 1997.
Other assignments: Director Sveriges Försäkringsförbund and Financial Education AB.
Background: After five years at SEB he was appointed Head of the bank’s life insurance operations in 1990. Executive Vice President of SEB in 1998 and Head of Asset Management & Life division in 2000. He started his career at Skandia Försäkring AB in 1981.
Own and closely related persons’ shareholding: 7,008 Series A shares, 548,808 employee stock options.

Nils-Fredrik Nyblæus
Born 1951; SEB employee since 2004, B. Sc. (Econ.), Executive Vice President, Head of Group Staff and IT from January 2004 and Chief Financial Officer from January 2005.
Other assignments: Chairman Danderyd Sjukhus AB. Director Swedish Financial Accounting Standards Council. Background: Joined SEB in 2004. Previously with FöreningsSparbanken since 1991, where he was Deputy Group Chief Executive since 2000 and CFO since 1998 after having held several leading positions within the bank. Other previous positions held include Group Controller within Alfa-Laval Group, USA and Netherlands, and Treasurer of Lesjöfors AB.
Own and closely related persons’ shareholding: 200 Series A shares, 53,333 employee stock options.

AUDITORS
Auditors elected by the Annual General Meeting
PriceWaterhouseCoopers
Göran Jacobsson
Peter Clemmedson
Auditor appointed by the Financial Supervisory Authority
Ulf Davéus
Born 1949, auditor in SEB as of 2004. Authorised Public Accountant, BDO Feinstein Revision
Addresses

Head Office

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

Divisions and Business Areas

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

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

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

Eastern European Banking
Postal Address: SE-106 40 Stockholm
Visiting Address: Kungsträdgårdsgatan 8
Telephone: +46 771 62 10 00
  +46 8 22 19 00 (management)

Skandinaviska Enskilda Bankens AB's
corporate registration number: 502032-9081
At the end of March the Annual Report will be available on www.sebgroup.com

Annual General Meeting

The Annual General Meeting will be held on Wednesday 13 April, 2005 at 12.30 p.m. (Swedish time) at Cirkus, Djurgårdsstaden, Stockholm.

Notices convening the General Meeting, including an agenda for the Meeting, will be published in the major Swedish daily newspapers on 11 March, 2005. 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 Friday 1 April, 2005, at the latest — and notify the Bank in writing under address Skandinaviska Enskilda Banken AB, Box 47011, SE-100 74 Stockholm, or by telephone 0771-23 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 Thursday 7 April, 2005.

Dividend and Record date

The Board proposes a dividend of SEK 4.35 per share. The share is traded ex dividend on Thursday 14 April, 2005. Monday 18 April 2005 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 Thursday 21 April 2005.

Financial information during 2005

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<th>Event</th>
<th>Date</th>
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<td>9 February</td>
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<tr>
<td>Publication of Annual Report</td>
<td>End of March</td>
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<td>Annual General Meeting</td>
<td>13 April</td>
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<td>Interim report January–March</td>
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<td>Interim report January–June</td>
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<td>Interim report January–September</td>
<td>28 October</td>
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For further information please contact:

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Group press officer  
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