

Annual Accounts 2005

PRESS RELEASE

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Continued strong business flows generate record result

- Operating profit for the fourth quarter, including one-off charges of SEK 890m, amounted to SEK 2,530m (2,712). Net profit for the quarter was SEK 1,920m (1,953). Charges are taken in order to accelerate the integration within SEB.
- Operating income rose by 20 per cent compared with the last quarter of 2004, while operating expenses increased by 31 per cent, primarily due to the above-mentioned charges.
- Operating profit for the full year 2005 increased by 12 per cent, to SEK 11,223m. Net profit increased by 14 per cent to SEK 8,421m (7,382).
- Net credit losses remained low, at 0.11 per cent.
- Return on equity was 15.8 per cent (14.7) and earnings per share increased by 16 per cent, to SEK 12.58 (10.83).
- The Board of Directors proposes a dividend of SEK 4.75 (4.35).

President's comments

2005 was a strong year for SEB. We were able to reap the benefits of a strong business climate and buoyant financial markets. Business volumes rose substantially as did revenues. Customer satisfaction improved within several areas. However, we need and can do more to improve operational efficiency by accelerating our efforts to fully realise the potential of the SEB platform. The result for 2005 has been charged with one-off costs of SEK 890m in order to accelerate the integration within SEB. The result was the highest ever.

Over the year, SEB reaffirmed its position as a leading corporate bank. Once again we received global top rankings in areas like cash management, custody services, foreign exchange trading and research. The Group serves 400,000 corporate customers, of which 1,500 large corporations. Business volumes increased in all our markets - particularly in Eastern Europe. SEB acted as advisor in more M&A deals in the Nordic area than any competitor and was also No.1 within equity trading. Within the trading and capital markets area activities were record high, with investments in advisory services starting to pay off. More than two thirds of the Group's operating profit was generated by our corporate business.

SEB serves more than 5 million private individuals through retail, private banking, asset management and life

operations. In the Baltic countries our position is strong, with a 30 per cent market share. In Sweden, new products, increased focus on financial advice and investments in new segments led to higher revenues. Following the acquisition of Privatbanken in Norway and the opening of a branch office in Denmark, SEB is now present within the affluent segment in all Nordic countries. In Germany, customer satisfaction with our private client operations remained high and well above peer average, although financial performance was not satisfactory.

Increased net sales and favourable equity markets contributed to record results for Asset Management and Trygg Liv. Customers were offered several new products and investment performance improved significantly. In January 2006, Morningstar ranked SEB as No. 2 on equity funds in Europe.

SEB's position is based on a strong customer franchise. Nonetheless, we are not satisfied. We will continue to strengthen customer relationships through increased proactivity and cross servicing efforts. We will establish a more competitive long-term cost base throughout the Group in order to promote sustainable profitable growth.

Our ambitions are high. SEB strives to be the best North-European bank in terms of financial performance and customer satisfaction within its chosen segments!

The Group

Fourth quarter isolated

Strong underlying profit

SEB's *operating profit* for the fourth quarter amounted to SEK 2,530m, a decrease of 7 per cent compared with the corresponding quarter in 2004 (2,712) and 16 per cent down from the previous quarter. The result was affected by one-off charges of SEK 890m for unutilised office space taken in order to accelerate the integration of SEB. Net profit for the quarter was SEK 1,920m (1,953).

Total operating income amounted to SEK 9,537m (7,935), up 20 per cent compared with the corresponding period of last year and 15 per cent better than the previous quarter.

Net interest income improved to SEK 3,803m, up 13 per cent compared with the corresponding period of last year and up 8 per cent from the previous quarter. Increased volumes more than compensated for low short-term interest rates and squeezed margins, especially in the Nordic and Baltic operations.

Net fee and commission income rose to SEK 3,895m, an increase of 27 per cent from the corresponding quarter last year and 14 per cent higher than in the previous quarter. Advisory fees were strong within corporate finance. Commissions within the asset management, cards and payments areas improved as well.

Net financial income rose to SEK 890m. The improvement was mainly due to high customer-driven business within the trading and capital market area, where investments in advisory services have started to pay off.

Total operating expenses amounted to SEK 6,729m (5,121), an increase of around 30 per cent compared with both the corresponding quarter of last year and the previous quarter. The increase was mainly an effect of the above-mentioned one-off charges and higher performance-related compensation due to profit growth. Excluding these effects, total expenses rose by 9 per cent.

Net credit losses rose, but remained at a low level.

Results for the full year of 2005

Highest result to date

The SEB Group's *operating profit* for 2005 amounted to SEK 11,223m (10,009), an increase of 12 per cent. Five out of six divisions reported double-digit profit growth. 50 per cent of the result was generated outside Sweden.

Net profit rose by 14 per cent, to SEK 8,421m (7,382).

Effects from SEB's ownership in the Polish bank BOS (see further page 3) have been excluded from operating profit in the Profit and Loss Accounts for 2005 and 2004. However, the effects are included in net profit, accounted for under "Discontinued operations".

Income up by 14 per cent

Total operating income increased by 14 per cent, to SEK 34,227m (29,995).

Volume growth was strong within all areas. Lending to the public increased by 15 per cent, deposits from the public by 10 and assets under management by 26 per cent compared with year-end 2004.

Net interest income rose to SEK 14,282m (13,551).

Margins, which have been reduced since the summer of 2004, stabilised in 2005. Squeezed margins have been more than offset by increased volumes, particularly of mortgage and corporate lending and deposits.

Net fee and commission income rose by 16 per cent, to SEK 13,559m (11,704). Equity brokerage income increased by 27 per cent, to SEK 2,599m; custody and fund management fees rose by 19 per cent, to SEK 5,010m. Fees from card operations were up by 14 per cent, to SEK 3,371m.

Net financial income increased by 56 per cent, to SEK 3,392m (2,176), following a continued positive development of customer trading, particularly within foreign exchange.

Net life insurance income rose to SEK 2,352m (1,401). The increase was a combined effect of higher unit-linked values due to strong sales and favourable market conditions as well as the acquisition of Codan Pension in Denmark (renamed SEB Pension), which was consolidated with SEB Trygg Liv in October 2004. A complete description of SEB Trygg Liv's operations, including changes in surplus values, is found in "Additional information" on www.sebgroup.com.

Net other income totalled SEK 642m (1,163), due to limited capital gains in 2005 compared with 2004.

Underlying costs up by 3 per cent

Total operating expenses increased by 14 per cent, to SEK 22,149m (19,385). Excluding one-off charges, acquisitions and variable salaries, total expenses rose by 3 per cent.

Staff costs rose by 15 per cent, to SEK 13,342m (11,579), mainly due to acquisitions and SEB Merchant Banking's growth strategy outside Sweden and growth in the Baltic operations. Performance-related compensation due to improved profit accounted for approximately SEK 800m of the increase.

The average number of full time equivalents in 2005 was 18,948 (17,772). The increase was mainly an effect of acquisitions and growth ambitions. 900 full time equivalents are attributable to acquisitions and more than 300 to growth within SEB Merchant Banking and Eastern European Banking.

Other expenses increased by 17 per cent, to SEK 8,383m (7,190)..

External IT-costs amounted to SEK 1,703m (1,677). Total IT-costs (defined as a calculated cost for all IT-related activities including costs for own personnel) were SEK 4.2bn (3.8). The increased IT-costs were due to the above-mentioned acquisitions, primarily SEB Pension in Denmark.

Credit losses remained at low level

The Group's *net credit losses*, including changes in the value of assets taken over, amounted to SEK 914m (701). The credit loss level was 0.11 per cent (0.10). Asset quality remained stable.

Tax costs

Total tax amounted to SEK 2,770m (2 662). The total tax rate was 24.7 per cent (26.6). The lower tax rate was partly due to increased results in Eastern Europe, where the tax rate is low.

Record high assets under management

As of 31 December 2005, assets under management amounted to a record high SEK 1,118bn, an increase of 26 per cent compared with year-end 2004 (886). Net inflow during the year was SEK 54bn (39), while the change in value was SEK 178bn (32). The dominating part of the net inflow emanated from Sweden. Finland and the Baltic countries also showed strong net inflows.

Assets under custody amounted to SEK 4,176bn, an increase of 62 per cent since year-end 2004.

Balance sheet increase

Total assets continued to grow. The Group's total balance sheet of SEK 1,890bn as per 31 December represented an increase of 18 per cent, or SEK 284bn since year-end 2004. SEK 63bn of the increase was due to exchange rate fluctuations and the remainder mainly to growing lending and trading volumes.

Credit portfolio

Total credit exposure, including contingent liabilities and derivatives contracts, amounted to SEK 1,328bn (1,134 at year-end 2004), of which loans and leasing excluding repos amounted to SEK 930bn (825). The strong growth of the credit portfolio was particularly evident in the corporate sector as well as in the property management and household sectors. Credit exposure to the corporate sector in Germany showed substantial growth compared to recent years. The weakening of the Swedish krona, particularly against the U. S. dollar, affected volumes in SEK. The Baltic banks continued to report rapid growth in all sectors.

On 31 December, *impaired loans*, gross, amounted to SEK 9,101m (8,831), of which SEK 7,957m (8,086) were non-performing (loans where interest and amortisation are not paid) and SEK 1,144 (745) performing loans. The increase was mainly due to the weakening of the Swedish krona. The reserve ratio was 78 per cent (79 pro forma December 2004).

The volume of assets taken over was SEK 165m (146).

Market risk

The Group's risk-taking in trading operations is measured in a Value at Risk model (VaR). During 2005, VaR averaged SEK 64m (64). This means that the Group, on average, with

99 per cent probability, could not expect to lose more than this amount during a ten-day period.

Capital base and capital adequacy

IFRS-related changes had a negative one-time effect of SEK 0.6bn on total equity in the opening balance of 2005. Following the capital adequacy regulation and as detailed in Appendix 3, certain of the IFRS changes are neutralised when the capital base is calculated.

During the fourth quarter SEB successfully issued a GBP 500m perpetual subordinated debt transaction in the sterling market. A USD 600m issue during the first quarter that qualifies as so-called core capital contribution helped to reduce the currency fluctuation effect on the core capital ratio.

As of 31 December 2005, the capital base of the financial group of undertakings (i.e. excluding insurance companies) was SEK 76.3bn (58.7). Core capital was SEK 53.1bn (44.3), of which SEK 8.0bn (3.3) constituted core capital contribution.

Total risk-weighted assets (RWA) amounted to SEK 705bn (570). The increase of SEK 135bn was mainly credit-related, reflecting increased business volumes e.g. in the SEB Merchant Banking and Eastern European Banking divisions. The *core capital ratio* was 7.5 per cent (7.8) and the *total capital ratio* 10.8 per cent (10.3).

Risk and capital management

EU and national authorities are now finalising new capital adequacy rules (Basel II). In 2005 SEB filed an application with the Swedish Financial Supervisory Authority to start using the internal-rating based approach for credit risk from 2007. SEB analyses costs and benefits relating to Basel II, e.g. by regularly assessing RWA levels under the new framework and by continuously observing national regulatory developments. Realisation of the potential benefit to the SEB Group creates a strong incentive for the Group-wide implementation project.

Agreement to sell the shares in BOS

SEB has agreed to sell all its shares in Bank Ochrony Srodowiska S.A. (BOS) to Poland's National Fund for Environmental Protection and Water Management (NFOS). The reason for the sale was that SEB was unable to reach a satisfactory ownership structure following its bid for all remaining shares in the bank in September 2005. The agreement is expected to be finalised as soon as all legal permits have been received, but not later than by mid-2006. At a share price of PLN 92 the transaction value amounts to PLN 576,862,724 (approximately SEK 1,400m).

After the sale of BOS shares, SEB's operations in Poland will include the wholly-owned fund management company SEB TFI, with a 5 per cent market share, and a branch of SEB's German leasing company. Due to a long-term commitment to achieving a substantial local presence within corporate banking and asset management on the Polish market, SEB has decided to open a branch in the country as soon as possible.

Add-on acquisitions

During 2005, SEB made three minor acquisitions in line with the strategy to strengthen the position in Northern Europe.

In late 2005 SEB finalised the acquisition of Privatbanken in Norway through a mandatory bid for the remainder of the outstanding shares.

SEB also acquired the insurance company Balta Life in Latvia and the leasing company ABB Credit Oy in Finland.

Annika Falkengren new CEO

On 10 November 2005, Annika Falkengren took over as President and CEO after Lars Thunell. Falkengren is a member of the Board of Directors as from 1 January 2006, as decided by the 2005 Annual General Meeting.

Repurchase of own shares

Following a decision at the 2005 Annual General Meeting, SEB carried out a reduction of the share capital involving 17.4 million repurchased own shares. After cancellation, the share capital amounts to SEK 6,872m and the total number of shares to 687.2 million (of which 663.0 million Class A-shares and 24.2 million Class C-shares); SEB owns 18.4 million own Class A-shares for hedging of the Bank's long-term incentive programmes.

Dividend

The size of SEB's dividend is determined by the financial position and growth possibilities of the Group. SEB strives to achieve long-term growth based on a capital base for the financial group of undertakings supporting a core capital ratio of minimum 7 per cent. Over a business cycle, the dividend per share shall correspond to around 40 per cent of earnings per share, calculated on the basis of operating result after tax.

The Board proposes a dividend of SEK 4.75 (SEK 4.35) per Class A and Class C share. The total dividend amounts to SEK 3,264m (3,065), calculated on the total number of issued shares as per 31 December 2005 including repurchased shares. This proposal corresponds to 38 per cent (49) of earnings per share. The SEB share will be traded ex dividend on 5 April 2006.

Stockholm, 8 February 2006

Annika Falkengren

President and Group Chief Executive

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

Appendix 1	SEB Trygg Liv
Appendix 2	Credit exposure
Appendix 3	Capital base
Appendix 4	Market risk
Appendix 5	Quarterly accounts
Appendix 6	Skandinaviska Enskilda Banken (parent company)

Financial information during 2006

8 February	Annual Accounts for 2005
4 April	Annual General Meeting in Stockholm
26 April	Interim Report January-March
21 July	Interim Report January-June
27 October	Interim Report January-September

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The SEB Group

Profit and loss account - Group

Condensed SEKm	Q4			Q3			Q4			Jan - Dec		
	2005	2005	%	2004	%	2005	2004	%	2005	2004	%	
Net interest income	3 803	3 508	8	3 368	13	14 282	13 551	5				
Net fee and commission income	3 895	3 416	14	3 059	27	13 559	11 704	16				
Net financial income	890	588	51	532	67	3 392	2 176	56				
Net life insurance income	644	594	8	557	16	2 352	1 401	68				
Net other income	305	195	56	419	-27	642	1 163	-45				
Total operating income	9 537	8 301	15	7 935	20	34 227	29 995	14				
Staff costs	-3 766	-3 220	17	-2 985	26	-13 342	-11 579	15				
Other expenses	-2 904	-1 712	70	-1 936	50	-8 383	-7 190	17				
Net deferred acquisition costs	199	60		77	158	477	316	51				
Depreciation, amortisation and impairments of tangible and intangible assets	-258	-217	19	-277	-7	-901	-932	-3				
Total operating expenses	-6 729	-5 089	32	-5 121	31	-22 149	-19 385	14				
Gains less losses from tangible and intangible assets	53	-2		86	-38	59	100	-41				
Net credit losses**	-331	-190	74	-188	76	-914	-701	30				
Operating profit*	2 530	3 020	-16	2 712	-7	11 223	10 009	12				
Income tax expense	-560	-791	-29	-766	-27	-2 770	-2 662	4				
Net profit from continued operations	1 970	2 229	-12	1 946	1	8 453	7 347	15				
Discontinued operations	-50	-1		7		-32	35	-191				
Net profit	1 920	2 228	-14	1 953	-2	8 421	7 382	14				
Attributable to minority interests	5	5				20	17	18				
Attributable to equity holders ***	1 915	2 223	-14	1 953	-2	8 401	7 365	14				
* SEB Trygg Liv's operating profit	268	252	6	253	6	933	570	64				
Change in surplus values, net	643	325	98	520	24	1 280	1 427	-10				
SEB Trygg Liv's business result	911	577	58	773	18	2 213	1 997	11				

** Including change in value of seized assets

*** Earnings per share (weighted), SEK
Weighted number of shares, millions

2.86	3.33	2.91	12.58	10.83
668	668	671	668	680

Restatement to IFRS - Group

Net profit SEKm	Jan - Dec 2004
Net profit according to previous accounting principles	6 590
New accounting principles (IFRS 2), Employee stock options	-55
New accounting principles (IFRS 3), New entities and goodwill	793
New accounting principles (IFRS 4), Insurance	37
Attributable to equity holders	7 365
Attributable to minority interests	17
Net profit according to IFRS	7 382

Key figures - Group

	Q4 2005	Q3 2005	Q4 2004	Jan - Dec	
				2005	2004
Return on equity, %	13.7	16.5	16.8	15.8	14.7
Return on equity excl one-off, %	18.1	16.5	16.8	17.0	14.7
Return on total assets, %	0.41	0.49	0.51	0.48	0.51
Return on risk-weighted assets, %	1.11	1.34	1.38	1.31	1.32
Earnings per share (weighted average number), SEK*	2.86	3.33	2.91	12.58	10.83
Earnings per share (weighted average number) excl one-off, SEK*	3.82	3.33	2.91	13.54	10.83
Earnings per share (total shares), SEK	2.79	3.16	2.77	12.23	10.45
Cost/income ratio	0.71	0.61	0.65	0.65	0.65
Cost/income ratio excl one-off	0.61	0.61	0.65	0.62	0.65
Credit loss level, %	0.16	0.09		0.11	0.10
Reserve ratio for impaired loans, %	77.7	81.0	79.2**	77.7	79.2**
Level of impaired loans, %	0.22	0.19	0.31	0.22	0.31
Total capital ratio, incl net profit, %	10.83	10.13	10.29	10.83	10.29
Core capital ratio, incl net profit, %	7.53	7.77	7.76	7.53	7.76
Risk-weighted assets, SEK billion	705	679	570	705	570
Number of full time equivalents, average	19 179	19 093	17 766	18 948	17 772
Number of e-banking customers, thousands	2 299	2 233	1 953	2 233	1 953
Assets under management, SEK billion	1 118	1 012	886	1 118	886

* Issued number of shares, 687 156 631, of which SEB has repurchased 19.4 million Series A shares for the employee stock option programme. SEB has repurchased another 18.4 million shares for the improvement of the capital structure of the Bank as decided at the 2004 Annual General Meeting. Of these 17.4 million shares have been cancelled and the remaining 1.0 transferred to the employee stock option programme. Earnings per share after full dilution, calculated in accordance with the recommendations of the Swedish Financial Accounting Standards Council, was 12.37 (10.69).

** Pro forma

Profit and loss account, quarterly basis - Group

SEKm	2005:4	2005:3	2005:2	2005:1	2004:4
Net interest income	3 803	3 508	3 435	3 536	3 368
Net fee and commission income	3 895	3 416	3 304	2 944	3 059
Net financial income	890	588	1 160	754	532
Net life insurance income	644	594	582	532	557
Net other income	305	195	- 21	163	419
Total operating income	9 537	8 301	8 460	7 929	7 935
Staff costs	-3 766	-3 220	-3 243	-3 113	-2 985
Other expenses	-2 904	-1 712	-1 953	-1 814	-1 936
Net deferred acquisition costs	199	60	106	112	77
Depreciation, amortisation and impairments of tangible and intangible assets	- 258	- 217	- 194	- 232	- 277
Total operating expenses	-6 729	-5 089	-5 284	-5 047	-5 121
Gains less losses from tangible and intangible assets	53	- 2	4	4	86
Net credit losses**	- 331	- 190	- 196	- 197	- 188
Operating profit*	2 530	3 020	2 984	2 689	2 712
Income tax expense	- 560	- 791	- 734	- 685	- 766
Net profit from continuing operations	1 970	2 229	2 250	2 004	1 946
Discontinued operations	- 50	- 1	19		7
Net profit	1 920	2 228	2 269	2 004	1 953
Attributable to minority interests	5	5	5	5	
Attributable to equity holders***	1 915	2 223	2 264	1 999	1 953
* SEB Trygg Liv's operating profit	268	252	242	171	253
Change in surplus values, net	643	325	44	268	520
SEB Trygg Liv's business result	911	577	286	439	773
** Including change in value of seized assets					
*** Earnings per share (weighted), SEK	2.86	3.33	3.39	2.99	2.91
Weighted number of shares, millions	668	668	667	668	671

Profit and loss account by division - Group

Jan-Dec 2005, SEKm	SEB Merchant Banking	Nordic Retail & Private Banking	German Retail & Mortgage Banking	Eastern European Banking	SEB Asset Manage- ment	SEB Trygg Liv*	Other incl elimi- nations	SEB Group
Net interest income	4 827	4 558	3 183	1 767	82	9	- 144	14 282
Net fee and commission income	4 649	4 437	1 419	935	1 818		301	13 559
Net financial income	2 498	200	74	314	17		289	3 392
Net life insurance income				49		2 857	- 554	2 352
Net other income	181	71	227	85	18		60	642
Total operating income	12 155	9 266	4 903	3 150	1 935	2 866	- 48	34 227
Staff costs	- 4 309	- 3 032	- 2 068	- 858	- 566	- 952	- 1 557	- 13 342
Other expenses	- 2 398	- 2 691	- 1 382	- 608	- 404	- 1 405	505	- 8 383
Net deferred acquisition costs						477	0	477
Depreciation, amortisation and impairments of tangible and intangible assets	- 92	- 53	- 289	- 207	- 14	- 53	- 193	- 901
Total operating expense	- 6 799	- 5 776	- 3 739	- 1 673	- 984	- 1 933	- 1 245	- 22 149
Gains less losses from tangible and intangible assets	1	1	- 5	63			- 1	59
Net credit losses**	- 24	- 192	- 561	- 139			2	- 914
Operating profit	5 333	3 299	598	1 401	951	933	- 1 292	11 223

* Business result in SEB Trygg Liv amounted to SEK 2,213m (1,997), of which change in surplus values was net SEK 1,280m (1,427).

** Including change in value of seized assets.

SEB Merchant Banking

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

Profit and loss account

SEK m	Q4			Q3		Q4		Jan - Dec		
	2005	2005	%	2004	%	2005	2004			
Net interest income	1 320	1 235	7	1 154	14	4 827	4 617	5		
Net fee and commission income	1 355	1 169	16	940	44	4 649	3 831	21		
Net financial income	725	461	57	421	72	2 498	1 779	40		
Net other income	97	43	126	80	21	181	286	-37		
Total operating income	3 497	2 908	20	2 595	35	12 155	10 513	16		
Staff costs	-1 195	-1 037	15	-926	29	-4 309	-3 568	21		
Other expenses	-702	-544	29	-621	13	-2 398	-2 309	4		
Depreciation of assets	-38	-18	111	-29	31	-92	-91	1		
Total operating expenses	-1 935	-1 599	21	-1 576	23	-6 799	-5 968	14		
Profit before credit losses etc	1 562	1 309	19	1 019	53	5 356	4 545	18		
Gains less losses on assets	1					1	1			
Net credit losses *	-26	20		42	-162	-24	-16	50		
Operating profit	1 537	1 329	16	1 061	45	5 333	4 530	18		
Cost/Income ratio	0,55	0,55		0,61		0,56	0,57			
Business equity, SEK bn	19,5	18,0		16,0		18,0	15,7			
Return on equity, %	22,7	21,3		19,1		21,3	20,8			
Number of full time equivalents, average	3 398	3 388		3 286		3 392	3 214			

* Including change in value of seized assets

Strong fourth quarter completed record-breaking year

The SEB Merchant Banking division reported another strong result for the fourth quarter. Operating profit was SEK 1,537m, 16 per cent higher than in the preceding quarter (1,329). Volumes and activity remained strong in all home markets. The result was further supported by low credit losses. Compared with the fourth quarter of 2004, operating profit increased by 45 per cent. The full-year financial result for 2005 was 18 per cent higher than in 2004, with a total operating profit of SEK 5,333m (4,530).

Margins on transactional banking services continued to face pressure while margins on lending levelled off in the second half of the year. Overall, client revenues increased. Total expenses rose by 14 per cent compared with the previous year, mainly due to increased performance-related remuneration and costs of SEK 100m associated with the integration of Enskilda Securities into Merchant Banking. By the end of the fourth quarter, Enskilda's integration moved from the planning to the execution phase. The positive business effects of combining investment and corporate banking activities are increasingly visible.

A business licence for a branch in Shanghai was received during the fourth quarter. The branch is fully established, offering payment services, lending, foreign exchange and various trade finance solutions, mainly targeting Nordic and German clients.

Continued revenue growth within Merchant Banking

The Merchant Banking business area showed an operating profit of SEK 4,648m (4,364) for the full year. Operating profit isolated for the fourth quarter was SEK 83m higher (183m excluding Enskilda integration costs) than in the third quarter of 2005, itself a strong quarter. Business volumes continued to increase, with SEB's home markets all performing well. Costs increased by 6 per cent compared with 2004, reflecting investments made during the year to support the division's growth strategy and increased performance-related remuneration. Credit losses were low and asset quality remained good and stable.

High customer activity and demand for structured solutions

Trading & Capital Markets reported its best ever quarterly result in the fourth quarter with high activity across all product areas and sites. Improved income levels reflect previous investments to diversify the product offering and expand activity in home markets outside Sweden. These investments enabled the trading and capital market business to benefit from positive market conditions during the quarter. Fluctuations in the Swedish kronor exchange rate generated heavy customer demand for foreign exchange and other products. Buoyant M&A activity also had a positive impact on client interest across a range of products. SEB continued to invest in and generate a greater

share of income from value-added, advisory-based solutions within the trading and capital markets area.

Demand for structured products was particularly high in the fourth quarter both from private individuals and institutional investors. During the period, seven offerings were made in Germany and, for the first time, offerings were made in Luxembourg and Norway. The Baltic countries showed continued activity, with two issues each in Latvia and Lithuania and three issues in Estonia, all for the retail market. For primary issues, SEB's market share in Sweden for equity linked bonds increased to 14 per cent in 2005 from 10 per cent in 2004, largely due to high demand from the Bank's retail distribution network.

The commercial real estate area saw good deal flow in all markets. Appetite for real estate financings remains high. Turnover of assets is increasing and duration of transactions is decreasing. High activity levels were particularly visible in the commercial real estate structured finance market.

Structured finance activity was high in the fourth quarter. At the end of 2005, Företagsinvest's portfolio comprised 35 holdings balanced over technology and life sciences. A total of five new investments were made during the year. Overall deal flow quality was satisfactory.

The leveraged buy-out markets continued to show high levels of activity in the fourth quarter. The acquisition finance unit had its most active year ever, with 29 senior debt transactions, four mezzanine investments and one equity investment.

During the quarter, SEB completed the acquisition of ABB Credit Oy, a pioneer of structured leasing in Finland. The acquisition is in line with SEB's overall growth strategy in the Nordic region, significantly strengthening SEB Finans' position and product range in the Finnish market.

SEB remained active within the trade finance area, generating high volumes with core clients in traditional markets as well as a marked increase in activity on behalf of German and Finnish corporate clients.

In October, for the second successive year, SEB was ranked the number one bank for cash management in the Nordic region by Treasury Management International. SEB's strong product offering has resulted in a significant increase in new clients. During 2005, SEB won ten times as many cash management mandates as it lost.

The custody and clearing business continued to benefit from customer acquisitions, particularly in the Nordic markets outside Sweden. At the end of 2005, assets under custody amounted to SEK 4,176bn (2,583), an increase of 62 per cent compared with year-end 2004. Now in its second year of operation, SEB's fund services offering in Luxembourg has strengthened its position in the market, doubling both volumes and number of customers. Preparations are under way to expand the fund services business to the Nordic markets.

In Germany, Merchant Banking had a steady in-flow of new mid-sized corporate clients, towards whom the product offering is being expanded, especially structured finance solutions.

SEB Enskilda – the clear Nordic choice for investment banking

The operating result for the fourth quarter of SEK 270m (13) brought the full year result to SEK 685m (166). Cost levels increased in the fourth quarter, partly due to seasonal effects and a small staff increase, but primarily due to performance-related salaries, which increased in line with significantly improved revenues and profit.

The Nordic stock markets continued their strong performance over the fourth quarter of 2005, turning up in November and December after a slight dip in October. In particular, activity in equity capital markets showed great improvement across the Nordic region as new companies were introduced on the local stock exchanges. M&A activity remained at high levels in the fourth quarter.

SEB Enskilda's leading position in the Nordic region within its spheres of activity was confirmed by both market share and top rankings in surveys. In December, Prospera once again named Enskilda Securities the top research house in the Nordic area and the best stockbroker in Sweden, Norway and Denmark.

High market share in combination with strong secondary market volumes have contributed to strong commission revenue throughout the year, particularly from Danish and Norwegian equities. High activity levels in the equity capital markets contributed significantly to the strengthened performance within both equities and corporate finance. The improvement in equity trading was also maintained during the fourth quarter as a result of market volumes and chosen trading strategy.

Corporate finance activity remained high throughout 2005 and the fourth quarter was no exception, producing revenues among the best ever for Enskilda. SEB Enskilda acted as sole advisor to Ericsson on its acquisition of Marconi's telecoms equipment and services business and managed the IPOs of Aker Drilling, Indutrade and Hemtex.

From the first quarter of 2006, the financial result of the former Enskilda Securities businesses will be combined with the result of the other parts of SEB Merchant Banking, reflecting the new legal and organisational structure.

Profit growth and business plan on track

It is SEB Merchant Banking's goal to achieve balanced, sustainable and profitable organic growth. The division will continue targeting revenue and profit growth in its main markets in Sweden, Norway, Finland, Denmark and Germany while delivering an ever increasing range of cutting edge products through the distribution channels offered by SEB's retail network, East-European franchise and network of strategic locations.

Nordic Retail & Private Banking

This division serves 1.6 million private customers and 138,000 small and medium-sized corporate customers, of which 809,000 and 73,000 respectively are using the Internet services of the Bank. Most of these customers are Swedish. In the Nordic area, SEB has a total volume of 2.9 million credit and charge cards outstanding. The business areas of the division are Retail Banking, Private Banking and SEB Kort (cards). In Sweden, SEB has 200 branch offices and provides services around the clock via the Internet and by telephone.

Profit and loss account

SEK m	Q4			Q3		Q4			Jan - Dec		
	2005	2005	%	2004	%	2005	2004	%	2005	2004	%
Net interest income	1 205	1 162	4	1 114	8	4 558	4 373	4			
Net fee and commission income	1 303	1 077	21	1 034	26	4 437	3 780	17			
Net financial income	72	51	41	44	64	200	165	21			
Net other income	30			3		71	83	-14			
Total operating income	2 610	2 290	14	2 195	19	9 266	8 401	10			
Staff costs	-851	-753	13	-723	18	-3 032	-2 855	6			
Other expenses	-748	-638	17	-640	17	-2 691	-2 421	11			
Depreciation of assets	-15	-12	25	-19	-21	-53	-47	13			
Total operating expenses	-1 614	-1 403	15	-1 382	17	-5 776	-5 323	9			
Profit before credit losses etc	996	887	12	813	23	3 490	3 078	13			
Gains less losses on assets	1			82	-99	1	82	-99			
Net credit losses *	-43	-53	-19	-66	-35	-192	-194	-1			
Operating profit	954	834	14	829	15	3 299	2 966	11			
Cost/Income ratio	0,62	0,61		0,63		0,62	0,63				
Business equity, SEK bn	13,3	13,1		11,7		12,2	11,0				
Return on equity, %	20,6	18,3		20,4		19,5	19,4				
Number of full time equivalents, average	4 660	4 714		4 627		4 657	4 696				

* Including change in value of seized assets

Improved result due to increased customer activities

Compared with the preceding quarter the division increased its result during the fourth quarter by 14 per cent, to SEK 954m. Higher income due to increased sales and a stronger pro-activity towards customers within all business areas were the main reasons for this improvement. The inclusion of the Norwegian Privatbanken since mid-September had a minor positive effect on the result.

In total, the result for 2005 improved by 11 per cent, to SEK 3,299m (2,966). In 2004 the result was positively affected by the sale of SEB Kort's acquiring operation in Norway. Excluding this income, the division's result improved by 14 per cent in 2005.

After a weak start to the year with low stock market and customer activity, sales volumes picked up strongly and steadily.

Net interest income was up by 4 per cent. Margin pressure, mainly on loans but also on deposits due to the generally low interest rate situation, was offset by growing volumes. In the middle of 2005 the squeeze on margins on housing loans eased off, but became more pronounced again towards the end of the year.

Net commission income rose by 17 per cent following the positive stock market development during most of the year and intensified activities towards customers. This

improvement was also due to successful sales of equity-linked bonds and unit-linked insurance. Card turnover rose by 12 per cent during the year.

The division's expenses were up by 9 per cent in 2005. This includes costs for the activities of Eurocard Denmark (consolidated in late 2004) and Privatbanken in Norway, consolidated in September 2005. Otherwise, the rise in costs was mainly due to salary agreements and performance-related compensation, intensified marketing campaigns and increased sales activities.

The division's credit losses remained at a low level.

Volume growth and new customers

Improved customer satisfaction remains a top priority. According to the *Swedish Quality Index* published in October, SEB had clearly improved in this area, but has still a lot to do to reach the goal of having the most satisfied customers in the market.

SEB, including Private Banking, was ranked best institutional asset manager (*Prospera Research*).

The Swedish customer centre received an award for best telephone and customer service within the financial industry (*Teleperformance CRM Grand Prix 2005*). Earlier in the year, SEB Kort in Finland and Denmark, respectively, received the corresponding national awards for their high-quality telephone services.

Total deposits amounted to SEK 141bn (121), of which SEK 118bn was related to Sweden. SEB's market share of the Swedish households' total financial assets was 14.2 per cent in September, according to the *Savings Barometer*.

Total lending volumes rose by 20 per cent, to SEK 247bn (207), of which SEK 173bn (148) consisted of housing loans. The Bank's share of the housing loan market for private individuals was 14.7 per cent (14.8).

More than half of the Bank's private and corporate customers are now using the Internet services of the Bank.

Retail Banking - growing despite fierce competition

Compared with the preceding quarter Retail Banking's result increased by 11 per cent during the fourth quarter, while its result for the full year rose by 13 per cent, to SEK 1,853m (1,641) in spite of the effects of lowered interest rates in the summer of 2005.

New products, increased focus on financial advice and investments in new segments led to higher volumes.

During the autumn savings campaign events were arranged in different locations around Sweden for a total of 2,500 customers.

A completely new product was launched in November, a housing loan exclusively for people over 65 years of age, "SEB Bolån 65+" as a response to the demand from customers, wishing to release capital without having to sell their houses.

The drive devoted to consumer credits that was initiated towards the end of 2004 successfully continued during 2005. Sales more than doubled, to SEK 5bn from SEK 2.3bn.

5,800 new corporate customers were added to the divisions' customer base during the year and corporate lending increased. To strengthen its profile in the corporate market, SEB presented a SME Economist as a new spokesperson on issues concerning small and medium-sized companies.

In December, SEB opened its first branch office in Copenhagen. A new full-service office was also opened in Gothenburg. After the acquisition of Norwegian Privatbanken in the autumn of 2005, SEB can now offer a complete range of banking services in Norway.

Private Banking – strong result and growth

Private Banking's result for the fourth quarter increased by 11 per cent compared with the preceding quarter, mainly due to high business activities and good markets. Income increased within all units. The full-year result for 2005 rose by 21 per cent, to SEK 639m (527).

Assets under management amounted to SEK 252bn (189) at year-end, an increase of 33 per cent. New volumes net totalled SEK 13bn and the number of customers increased, too. Private Banking gained market share in its home markets: Sweden, Norway and Denmark.

In January 2006 SEB Private Banking was appointed best private bank in Sweden for the third year in a row (*Euromoney*).

Several new investment products were launched during the year, including the bond fund *Alpha*, with traditional interest instruments, corporate bonds and derivatives instruments. The Swedish investment product *Value* is designed to offer customers more types of investments, depending on risk profile.

The new branch that was opened in May in Singapore has developed beyond expectations.

SEB Kort – continued growth

SEB Kort's result, SEK 229m, improved by 28 per cent compared with the previous quarter.

The full-year result for 2005 was SEK 807m (798). Last year's result was positively affected by the sale of the Norwegian acquiring operations. Excluding this gain, the result improved by 11 per cent.

The acquisitions in Norway and Denmark in recent years as well as increased sales in existing markets, not least Norway, have contributed to the growth. Income increased by 11 per cent and card turnover by 12 per cent.

SEB Kort is the leading issuer of cards in the Nordic area with operations in Sweden, Norway, Denmark and Finland. SEB Kort offers its customers a complete range of banking-, charge- and credit cards, and specially adapted card solutions for corporate customers.

During the past year SEB Kort was appointed best issuer of credit and charge cards in the Nordic area (*Cards International*), while Eurocard was appointed best charge card for business travellers (*Affärsresenären*).

In early 2005, a co-operation agreement on the issuance of MasterCard cards was signed with Jyske Bank, Denmark's third-largest bank. In Finland, Diners Club launched the new Persona-card, which each customer designs himself.

Following the acquisitions that SEB Kort has made in recent years it will now aim for organic growth within the corporate, private individuals and co-branding segments in the Nordic region.

Customer satisfaction and costs in focus

Customer satisfaction, sales and cost efficiency will remain focus areas for Nordic Retail & Private Banking. Corporate market drives will be continued through the recruitment of new corporate advisors and increased co-operation with SEB's other divisions in order to give small and medium-sized corporate customers increased access to the Group's collective competence, range of products and international network.

In the private market, the high advisory profile will be complemented by continued focus on cards, housing loans and consumer credits. The branch office network and the local presence will be further strengthened, in combination with improved accessibility via Internet and telephone.

SEB in Germany (SEB AG Group)

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

Profit and loss account

SEK m	Q4			Q3			Q4			Jan - Dec		
	2005	2005	%	2004	%	2005	2004	%	2005	2004	%	
Net interest income	1 071	981	9	946	13	4 094	3 798	8				
Net fee and commission income	564	540	4	560	1	2 167	1 997	9				
Net financial income	-86	-68	26	-52	65	-32	37	-186				
Net other income	118	159	-26	204	-42	240	308	-22				
Total operating income	1 667	1 612	3	1 658	1	6 469	6 140	5				
Staff costs	-648	-631	3	-623	4	-2 502	-2 464	2				
Other expenses *	-496	-488	2	-442	12	-1 893	-1 862	2				
Depreciation of assets	-93	-64	45	-126	-26	-301	-302	0				
Total operating expenses	-1 237	-1 183	5	-1 191	4	-4 696	-4 628	1				
Profit before credit losses etc	430	429	0	467	-8	1 773	1 512	17				
Gains less losses on assets	-4	-1		4	-200	-5	4					
Net credit losses **	-179	-125	43	-146	23	-593	-446	33				
Operating profit	247	303	-18	325	-24	1 175	1 070	10				
Cost/Income ratio	0,74	0,73		0,72		0,73	0,75					
Business equity, SEK bn	12,5	12,3		11,6		12,2	11,7					
Return on equity, %	5,7	7,1		8,1		6,9	6,6					
Number of full time equivalents, average	3 244	3 500		3 386		3 388	3 434					

* Of which restructuring costs

** Including change in value of seized assets

Hope for moderate upswing in 2006

Germany's economic development in 2005 disappointed. GDP grew only by 0.6 per cent despite the ongoing export boom. The growth forecast for the current year is up to 2 per cent based on the expectation that domestic demand will pick up substantially.

Fourth quarter's result affected by credit losses

Operating profit of SEB AG Group, SEB's entire operations in Germany, amounted to SEK 247m for the fourth quarter of 2005. This was 24 per cent lower than in the corresponding quarter of 2004 and 19 per cent down from the previous quarter. The lower result was due to higher net credit losses in Commercial Real Estate in connection with adjustments in the loan portfolio of the former subsidiary SEB Hypothekenbank, which was integrated with SEB AG in October.

The action plan to enhance sales activities within Retail has started to generate positive results. Especially sales of structured products and insurance products were substantially higher compared to the previous quarters. Overall, however, the result remained below target.

Merchant Banking's operations in Germany continued to develop positively. Total income was strong and well above previous quarter.

The underlying result of Commercial Real Estate business developed favourably, with continued growth in new business. Operating result of SEB's Asset Management business in Germany remained strong, due to positive income development of SEB ImmoInvest.

Operating profit for the full year increased by 10 per cent, to SEK 1,175m. Total income was up 5 per cent, mainly due to net commission income, which was up 9 per cent. Costs were stable compared with the previous year.

Clear focus on growth and profitability

For 2006 focus will be on growth and improved profitability, especially within Retail. The new management of Retail has already started a number of activities to improve sales and revenues, accompanied by investments in new distribution channels and additional sales capacity in the branches.

Merchant Banking will continue its growth strategy. Commercial Real Estate focuses on its cautious business expansion. Positive synergies are expected from the integration with SEB Hypothekenbank. With the new Asset Management entity, SEB is able to offer one-stop professional management to private and institutional investors across all asset classes. Overall, several initiatives to increase operational efficiency have been launched.

German Retail & Mortgage Banking

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

Profit and loss account

SEK m	Q4			Q3		Q4		Jan - Dec		
	2005	2005	%	2004	%	2005	2004			
Net interest income	814	742	10	727	12	3 183	3 113	2		
Net fee and commission income	370	363	2	390	-5	1 419	1 337	6		
Net financial income	-24	-23	4	22		74	83	-11		
Net other income	113	159	-29	203	-44	227	317	-28		
Total operating income	1 273	1 241	3	1 342	-5	4 903	4 850	1		
Staff costs	-520	-527	-1	-500	4	-2 068	-2 033	2		
Other expenses *	-335	-370	-9	-341	-2	-1 382	-1 478	-6		
Depreciation of assets	-89	-62	44	-126	-29	-289	-290	0		
Total operating expenses	-944	-959	-2	-967	-2	-3 739	-3 801	-2		
Profit before credit losses etc	329	282	17	375	-12	1 164	1 049	11		
Gains less losses on assets	-4	-1		4	-200	-5	4			
Net credit losses **	-172	-128	34	-146	18	-561	-445	26		
Operating profit	153	153		233	-34	598	608	-2		
Cost/Income ratio	0,74	0,77		0,72		0,76	0,78			
Business equity, SEK bn	10,1	10,0		9,4		9,9	9,5			
Return on equity, %	4,4	4,4		7,2		4,4	4,6			
Number of full time equivalents, average	2 978	2 984		2 940		2 969	3 012			
							-163			

* Of which restructuring costs

** Including change in value of seized assets

High customer satisfaction but low profitability

The division's operating result in the fourth quarter was SEK 153m, unchanged compared with the previous quarter. Total income was 3 per cent higher, whereas costs were slightly down. Net credit losses increased significantly. The higher net credit loss level reflects the portfolio restructuring within SEB Hypothekbank.

Operating profit for the full year decreased by 2 per cent. Total income was slightly higher and total costs remained stable.

Despite some positive trends at year end German Retail business developed weakly in 2005. Sales and financial performance remained below targets. Operating income and operational costs were stable. Project costs, however, were considerably higher, due to investments in a new internet platform and Basel II. The volumes of new housing loans grew by 56 per cent on a yearly basis. The accelerated growth during the year offsets to some extent the large volume of maturities in the mortgage loan business. Total lending volume was stable at SEK 86bn. Total deposits were unchanged, at SEK 37bn.

Gross sales of funds in 2005 were 8 per cent below previous year's high level. SEB ImmoInvest continued to grow strongly. In December the positive development

was slowed down by the impact of the closing of Deutsche Bank's major real estate fund "Grundbesitz -Invest". The decision to freeze the EUR 6bn property fund unsettled investors and led to outflows in the whole real estate fund market. Despite this, gross sales of ImmoInvest grew by 25 per cent in 2005 which led to an increase of the market share from 5.7 to 6.5 per cent.

The offering of Discretionary Portfolio Management for private customers developed successfully in 2005 and Assets under Management, including Pension Trust, increased by 14 per cent to SEK 155bn.

Customer satisfaction with German Retail improved significantly in 2005. The Knix index reached a level of 75 (+4). SEB ranks now No. 2 among all banks in Germany.

New programme started to enhance profitability in retail

The new management has launched several new sales initiatives to improve profitability in the retail business in the next years. This comprises, among other things, enhanced sales capacities through a mobile sales force and selective staff increases in the branches.

Eastern European Banking

This division comprises three Baltic banks- SEB Eesti Ühispank (Estonia), SEB Unibanka (Latvia) and SEB Vilniaus Bankas (Lithuania) - and Bank Agio in Ukraine. The Baltic banks serve 2.3 million customers, of whom more than 1.1 million use the Internet services, via some 200 branch offices and Internet banks. SEB's mutual fund company in Poland, SEB TFI, and a leasing company in Russia also form part of the division.

Profit and loss account

SEK m	Q4			Q3		Q4		Jan - Dec		
	2005	2005	%	2004	%	2005	2004			
Net interest income	472	450	5	400	18	1 767	1 560	13		
Net fee and commission income	270	254	6	206	31	935	760	23		
Net financial income	90	83	8	65	38	314	209	50		
Net life insurance income	12	18	-33	19	-37	49	57	-14		
Net other income	17	18	-6	2		85	45	89		
Total operating income	861	823	5	692	24	3 150	2 631	20		
Staff costs	-256	-212	21	-178	44	-858	-709	21		
Other expenses	-167	-149	12	-152	10	-608	-534	14		
Depreciation of assets	-45	-61	-26	-47	-4	-207	-196	6		
Total operating expenses	-468	-422	11	-377	24	-1 673	-1 439	16		
Profit before credit losses etc	393	401	-2	315	25	1 477	1 192	24		
Gains less losses on assets	57			-1		63				
Net credit losses *	-91	-28		-24		-139	-85	64		
Operating profit	359	373	-4	290	24	1 401	1 107	27		
Cost/Income ratio	0,54	0,51		0,54		0,53	0,55			
Business equity, SEK bn	5,5	4,9		4,4		4,8	4,0			
Return on equity, %	18,8	22,1		19,0		21,0	19,8			
Number of full time equivalents, average	5 018	4 840		4 049		4 787	4 043			

* Including change in value of seized assets

Continued profit growth

Operating result for the fourth quarter rose by 24 per cent compared with the corresponding quarter of 2004. In comparison with the previous quarter operating profit decreased by 4 per cent, an effect of higher net credit losses, mainly due to provisions for one large credit facility.

Operating profit for the full year improved by 27 per cent, to SEK 1,401m. This is the best result ever in the division's history.

Total income rose by 20 per cent, mainly as a result of strong volume development and increased business activities. Total expenses increased by 16 per cent. Costs were affected by the re-branding of SEB's Baltic banks, primarily during the second quarter of 2005. During the year the division invested in branch network expansion and sales force expansion in order to increase sales and improve customer services. The cost/income ratio improved to 0.53 (0.55).

Credit losses for the full year amounted to SEK 139m (85). Overall, the quality of the credit portfolio was stable or improved during the year. SEB has signed an agreement to sell BOS (Bank Ochrony Środowiska S.A.). As a consequence, the full year result for BOS has been

removed and 2004 has been restated for comparison reasons.

Strong volume growth

In 2005, volume growth was significant in all three Baltic banks. The division's total loan portfolio reached SEK 76bn, an increase of 58 per cent. Lending volumes grew in all major segments, particularly within the mortgage lending to households. Deposits rose by 40 per cent, to SEK 50bn. In spite of the high volume increase the market shares on an overall level decreased somewhat during the year. Margin pressure was severe. Savings products other than deposits increased significantly. Assets under management increased by 49 per cent compared with the corresponding period last year, to SEK 11bn.

High activity level

The three Baltic banks successfully completed the re-branding process and are now named SEB Eesti Ühispank, SEB Unibanka and SEB Vilniaus Bankas. The re-branding strengthens the connection to SEB and the Group's full offering to its customers both locally and internationally.

The acquisition of the Ukrainian Bank Agio and the bank's integration with the SEB Group was completed during the year. As the sole Nordic player in Ukraine, SEB's Bank Agio has been well received by Nordic, Baltic and German companies operating in the country.

Investment banking operations were established in Estonia and Latvia through SEB Vilfima in Lithuania. SEB Enskilda Equities will be a key partner in developing this business.

In the first half of the year the management of SEB's Eastern European funds was taken over by SEB's Polish mutual fund company SEB TFI and SEB Eesti Ühispank. In September, SEB Lux Eastern Europe Fund was ranked four stars by Morningstar.

In June, SEB Unibanka acquired the life insurance company Balta Life in Latvia, now re-branded to SEB Life Insurance. The acquisition will enable SEB to meet the increasing demand for new savings products in the same way in all three Baltic countries. It also creates a platform to offer complete universal banking services in each Baltic country.

During 2005 SEB introduced a household economist both in Estonia and in Latvia. All three Baltic banks can now offer this much appreciated service.

In September, SEB announced an offer for the remaining 52.7 per cent of the shares in the Polish bank BOS. After failing to gain 100 per cent ownership SEB decided to sell its entire stake in BOS. SEB's fundamental view of Poland as a strategically important market remains. SEB will continue to service its customers through a Polish branch, a leasing company and a mutual fund company.

SEB's leading position and high customer satisfaction were confirmed through an external customer survey as well as a string of awards and high rankings for SEB Vilniaus Bankas, SEB Unibanka and SEB Eesti Ühispank.

SEB Asset Management

This division offers a full spectrum of investment management expertise and services to institutions, life insurance companies and private individuals. The offerings include equity and fixed income management, private equity and hedge funds. SEB Asset Management has offices in Copenhagen, Helsinki, Frankfurt, Luxembourg and Stockholm. The division employs about 110 portfolio managers and analysts.

Profit and loss account

SEK m	Q4			Q3			Jan - Dec		
	2005	2005	%	2004	%	2005	2004	%	
Net interest income	22	21	5	21	5	82	77	6	
Net fee and commission income	571	470	21	434	32	1 818	1 516	20	
Net financial income	2	4	-50	3	-33	17	9	89	
Net life insurance income									
Net other income	4	3	33	4		18	22	-18	
Total operating income	599	498	20	462	30	1 935	1 624	19	
Staff costs	-163	-156	4	-100	63	-566	-475	19	
Other expenses	-127	-89	43	-100	27	-404	-358	13	
Net Deferred Acquisition Costs									
Depreciation of assets	-5	-3	67	-4	25	-14	-19	-26	
Total operating expenses	-295	-248	19	-204	45	-984	-852	15	
Profit before credit losses etc	304	250	22	258	18	951	772	23	
Gains less losses on assets									
Net credit losses *									
Operating profit	304	250	22	258	18	951	772	23	
Cost/Income ratio	0,49	0,50		0,44		0,51	0,52		
Business equity, SEK bn	1,8	1,8		1,8		1,8	1,8		
Return on equity, %	48,6	40,0		41,3		38,0	30,9		
Number of full time equivalents, average	462	450		446		450	443		

Best financial result in the division's history

The division's result for 2005 increased by 23 per cent compared with last year, to SEK 951m. This makes 2005 the best financial year in the division's history. The fourth quarter isolated was the strongest one in five years with an operating result of SEK 304m, or 18 per cent better than the corresponding period last year and 22 per cent higher than the previous quarter. Profit from operations outside Sweden accounted for about one third of the result.

Total income for the year increased by 19 per cent, mainly due to strong equity markets and significantly increased performance fees. Performance fees for the fourth quarter amounted to SEK 151m and to SEK 276m for the full year. Income excluding performance fees increased by 13 per cent compared to last year. Costs increased by 15 per cent for the year, which was mainly an effect of increased variable compensation accruals following strong sales and investment performance. This effect was especially strong in the fourth quarter compared to the corresponding period of last year.

The cost/income ratio improved to 0.51 (0.52).

As from January 2006 the division's financial statements will include SEB's real estate fund ImmoInvest as part of the integrated Asset Management entity in Germany.

Annual net sales at record level

Net sales were exceptionally strong in the fourth quarter, resulting in a 30 per cent increase for the whole year. Thus, net sales for the year amounted to SEK 34bn (26) of which roughly half came from units outside Sweden.

Institutional sales increased by 22 per cent compared to last year and the entities outside Sweden accounted for almost two thirds of net sales volume. Especially Finland had a strong year in terms of institutional sales. The division's total retail sales improved by 50 per cent compared to 2004 with Sweden as the main contributor.

In Sweden, SEB's net sales of its own mutual funds were SEK 14.1bn (4.1), compared to a total market of SEK 83bn (56). This represents a market share of net sales of 17.1 per cent (7.4). Excluding PPM-funds the net sales market share is 19.4 per cent (8.4), which corresponds to a number one position. The increase in mutual fund sales was explained by strong net sales in all the Group's distribution channels. Net sales of third-party mutual funds (which are not included in the official market share statistics) fell compared to last year, to SEK 1.8bn (2.9bn).

Assets under management increased by SEK 150bn

The division's total assets under management increased by SEK 150bn during 2005 (+23 per cent), mainly as a result of strong equity markets but also due to new volumes. Total

assets under management were SEK 789bn at year-end 2005 (639).

The equity part increased to 43 per cent (38) while the fixed income part decreased to 50 per cent (56). Total mutual funds, including third-party mutual funds, increased its share of the division's assets under management and represented 42 per cent (39) of the total, corresponding to SEK 334bn (251), of which SEK 240bn (181) in Sweden.

Improved investment performance and rating

The division's aggregate investment performance improved considerably compared to last year, with almost all geographic markets and asset classes contributing. Although a few major portfolios still lag behind benchmark, 60 (34) per cent of all portfolios and 48 (22) per cent of assets under management were ahead of their respective benchmarks. Average Morningstar rating at the end of the year also improved to 3.33 (3.04), which places SEB among the top three of the large European asset managers. In total, SEB Asset Management has 172 rated funds of which 77 (45 per cent) have a four or five star rating and 78 funds were upgraded during the year.

Customer satisfaction rising

During the year SEB Asset Management was ranked number one in the Prospera institutional asset management survey in Sweden. In addition, the Prospera Nordic Summary placed SEB Asset Management among the top three asset managers in the tier one segment. Local surveys in Finland and Denmark also ranked SEB among the top three asset managers.

The division also launched several new and innovative products during 2005 which already have been well received in the market. These new products are mainly directed towards the institutional segment and build on the division's fixed income competence.

Future outlook

The focus going forward will be on profitable growth. This will both involve realising the potential of the integrated asset management entity in Germany and expanding into new markets. A key priority is also to continue improving investment performance.

SEB Trygg Liv

SEB Trygg Liv is one of the Nordic region's leading life insurance groups. Operations comprise insurance products within the investment and social security area for individuals and corporations. SEB Trygg Liv provides both unit-linked and traditional insurance. The group operates in Sweden, Denmark, Finland, Ireland, the UK and Luxembourg and serves 1.5 million customers. SEB also conducts life insurance business in Estonia, Latvia and Lithuania.

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

Profit and loss account

SEK m	Q4			Q3		Q4			Jan - Dec		
	2005	2005	%	2004 ¹⁾	%	2005	2004 ¹⁾	%	2005	2004 ¹⁾	%
Net interest income	1	1		7	-86	9	33	-73			
Net life insurance income	762	731	4	685	11	2 857	1 907	50			
Net other income							-8	-100			
Total operating income	763	732	4	692	10	2 866	1 932	48			
Staff costs	-260	-223	17	-225	16	-952	-634	50			
Other expenses	-413	-307	35	-285	45	-1 405	-1 021	38			
Net Deferred Acquisition Costs	199	61		77	158	477	316	51			
Depreciation of assets	-21	-11	91	-6		-53	-23	130			
Total operating expenses	-495	-480	3	-439	13	-1 933	-1 362	42			
Operating profit	268	252	6	253	6	933	570	64			
Change in surplus values, net	643	325	98	520	24	1 280	1 427	-10			
Business result	911	577	58	773	18	2 213	1 997	11			
Change in assumptions	39			789	-95		789	-100			
Financial effects of short-term market fluctuations	310	415	-25	108	187	1 651	101				
Total result	1 260	992	27	1 670	-25	3 864	2 887	34			
Cost/Income ratio	0,65	0,66		0,63		0,67	0,70				
Business equity, SEK bn	7,0	7,0		7,4		7,2	5,2				
Return on equity, % *											
based on operating profit	10,7	11,6		10,3		10,0	8,0				
based on business result	37,2	24,9		30,6		22,8	27,7				
Number of full time equivalents, average	1 065	1 083		1 113		1 089	816				
1) Including SEB Pension from 1 Oct 2004											
* Excluding separation costs amounting to	8	-29		-12		-63	-12				

Strong growth in operating profit

SEB Trygg Liv achieved its best annual result ever and the fourth quarter result was SEK 268m. Accumulated operating profit reached SEK 933m (570, including one-off items of SEK 63m). Excluding SEB Pension in Denmark, acquired in 2004, (name changed from Codan Pension on October 1), operating profit increased by 45 per cent to SEK 642m (442).

The overall trend during the fourth quarter was increasing asset values from rising stock markets, rising sales volumes and high premium payments.

The operating profit trend for the business, excluding SEB Pension, developed well during the fourth quarter. Income rose by 26 per cent compared to the third quarter, with an increase in operating expenses of 14 per cent despite high sales volumes. The outflow from surrenders increased somewhat but the rate was lower than during the first half of the year. The bond portfolio backing the Swedish sickness

insurance has generated capital gains as a result of falling interest rates. The effect has been offset by an adjustment of the discount rate for valuation of insurance liabilities downwards, in total from 2.0 to 1.0 per cent made in the third quarter. The sickness and care health business reported an operating result of SEK 109m after investment return and change in discount rate. As of 1 January 2005, SEB Trygg Liv took over the sickness and health insurance from Nya Livförsäkringsaktiebolaget.

In Denmark, operating profit for the year was SEK 354m before deduction of separation costs, a one-off effect of SEK 63m. The fourth quarter result has been charged with additional provisions related to sickness insurance of SEK 50m as a result of an increase in claims rate and claims cost. The total loss from sickness insurance amounted to SEK 77m compared to SEK 134m for the full year 2004. Investment return accumulated on policyholder funds in the traditional

business was 13.9 per cent for the year. As a result of the strong investment performance, the non-allocated policyholder funds, or buffer funds, were increased by SEK 2.7bn during the year.

The division's total income amounted to SEK 2,866m (1,932). Excluding SEB Pension total income was SEK 1,984m (1 684), an increase of 18 per cent. The increase was a result of higher unit fund values and a continued increase in the share of equity-related funds as well as high premium payments and declining interest rates. The increase in total operating costs stayed at 8 per cent although the fourth quarter was affected by higher sales costs due to higher sales volumes.

During the year a project was initiated focusing on operational excellence in distribution as well as administration. The ambition is to enhance customer service and to ensure a competitive cost base long term. The project will continue throughout 2006. Project costs are included in the operating costs while net savings are expected to materialise towards the end of 2006 and onwards.

New business margin improved further, to 22.0 per cent (19.5), excluding SEB Pension. The improvement from 2004 was due to exceptionally high volumes of the new product "Kapitalpension" and to some extent the reduction of the discount rate to 8.0 per cent at the end of 2004.

The business result (including changes in surplus values) amounted to SEK 2,213m (1,997). Surplus values for the Danish unit-linked business have been included as from the fourth quarter of 2005, with a closing balance of SEK 183m. The surplus values are not included in the SEB Group's result and balance sheet. For details, see Additional Information at www.sebgroup.com.

Strong volume growth in all areas

SEB Trygg Liv's total sales for the year increased by 22 per cent, to SEK 44.4bn (36.4) measured as weighted volume. Sales by the companies in Sweden and Ireland improved by 24 per cent to SEK 36.8bn (29.6). Sales of unit-linked insurance increased by 29 per cent. The sales volume during the fourth quarter was substantial, 41 per cent higher than the average for previous quarters.

The increase in sales during the year is attributable to the new product "Kapitalpension" which is sold through both the Swedish and the Irish companies. In Ireland, sales rose to SEK 2,363m (818) and the new branch office in Luxembourg contributed to the increase. The total volume of occupational pension decreased somewhat, but the trend during the fourth quarter was positive.

The market statistics over new sales for Sweden as of 30 September, showed a market share in unit linked new business of 33.0 per cent. SEB Trygg Liv maintains its position as market leader. During the year a new unit linked product was introduced, "Garantiförsäkring", with a 90 per cent guarantee for premiums paid.

Sales in Denmark through SEB Pension developed well and increased by 12 per cent, to SEK 7.6bn (6.8), measured as weighted volume. Also in Denmark occupational pension is the main growth segment with an increase of 19 per cent in sales. Sales of unit-linked increased by 18 per cent to SEK

4.0bn (3.4) and thus representing 52 per cent of total sales in Denmark.

As occupational pension products represent 60 per cent of total sales, distribution through insurance brokers continues to be of great importance in both Sweden and Denmark.

Total premium income (premiums paid) in the Trygg Liv Group increased by 80 per cent to SEK 30.4bn (16.9) of which SEK 22.2bn (11.3) or 73 per cent was unit linked. Of the increase, SEK 3.1bn is an effect of SEB Pension being included for the whole year of 2005. Total value of unit funds at year-end amounted to SEK 95.6bn compared with SEK 67.1bn at year-end 2004, an increase of 42 per cent.

Premium income for the operations in Sweden and Ireland amounted in total to SEK 24.7bn (15.1), an increase of 64 per cent. Of the total, 89 per cent, or SEK 21.0bn (11.1), was unit linked insurance. Assets under management related to unit linked were SEK 93.4bn (66.1).

Total payments into Individual Pension Savings (IPS) increased by 5 per cent, to 716m (683). Payments into PPM amounted to SEK 548m (491).

Premium income in Denmark was SEK 5.7bn (4.9 full year 2004), an increase of 16 per cent. Of this, premium income related to traditional business amounted to SEK 4.2bn (4.4) while unit linked reached SEK 1.1bn (557m). Total assets under management was SEK 90.9bn (78.9) of which unit linked represented SEK 2.2bn (1.0).

Total assets under management increased by 18 per cent to SEK 367.1bn compared to SEK 311.8 at year-end 2004.

SalusAnsvar

During the year, SEB Trygg Liv entered into an agreement with SalusAnsvar Life Insurance offering the policyholders in a transfer to SEB Trygg Liv, including a choice between unit-link and the new unit-link product with a guarantee, "Garantiförsäkring". In addition, Salus Ansvar will become distributor of SEB Trygg Liv's pension products.

Traditional life insurance in Sweden

SEB Pension's traditional life insurance operations in Denmark are carried out in a profit-sharing company and are therefore part of the SEB Trygg Liv Group result above. The market and investment risk in relation to guaranteed commitments to policyholders is controlled by hedging of the investment portfolio. Variation in investment return can to a large extent be absorbed by buffer funds accumulated, the "collective bonus potential".

However, in Sweden traditional life operations are conducted in two mutually operated companies whose results are not consolidated with SEB Trygg Liv's result. This means that the policyholders are carrying the result and investment risk.

Total return for Gamla Livförsäkringsaktiebolaget was 14.8 per cent and the collective consolidation ratio was 117 per cent at the end of 2005. For Nya Livförsäkringsaktiebolaget total return was 3.9 per cent and the collective consolidation ratio was 102 per cent. For more facts concerning these companies, see Additional Information at www.sebgroup.com.

The SEB Group

Net fee and commission income - Group

SEKm	Q4			Q3			Q4			Jan - Dec		
	2005	2005	%	2004	%	2005	2004	%	2005	2004	%	
Issue of securities	121	21		8		193	58					
Secondary market shares	660	692	-5	480	38	2 599	2 047	27				
Secondary market other	112	67	67	85	32	340	335	1				
Custody and mutual funds	1 473	1 288	14	1 134	30	5 010	4 207	19				
Securities commissions	2 366	2 068	14	1 707	39	8 142	6 647	22				
Payments	450	405	11	417	8	1 679	1 584	6				
Card fees	909	853	7	812	12	3 371	2 950	14				
Payment commissions	1 359	1 258	8	1 229	11	5 050	4 534	11				
Lending	220	316	-30	227	-3	940	965	-3				
Deposits	22	24	-8	53	-58	96	153	-37				
Advisory	472	230	105	239	97	1 284	736	74				
Guarantees	64	57	12	54	19	225	216	4				
Derivatives	86	58	48	54	59	306	348	-12				
Other	185	214	-14	118	57	698	637	10				
Other commissions	1 049	899	17	745	41	3 549	3 055	16				
Commission income	4 774	4 225	13	3 681	30	16 741	14 236	18				
Securities commissions	-129	-193	-33	-68	90	-583	-368	58				
Payment commissions	-491	-485	1	-434	13	-1 807	-1 525	18				
Other commissions	-259	-131	98	-120	116	-792	-639	24				
Commission expense	-879	-809	9	-622	41	-3 182	-2 532	26				
Securities commissions, net	2 237	1 875	19	1 639	36	7 559	6 279	20				
Payment commissions, net	868	773	12	795	9	3 243	3 009	8				
Other commissions, net	790	768	3	625	26	2 757	2 416	14				
Net fee and commission income	3 895	3 416	14	3 059	27	13 559	11 704	16				

Net financial income – Group

SEKm	Q4			Q3			Q4			Jan - Dec		
	2005	2005	%	2004	%	2005	2004	%	2005	2004	%	
Equity instruments and related derivatives	930	291		170		1 620	964	68				
Interest-bearing instruments and related derivatives	- 747	- 185		366		- 619	1 116	-155				
Currency-related	707	482	47	671	5	2 391	1 975	21				
Other financial instruments*				- 675	-100		- 1 879	-100				
Net financial income	890	588	51	532	67	3 392	2 176	56				

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

Net credit losses - Group

SEKm	Q4		Q3		Q4		Jan - Dec		
	2005	2005	%	2004	%	2005	2004	%	
<i>Provisions:</i>									
Net collective provisions	405	-112		296	37	403	280	44	
Specific provisions	-674	-166		-452	49	-1 286	-1 010	27	
Reversal of specific provisions no longer required	103	170	-39	210	-51	438	467	-6	
Net provisions for contingent liabilities	11	-2		1		-6	80	-108	
Net provisions	-155	-110	41	55		-451	-183	146	
<i>Write-offs:</i>									
Total write-offs	-418	-414	1	-467	-10	-1 532	-1 971	-22	
Reversal of specific provisions utilized for write-offs	189	222	-15	167	13	756	1 043	-28	
Write-offs not previously provided for	-229	-192	19	-300	-24	-776	-928	-16	
Recovered from previous write-offs	54	123	-56	60	-10	327	368	-11	
Net write-offs	-175	-69	154	-240	-27	-449	-560	-20	
Net credit losses	-330	-179	84	-185	78	-900	-743	21	
Change in value of seized assets	-1	-11	-91	-3	-67	-14	42	-133	
Net credit losses incl change in value	-331	-190	74	-188	76	-914	-701	30	

Balance sheet - Group

Condensed SEKm	31 December 2005	1 January 2005 *	31 December 2004
Cash and cash balances with central banks	27 545	12 979	12 979
Loans to credit institutions	177 592	208 554	208 226
Loans to the public	901 261	786 551	783 355
Financial assets at fair value **	504 920	387 801	375 698
Available-for-sale financial assets **	181 976	135 290	140 032
Held-to-maturity investments **	16 502	13 781	15 536
Discontinued operations	1 405	1 470	1 470
Investments in associates	1 193	1 348	1 135
Tangible and intangible assets	23 474	21 432	21 561
Other assets	53 870	46 318	46 559
Total assets	1 889 738	1 615 524	1 606 551
Deposits by credit institutions	399 494	361 755	370 483
Deposits and borrowing from the public	570 001	516 836	516 513
Liabilities to policyholders	185 363	145 730	145 730
Debt securities	353 205	268 124	268 368
Financial liabilities at fair value	201 774	177 137	151 318
Other liabilities	76 086	62 971	69 997
Provisions	2 816	1 705	1 575
Subordinated liabilities	44 203	30 868	30 804
Total equity	56 796	50 398	51 763
Total liabilities and equity	1 889 738	1 615 524	1 606 551
* Including effects of IAS 32 and IAS 39.			
** Of which interest bearing	543 714	439 090	430 085

Restatement to IFRS - Group

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

Memorandum items - Group

SEKm	31 December 2005	31 December 2004
Collateral and comparable security pledged for own liabilities	316 425	272 326
Other pledged assets and comparable collateral	143 769	111 773
Contingent liabilities	57 891	43 082
Commitments	286 520	221 815

Total equity - Group

SEKm	31 December 2005	1 January 2005 *	31 December 2004
Opening balance	85	85	73
New accounting principles (IFRS excl IAS 39)			- 5
Net change	27		17
Minority interests	112	85	85
Opening balance	1 015		
New accounting principles (IAS 39), Cash flow hedges and Afs valuation		1 015	
Net change in reserves	348		
Revaluation reserves	1 363	1 015	
Opening balance	49 298	51 678	48 464
New accounting principle (IAS 19), Pensions			1 383
New accounting principles (IFRS 1, 3 and 4)			- 160
New accounting principle (IFRS 2), Employee stock options			55
New accounting principle (IAS 32), Swap agreements	30	-1 424	
New accounting principle (IAS 39), Non IAS 39 compliant hedges	26	- 956	
Dividend to shareholders	-3 065		-2 818
Dividend, own holdings of shares	216		152
Result, holding of own shares	- 12		- 3
Neutralisation of PL impact of employee stock option programme	88		
Utilization of employee stock options	732		- 37
Eliminations of repurchased shares for stock option programme**			- 674
Eliminations of repurchased shares for improvement of the capital structure***	- 218		-1 804
Net group contribution to non-consolidated subsidiaries			- 129
Translation difference****	- 175		- 116
Net profit attributable to equity holders ¹⁾	8 401		7 365
Core equity	55 321	49 298	51 678
Total equity	56 796	50 398	51 763

1) Net profit attributable to equity holders

Reported 2004	6 590
New accounting principles (IFRS excl IAS 39)	775
Total	7 365

* Including effects of IAS 32 and IAS 39.

** As of 31 December 2005, SEB has repurchased 7.0, 6.2 and 6.2 million Series A shares for the employee stock option programme as decided at the Annual General Meetings in 2002, 2003 and 2004 respectively. The acquisition cost for these shares is deducted from shareholders' equity. In 2005 1.0 million shares have been transferred from the capital structure programme and 2.0 million employee stock options have been utilised. The market value corresponding to the remaining 18.4 million shares net was SEK 3,004m as of 31 December 2005.

*** Repurchased 18.4 million shares in order to create possibilities for the improvement of the capital structure of the Bank as decided at the 2004 Annual General Meeting. The acquisition cost for these shares is deducted from shareholders' equity. Of these 17.4 million have been cancelled and the remaining 1.0 million shares transferred to the employee stock option programme.

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

Cash flow analysis - Group

SEKm	Jan - Dec		
	2005	2004	%
Cash flow from the profit and loss statement	13 385	7 808	71
Increase (-)/decrease (+) in portfolios	-122 960	-78 920	56
Increase (+)/decrease (-) in issued short term securities	39 394	23 411	68
Increase (-)/decrease (+) in lending to credit institutions	31 310	-28 321	
Increase (-)/decrease (+) in lending to the public	-116 279	-76 846	51
Increase (+)/decrease (-) in liabilities to credit institutions	37 739	110 336	-66
Increase (+)/decrease (-) in deposits and borrowings from the public	53 164	23 484	126
Increase (-)/decrease (+) in insurance portfolios*	24 042		
Change in other balance sheet items	708	-5 856	-112
Cash flow, current operations	-39 497	-24 904	59
Cash flow, investment activities	-2 603	-383	
Cash flow, financing activities	56 173	28 652	96
Cash flow	14 073	3 365	
Liquid funds at beginning of year	12 979	9 707	34
Exchange difference in liquid funds	493	-93	
Cash flow	14 073	3 365	
Liquid funds at end of period	27 545	12 979	112

* From 2005 classification is in accordance with IAS 39.

Only liquid funds have been adjusted for exchange rate differences.

Impaired loans and seized assets - Group

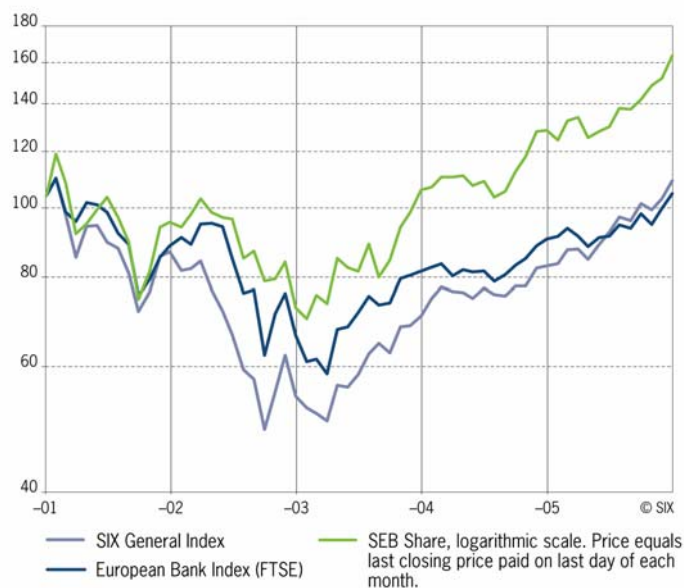
SEKm	31 December 2005	1 January proforma**	31 December 2004
Non-performing impaired loans	7 957	8 086	8 086
Performing impaired loans	1 144	745	745
Impaired loans gross*	9 101	8 831	8 831
Specific reserves for credit losses	-4 787	-4 547	-4 893
of which reserves for non-performing loans	-4 183	-4 180	-4 526
of which homogeneous groups**			- 346
of which reserves for performing loans	-604	-367	- 367
Collective reserves	-2 283	-2 448	-1 487
of which reserves for individually appraised loans	-1 537	-1 487	-1 487
of which reserves for homogenous groups of loans **	-449	-346	
of which reserves for country risk**	-297	-615	
Impaired loans net	2 031	1 836	2 451
Reserves not included in the above:			
Reserves for country risk			- 615
Reserves for off-balance sheet items	-268	-255	- 255
Total reserves	-7 338	-7 250	-7 250
Level of impaired loans	0.22%	0.23%	0.31%
(Impaired loans, net in relation to lending, net at end of period)			
Reserve ratio for impaired loans	77.7%	79.2%	72.2%
(Specific + collective reserves in relation to impaired loans gross, per cent)			
<i>Specific reserve ratio for impaired loans</i>	52.6%	51.5%	55.4%
Pledges taken over			
Buildings and land	119	106	106
Shares and participations	46	40	40
Total volume of pledges taken over	165	146	146

* Individually impaired loans.

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

The SEB share

SEB Share SEK



Rating

Moody's Outlook Stable		Standard & Poor's Outlook Positive		Fitch Outlook Stable	
Short	Long	Short	Long	Short	Long
P-1	Aaa	A-1+	AAA	F1+	AAA
P-2	Aa1	A-1	AA+	F1	AA+
P-3	Aa2	A-2	AA	F2	AA
	Aa3	A-3	AA-	F3	AA-
	A1		A+		A+
	A2		A		A
	A3		A-		A-
	Baa1		BBB+		BBB+
	Baa2		BBB		BBB
	Baa3		BBB-		BBB-

SEB's major shareholders

December 2005	Share of capital, per cent
Investor	17,9
Trygg-Fundation	9,6
AFA Försäkring	2,7
SHB/SPP Funds	2,4
Robur Funds	2,4
SEB Funds	2,0
Foreign shareholders	25,4

Source: VPC/SIS Ägarservice