



Stockholm, 25 October 2001

Interim Report January-September 2001

Third quarter in line with the second

- Operating result* amounted to SEK 5 706 M (8 014).
- Net interest income rose by 9 per cent to SEK 9 546 M (8 718).
- Net commission income decreased by 17 per cent, to SEK 8 580 M (10 339).
- Costs increased by 6 per cent to SEK 16 707 M, but down 2 per cent on a comparable basis.
- Return on equity was 12.2 per cent (19.1).
- Credit losses amounted to SEK 390 M (778)

In order to realise the potential of SEB's basic strategy there is a need

- to increase customer satisfaction
- to increase the co-operation and cross-selling within SEB
- to create a cost efficient culture

* Operating result includes pension settlements/provisions.

PRESIDENT'S STATEMENT

The result of the third quarter remained stable in spite of our main markets - Sweden and Germany - showing poor growth during the third quarter. In both countries, the industrial cycle has been declining this year, and consumer confidence has fallen. Stock markets have been weak. The weaker markets have had a negative effect on SEB's earnings - especially regarding equity-related commission income. But the third quarter result is on the same level as in the second quarter. Costs have come down and credit losses are low.

The result in the Merchant Banking area is strong, on the income side due to good performance for customer-driven business. Cost efficiency measures continue to yield a decreasing underlying cost base. In SEB Germany the restructuring measures continues according to plan. In Enskilda Securities result is weaker, as in most investment banks, and cost reduction measures have been taken. The Baltic banks continue to expand with strong results.

The withdrawal of the notification to the European Commission concerning the planned merger between SEB and FöreningsSparbanken was a disappointment to us all. I regret that we were not given the opportunity to create a large European bank from a Swedish base. The reasons behind the merger are still valid; i.e. the need for cost efficiency and a larger base to be able to participate in the consolidation of the European market.

Our strategy basically remains the same - to develop business with our customers in our existing markets. We have a strong base in our relations to Nordic corporate customers and the demanding private customers in Sweden and we are a leading Nordic Asset Manager. Weaker markets, however, calls for adaption of the strategy in relation to our previous ambitions. Our priorities now to realise the potential of our current businesses, including the acquisitions we have made in Germany and the Baltics.

We need to strengthen *customer focus* all through our organisation. External studies have shown that customer satisfaction has decreased in Sweden amongst retail customers. This is an area we are now

addressing, partly by increased focus on our local branches, where we are reinforcing their role. We will continue to develop our internet services, since they are important channels to many of our customers.

One of our more interesting potentials not fully utilised is the *cross-selling* opportunity. This will require an increase of co-ordination between different parts of our group.

We are adapting our costs to the weaker markets in order to create a long term *cost efficiency* culture in the group. An efficiency programme started this summer with decisions made that will reduce costs on a yearly basis of SEK 1.5 billion. This programme is now being enlarged to be able to cut costs further. The first phase of cost reductions is already on its way and effects will be seen during 2002. The total cost reduction programme which focuses on support and administrative functions amounts to SEK 3 billion and will give a net effect - after increases in growth areas - of SEK 2.5 billion on a yearly basis from the beginning of 2003.

To sum up, our strategy basically remains to focus on our strong customer relations on the corporate side as well as with the demanding private customers in our markets in Northern Europe. The renewed management team is strongly committed to this strategy and to the actions needed to increase customer satisfaction, especially on the retail side, to better co-ordinate the different parts of the group. Even though markets may improve we have to plan for a prolonged weak economy and increase cost efficiency both in the short and long term.

THE GROUP

Summary of operating result per division and business area

SEK M	January- September 2001	January- September 2000	Change per cent
Personal Banking Sweden	1 423	1 596	-11
Personal Banking International	-45	243	-119
Corporate and Institutions	3 886	4 491	-13
Merchant Banking	2 294	2 030	13
Enskilda Securities	288	954	-70
Mid Corporate	923	1 008	-8
SEB Securities Services	398	510	-22
SEB Germany	693	706	-2
SEB Invest	365	492	-26
SEB Trygg Liv	-138	60	
SEB Baltic	402	183	120
Total all divisions	6 586	7 771	-15
Joint Group incl. capital gain and elimination.	-880	243	
Operating result	5 706	8 014	-29
Changes in surplus values	-367	606	-161
Total result SEB Group	5 339	8 620	-38

Income

Total income in January-September 2001 decreased by 8 per cent to SEK 22 519 M (24 361). The comparison with the preceding year was affected by one-off items and the consolidation of Vilniaus Bankas.

Furthermore, the weak Swedish krona creates a currency translation difference that also affects comparison with last year. This decline was attributable mainly to lower commission income due to stock market developments but also to a decrease in the line item Other income due to one-off income items last year. Adjusted for items affecting comparability, total income decreased by 9 per cent.

Net interest income rose by 9 per cent to SEK 9 546 M (8 718). The third quarter was stronger than the first two quarters of the year. The cost for the governmental deposit guarantee declined by SEK 155 M. Adjusted for the items affecting comparability described above, net interest income increased by 1 per cent.

Net commission income decreased by 17 per cent to SEK 8 580 M (10 339). The third quarter was weaker than the first two quarters of the year. The income varied between different product areas and parts of the Group. Commission income from cards rose by 19 per cent, while equity related commission income fell by 27 per cent in comparison with the first nine months of 2000. Adjusted for items affecting comparability, net commission income declined by 21 per cent. (Full disclosure is provided in note on page 15.)

Net result of financial transactions was virtually unchanged, SEK 2 271 M (2 258). A good performance in Merchant Banking more than offset the decrease in Enskilda Securities. Adjusted for items affecting comparability, net result of financial transactions was unchanged. (See further note page 15.)

Other income amounted to SEK 2 122 M (3 046). Of this, capital gains and other items affecting comparability accounted for SEK 929 M (1 857). Adjusted for these items and for exchange rate movements, income was down 3 per cent.

Costs

Total costs increased by 6 per cent to SEK 16 707 M (15 813). Adjusted for items affecting comparability, including exchange rate changes, costs decreased by 2 per cent.

Staff costs, gross, decreased by 1 per cent to SEK 9 257 M (9 370). Adjusted for exchange rate effects and other items affecting comparability, staff costs declined by 7 per cent. This was achieved through a combination of efficiency improvement measures and staff reductions, primarily within Personal Banking Sweden, Merchant Banking and SEB Germany, and a decrease in calculated income-related compensation (SEK 580 M less, compared with January-September 2000). As of 30 September 2001 the number of employees amounted to 20 811 (19 596). Adjusted for Vilniaus Bankas, which was not consolidated during the first nine months of 2000, the number of employees declined by 386.

Staff costs, net, decreased by 2 per cent to SEK 8 491 M (8 654). Adjusted for items affecting comparability, the decrease was 8 per cent. The compensation for the pension costs included in the gross costs increased to SEK 766 M (716), including the pension insurance scheme that has replaced the earlier profit-sharing system.

At the end of September 2001, total assets in the pension funds amounted to SEK 17.5 billion (23.2 at year-end 2000), while commitments were SEK 9.1 billion (8.0). Accordingly the surplus value as per 30 September 2001 amounted to SEK 8.4 billion (15.2).

Total costs for IT (including calculated cost for own personnel etc.) amounted to SEK 3.6 billion (3.1). Of this, external IT costs represented SEK 1 647 M (1 571).

Depreciation amounted to SEK 1 383 M (1 255), of which goodwill accounted for SEK 537 M (487).

The remaining *restructuring reserve* for the acquisition of Trygg Hansa in 1997 was SEK 256 M at the beginning of 2001. Of this, SEK 177 M has been utilised during the first nine months of the year (of which SEK 25 M during the third quarter).

The acquisition of BfG in January 2000 resulted in a difference between equity and purchase price. The allocation and utilisation of the negative goodwill is described in *Appendix 1*.

Merger and restructuring costs

Costs for the planned and discontinued merger with FöreningsSparbanken and integration work amounted to SEK 200 M, of which SEK 130 M in the third quarter.

Furthermore, decisions have been taken to close down e-banking operations in the UK and reduce activities in Private Banking Norway, SEB Invest Norway and within Enskilda Securities. This has resulted in a restructuring charge of SEK 103 M in the third quarter.

Further actions have been and will be decided upon in order to create an extensive cost cutting programme. The restructuring charge for this programme is estimated to amount to an additional SEK 600 M and will be accounted for in the fourth quarter of 2001 and the beginning of 2002.

Credit losses and doubtful claims

The Group's credit losses, including changes in the value of assets taken over and write-downs, amounted to SEK 390 M, net (778), of which SEK 348 M, net (599), in SEB Germany. The improvement depends mainly of lower credit losses and to some extent higher recoveries during 2001. The level of credit losses was 0.07 per cent (0.15).

Doubtful claims, gross amounted to SEK 15 875 M, (16 437). SEK 8 984 M of the doubtful claims are non-performing loans and SEK 6 891 M are performing loans (loans where interest and amortisation are current). Doubtful claims net after deducting general reserves amounted to SEK 7 209 M (7 280). The provision ratio for doubtful claims including general reserves was 54.6 per cent (55.7). The provision ratio for non-performing loans was 58.0 per cent and for performing loans 35.2 (see further page 26). The level of doubtful claims, net, has declined from 1.35 to 1.24.

The volume of pledges taken over was unchanged: SEK 215 M (213 at year-end).

Non-life insurance and run-off

Operating result for non-life insurance, mainly run-off, amounted to SEK 279 M (169). The increase was mainly due to capital gains of SEK 126 M from sales in the bond portfolio in the first quarter. SEB's non-life insurance operations were not affected by the terror attacks in September.

One-off items

Total one-off income items in the first nine months of 2001 amounted to SEK 929 M (1 656), of which the entire amount for 2001 is attributable to the first quarter. Non-recurring costs for merger and restructuring amounted to SEK 303 M (50), of which SEK 233 M (0) refers to the third quarter.

Operating result

Operating result decreased by 29 per cent to SEK 5 706 M (8 014). Adjusted for exchange rate effects and other items affecting comparability, operating result fell by 17 per cent. The result for the third quarter was somewhat better than for the second, mainly due to lower costs.

Change in surplus in life insurance operations

The change in surplus in life insurance operations was influenced by the negative financial effects due to the decline in the stock market and amounted to SEK -367 M (606). See further in *Appendix 2*.

Total result

The Group's total result, that is, operating result with the addition of change in surplus in life insurance operations, declined by 38 per cent to SEK 5 339 M (8 620). Adjusted for items affecting comparability, the decrease in total result was 28 per cent.

Assets under management

On 30 September 2001, the SEB Group had assets under management totalling SEK 816 billion (930). Of this, SEK 535 billion (601) are managed by SEB Invest and SEK 107 billion (114) by SEB Germany.

Credit portfolio

As per 30 September 2001, SEB's lending volume amounted to SEK 714 billion.

The total credit portfolio also includes contingent liabilities, such as letters of credits, guarantees and credit commitments as well as exposure due to derivative contracts. SEB's total credit portfolio increased by approximately SEK 48 billion to SEK 974 billion from year-end (926). A significant factor for the increase has been the currency translation due to the weakening of the Swedish krona. Some of the increase is attributable to the corporate sector. Lending to the Swedish household sector has also continued its stable growth since year-end. SEB AG's credit exposure amounts to SEK 374 billion (351) and represents a share of approximately 38 per cent (38) of the total portfolio.

Exposure within the telecommunications industry (operators and manufacturing companies) was continuously stable, totalled approximately SEK 14 billion. Exposure on the IT sector amounted to almost SEK 5 billion. Exposure on airlines, hotels, travel and tourism, cruises, ferries and non-life insurance amounted to SEK 13 billion.

The net exposure on emerging markets as per 30 September amounted to SEK 9.6 billion, a decrease of 16 per cent since year-end (11.5). The continued decline is mainly due to reduced exposures in Asia and Latin America. See further *Appendix 3*.

Risk management

Excluding Germany, the Group's risk taking through trading operations, or daily value at risk, averaged SEK 68 M during the first nine months of 2001, meaning that the Group could expect with 99 per cent certainty to lose no more than SEK 68 M during a single trading day. During the year, this risk varied between SEK 35 M and SEK 110 M. Following table shows how this risk was distributed by type of risk (SEK M).

	Min	Max	Average	30 Sep 2001	31 Dec 2000
Interest risk	29	113	62	84	35
Foreign exchange risk	2	31	10	11	6
Stock market risk	1	37	9	2	9
Diversification	-	-	-14	-4	-19
Total	35	110	67	93	31

In SEB Germany's markets, the corresponding daily value at risk was SEK 9 M. During the first nine months of the year, SEB Germany's value at risk varied between SEK 4 M and SEK 36 M, with an average value of SEK 19 M.

Sensitivity analysis

An increase of market interest rates by one percentage point as per 30 September 2001, would result in a reduction in the market value of the Group's all interest-bearing assets and liabilities, including derivatives, by SEK 2 000 M.

Capital base and capital adequacy

On the 30 September 2001, the capital base for the financial group of undertakings (excluding the insurance companies) amounted to SEK 53.7 billion (53.3 at year-end). Core capital was SEK 37.5 billion (36.5), of which SEK 1.9 billion constituted core capital contribution. (For calculation of the capital base see *Appendix 4*). The risk-weighted assets amounted to SEK 515.5 billion (495.6).

The core capital ratio amounted to 7.27 per cent (7.37 per cent at year-end 2000) and the total capital ratio to 10.41 per cent (10.76). The Group's goal is to maintain a core capital ratio of at least 7 per cent and a total capital ratio of not less than 10.5 per cent.

Discontinuation of the merger with FöreningsSparbanken

On 19 September FöreningsSparbanken and SEB withdrew the notification to the European Commission concerning the planned merger between the banks. The reason is that an approval of the planned merger by the European Commission implies such extensive concessions that the value of the merger would be lost, among other reasons, through a lack of synergies.

Stockholm, 25 October, 2001

Lars H. Thunell

President and Group Chief Executive

Financial information during 2002

21 February	Publication of year-end accounts
10 April	Annual General Meeting
7 May	Interim report January-March
22 August	Interim report January-June
7 November	Interim report January-September

SEB's reports are available on the Internet (www.seb.net).

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This Interim Report has not been reviewed by the auditors of the Bank.

THE DIVISIONS AND BUSINESS AREAS

SEB's operations are organised into seven divisions: Personal Banking Sweden, Personal Banking International, Corporate & Institutions, SEB Germany, SEB Invest, SEB Trygg Liv and The Baltic & Poland.

Towards the end of 2001 Personal Banking Sweden and Personal Banking International will be united in one division, Nordic Retail and Private Banking. Parts of Mid Corporate and SEB Securities Services will be integrated in the Merchant Banking business area within the Corporate & Institutions division.

The objectives are increased customer satisfaction, a more effective co-operation between different units and distribution channels within the Nordic area and increased cost efficiency.

Personal Banking Sweden –stable underlying business

The downturn in the economy and the declining stock markets continued to affect the results of the division's operations. Although the decrease in equity trading ebbed out during the summer and up to the terror actions against the US in mid-September, the division's net commission income for the first nine months was 35 per cent lower than in 2000. However, this was to some extent offset by continued strong net interest income, particularly in the savings area, continued favourable sales of housing loans and decreased costs.

During the period January-September 2001, Personal Banking Sweden's result amounted to SEK 1 423 M, down 11 per cent compared with a year earlier.

Net interest earnings increased by 12 per cent, mainly due to stable savings volumes with improved margins. On the lending area, a continued pressure on margins offset a growth in volume.

The mortgage market still shows a positive development with growth in volumes, market shares and result.

The division's total costs were 8 per cent lower than in the corresponding period in the preceding year. This was mainly due to a decrease in staff costs of SEK 189 M. The number of employees declined from 4 197 to 3 840. Cost for IT-development and IT operations also decreased between 2000 and 2001.

A programme to further reduce the cost level has been developed and is being implemented. The programme mainly focuses on marketing costs and developing costs for IT systems.

During the third quarter sales of written-off claims resulted in net recoveries of SEK 78 M. In October, written-off claims were sold to AK Finans for a sum of SEK 45 M. The transaction will be reported in the fourth quarter.

The number of e-banking customers continued to grow. At the end of September the total was 639 000 (483 000). Of the total, 45 000 (34 000) were corporate customers. In 195 branch offices, specially dedicated Internet-PC's have been installed to support the introduction of e-banking services to new customers.

The efforts in the competence area have resulted in 600 advisory licenses - nearly 40 per cent of all such licenses granted in Sweden.

Personal Banking International

The activities of Personal Banking International include SEB Kort, Private Banking in Luxembourg (including BfG's former private banking business in Luxembourg), the UK, Switzerland, Norway and Denmark as well as e-banking in Luxembourg, Norway and Denmark.

The operating result for the division was SEK -45 M (243).

SEB Kort

The card turnover increased by 4 per cent compared with January-September 2000. However, there has been a decline in the travelling market due to the recession and cost savings among group companies. In September, the terror attacks in the US led to a direct extensive decline in travelling. In the present situation it is difficult to predict in what way this will affect the card turnover in the long run.

Total income increased by 11 per cent. There is a continuous interest for cards as means of payments, which led to an increasing use of cards instead of cash. The major part of existing cards is charge cards that will have a positive effect on the result in case of decreasing interest rates.

Costs increased by 15 per cent, mainly due to higher expenses for IT-staff. Computer costs are by now lower than last year, but at the same time increased volumes result in higher costs for computer operations.

Result before credit losses was 4 per cent higher than in the preceding year.

Verified losses and unauthorised purchase have shown a continuous negative trend compared with the preceding year. The increasing volumes led to a greater demand for allocations than before.

Operating profit decreased by 3 per cent to SEK 314 M (325).

During the third quarter SEB Kort has signed an agreement with IATA regarding Central Acquiring services. A new co-operation agreement has also been signed with Nordiska Kompaniet. The agreement covers introduction of a new NK-MasterCard. The introduction will begin during the fourth quarter.

Personal Banking International excluding SEB Kort

The units within Personal Banking International, excluding SEB Kort, showed a combined result of SEK -359 M (-82).

In 2001, the fundamentally profitable private banking business has been negatively affected by the falling stock prices and the low activity level on the financial markets. In Norway SEB will now concentrate its resources within Private Banking and mutual funds. Stock trading and e-banking operations will be outsourced to Orkla Enskilda Securities and an external bank, respectively. The restructuring involved a non-recurring expense of SEK 46 M in the third quarter.

In Denmark the total number of e-banking customers is approximately 11 000. In Norway the soft launch of e-banking service will be discontinued, as mentioned above. In Luxembourg, the newly launched e-banking concept has been well received by private banking customers, but is still small in numbers. Start-up costs for the development of SEB's e-banking activities in Denmark, Norway and Luxembourg have now been accounted for.

Due to the prevailing market conditions, SEB has discontinued its e-banking operations in the UK. The closing-down involved a non-recurring expense of SEK 49 M during the third quarter but will lower the costs in the UK with SEK 260 M in 2002.

In order to adapt to the market conditions the Personal Banking International division has implemented an extensive cost cutting programme for 2001 and 2002 within these areas, aiming at reducing costs by 20 per cent or SEK 400 M between the years.

Corporate & Institutions

The Corporate & Institutions division is focused on medium sized and large corporate and financial institutions. The division consists of the Merchant Banking, Mid Corporate, Enskilda Securities and Securities Services (custody) business areas.

The operating result of the division for January-September 2001 was SEK 3 886 M (4 491). Merchant Banking is still posting highly favourable results thanks to the strong performance within the customer driven business. Enskilda Securities was very negatively affected by the market conditions during the third quarter.

The division has further increased its focus on the use of capital and is working with the aim of keeping the costs at a competitive level. Enskilda Securities has for example launched a cost reduction programme aiming at reducing costs by at least 10 per cent.

Merchant Banking – strong performance for the eighth consecutive quarter

Merchant Banking showed a strong performance for customer driven business in the third quarter with a continued positive earnings trend. The operating result for the first nine months amounted to SEK 2 294 M, an increase of 13 per cent compared with the corresponding period in the preceding year.

The growing customer related income was mainly attributable to good performance within the areas of Foreign Exchange, Fixed Income, Futures and Securities Finance. Declining interest rates during the third quarter had a positive impact on Treasury Operations.

Merchant Banking has focused heavily on cost efficiency during the past couple of years to enable investments in selected growth areas. Despite large investments in these areas, the underlying cost base, costs excluding performance-related remuneration and exchange effects, has decreased by 2 per cent compared with last year. This means that the underlying cost base has decreased for the fourth consecutive year.

During 2001 a number of customer surveys have confirmed and enhanced the latest years' trend and reinforced Merchant Banking's leading position in its key markets. Greenwich Associates ranks SEB as number one in the category 'Overall relationship performance', by the Swedish large corporate sector, regarding both quality and number of important relationships. This position has also been achieved in the areas of foreign exchange and cash management services. A recent global FX ranking by Corporate Finance Magazine, based on interviews with multinational companies, rated SEB as number five globally when it comes to political research and technical analysis and sixth 'Favourite FX bank' globally, in terms of both execution and overall relationship management. Another example of SEB's success in the FX area comes from Greenwich Associates' yearly market survey of the financial markets in Norway which shows that SEB now is ranked as number two both when it comes to overall quality and estimated market share.

During January-September 2001 the average daily Value at Risk was SEK 71 M compared to SEK 47 M in the preceding year. The increase is related to the higher volatility in the markets this year.

Credit losses before recoveries are still on a low level and the net after recoveries is positive for the first nine months of the year.

Mid Corporate – strong development within customer business

The operating result for SEB Mid Corporate, including SEB Finans, amounted to SEK 923 M, down 8 per cent compared with January-September 2000.

Net interest income showed a stable development, whilst net commission income was lower than a year earlier. Costs were somewhat higher compared with 2000 due to investments to meet customer demand for tailor-made solutions.

The result for Mid Corporate *excluding* SEB Finans was unchanged, SEK 756 M. The increased focus on competence and business comprehension has led to a satisfactory result in spite of a weakening market. The interest revenues show a positive development following Mid Corporate's concentration on the traditional core business. Net commission income decreased.

SEB Finans' result for the first nine months of 2001 amounted to SEK 167 M (SEK 244 M). The decrease was due to lower interest and commission income in combination with higher credit losses. Concurrently, SEB Finans increased its volumes and has an acceptable sales volume with focus on the core business. Bilfinans has increased its stock in spite of a decreasing market and the sale figures for factoring are nearly excellent. However, as a consequence of the current state of the market, SEB Finans has not concluded more than a few structured business transactions - and the recent terrorist attacks in the US have increased the uncertainty.

Enskilda Securities – weak markets reduced earnings

The market value as well as the turnover fell on all Nordic exchanges in the third quarter compared with the second quarter and with the third quarter of 2000. The activity in the stock markets was the lowest since the third quarter 1999 and there were few IPO's during the period.

Enskilda Securities was able to maintain its strong positions in the Nordic markets. In Sweden and Norway Enskilda Securities has retained its top position and in Finland and Denmark Enskilda Securities is No 2 and No 3, respectively. In the third quarter Enskilda Securities' equity client turnover was 25 per cent lower year on year and 19 per cent lower than in the second quarter 2001.

Enskilda Securities' total income declined by 38 per cent compared with a year earlier. All product areas have experienced a drop in income. Revenues from IPO's, new issues and equity trading were particularly affected by the difficult and uncertain market conditions, while there was a limited decline in income from mergers and acquisitions to date. Secondary commission income, which is the single most important source of income, also declined in the third quarter due to the lower volumes.

Total costs were down by 22 per cent, which is primarily an effect of a reduced provision for bonus payments to employees. Pre-bonus costs increased with 18 per cent due mainly to higher IT-costs. A cost reduction program was launched including a downsizing of number of staff aiming to reduce costs by at least 10 per cent.

The operating result for the third quarter was a loss of SEK 17 M compared with a profit of SEK 155 M in the second quarter and SEK 150 M in the first quarter this year.

SEB Securities Services – increased investments

The result for SEB's custody service unit decreased by 22 per cent to SEK 398 M. Total income amounted to SEK 724 M, - 5 per cent below last year, due to lower volumes. The number of transactions rose by 4 per cent, to 14 200 per day. At the same time, assets under custody fell by 28 per cent to SEK 1 700 billion, due to falling stock market prices.

Total costs increased by 30 per cent to SEK 326 M, as a result of a high rate of investments and strategic investments within IT.

The market shares of the various segments remained stable, ranging between 30 and 75 per cent within the different segments.

SEB Germany

SEB Germany's result amounted to SEK 693 M (706). The result for the third quarter, SEK 150 M, is in level with the operational profit for the first and second quarter, excluding one-off items.

The weakened Swedish krona has affected the profit and loss account. Total income for SEB Germany fell by 12 per cent in EUR and by 4 per cent in SEK. Total cost declined by 9 per cent in EUR and virtually unchanged in SEK.

Net interest income showed a relatively stable result, SEK 3 016 M, considering that the reduction in risk weighted assets made it possible to reduce allocated shareholders' equity for 2001 by EUR 500 M. This in turn has reduced net interest income on allocated equity by approximately SEK 165 M.

Commission income fell 16 per cent to SEK 1 057 M as a result of the market development.

During the first quarter, SEB AG sold its shares in Deutsche Börse, which resulted in a capital gain of EUR 26 M (about SEK 240 M).

The SEB Invest and SEB ImmoInvest funds continued to generate positive net inflows amounting to SEK 3 734 M during the first nine months, giving unchanged market shares. Due to market development, managed assets, SEK 107 billion (114), nonetheless have decreased somewhat.

Since SEB's acquisition, risk-weighted assets have been reduced by nearly SEK 66 SEK billion (- 28 per cent). The reduction during 2001 amounts to SEK 18 billion.

The number of e-banking customers continued to increase during the first nine months with an additional 49 941 customers bringing the total to 196 412 by the end of September. In the middle of October, the number has increased to 202 000. Also, the activity among the Internet customers has increased. Today, 17 per cent of all payments and share transactions as well as 36 per cent of all account inquiries are taking place over the Internet.

The restructuring activities continued according to plan and resulted in the cost reduction noted above. Under the prevailing market conditions, the focus in restructuring work remains on continued cost reductions. The number of full time employees in SEB AG, 4 127 as per September, was already almost 200 FTE:s below the year-end target for the current year.

The previous SEB unit in Germany, Skandinaviska Enskilda Banken AG, will be merged with SEB AG in November (this unit is included in the Merchant Banking division of SEB AG and is thus not reported as part of the SEB Germany division). In conjunction with this merger, additional restructuring of central support functions will take place aimed at further reducing SEB's costs in Germany.

The SEB Germany division does not include those units (corporate customers, trading and the old Skandinaviska Enskilda Banken AG) that are internally included in the Merchant Banking division. Appendix 1 therefore provides supplementary information consisting of the entire SEB AG Group's accounts stated in EUR. The figures for 2000, as for SEB Germany above, were adjusted for internal purchases and sales by Skandinaviska Enskilda Banken in Germany and BfG in Luxembourg. Adjustment was not made, however, for the external company sales completed by SEB AG during 2000.

Former Investment Management & Life

During the third quarter it was decided to divide Investment Management & Life into two divisions: SEB Invest and SEB Trygg Liv, to create more focus on the two businesses. The change is effective as of 15 October.

Both divisions were continuously affected by the downward trend on the stock markets with respect both to demand for savings products and to the effect on the so-called surplus values in the life insurance business.

SEB Invest

SEB Invest posted an operating result of SEK 365 M (492), down 26 per cent.

Revenues decreased by 6 per cent to SEK 1 141 M (1 208). Lower costs for distribution of mutual funds and a weakened Swedish krona partly offset the drop in stock prices. Costs rose by 8 per cent to SEK 776 M (716), of which SEK 30 M was attributed to the weakened krona and the rest mostly to one-off effects. Costs

for recruitment within asset allocation, hedge products and the mutual fund sales organisation has been offset by other rationalisation measures.

As per 30 September 2001, total assets managed by SEB Invest on behalf of SEB Invest and SEB Trygg Liv amounted to SEK 535 billion (601). Of this total, portfolio management accounted for SEK 141 billion (133), traditional life insurance for SEK 232 billion (248) and mutual funds & unit linked insurance for SEK 162 billion (220). Since year-end 2000 total assets under management has decreased by 9 per cent.

Of the net flow to mutual funds in Sweden, SEB's market share decreased to 6.4 per cent (13.6). These figures do not include sales of external funds, which started in the latter part of 2000.

Due to the terror attack in the USA on 11 September trading was suspended for four days within mutual funds with more than 10 per cent of North-American securities. However, customer orders that involved those funds were handled and executed when the stock markets in the US re-opened.

SEB Trygg Liv

Operating result, before current period change in surplus values, totalled SEK -138 M (60). Total income decreased by 8 per cent, mainly as a result of lower asset values. Total costs rose by 9 per cent. However, operating costs accounted for only 2 percentage points of the increase. Total result excluding financial effects

on changes in surplus values, rose to SEK 883 M (726). Including financial effects on the surplus values, total result amounted to SEK -505 M (666) (*See Appendix about SEB Trygg Liv*)

Sales, defined as new premiums and extra payments under existing insurance contracts, amounted to SEK 6 615 M (9 488), down 30 per cent. The main part of the decrease occurred during the first quarter and derives mainly from single premium endowment assurance that is sensitive to the current market situation. Sales of regular premium business, mainly occupational pensions, increased however and contributed to a better present value of new sales compared with the preceding year. This is reflected in the sales, defined as SPE (Single Premium Equivalent), implying that current contracts are multiplied by 10, which decreased by 8 per cent to SEK 16 474 M (17 821). Premium income (total of premiums paid) decreased by 17 per cent, to SEK 11 359 M (13 671).

According to SEB's Sparbarometer of 30 June 2001, SEB is number one on the savings market with a market share of 18.4 per cent. Insurance is the type of savings with the largest share, 34 per cent, of the total savings stock, an increase compared with the first quarter of 2001.

SEB Trygg Liv's ambition is to continue to develop the business within occupational pension and other life insurance services and products paid by the employer, and to strengthen its position in the private market. The main sales focus is on unit linked insurance, which represents the majority of the sales.

Results in the Baltics continued upward

The positive earnings trend for the three banks, Eesti Ühispank, Latvijas Unibanka and Vilniaus Bankas continued. Income is up, the costs are under control and the C/I is declining. More or less all operations show a better result. Operating result has increased by 120 per cent compared with 2000. However, Vilniaus Bankas was not consolidated in SEB until 1 October 2000. Pro forma, with full consolidation of Vilniaus Bankas, the result rose by 38 per cent.

The number of customers has also increased and is now slightly more than one million. The number of customers using Internet banking is also continuously increasing and in September the number of users was 194 000.

Latvia is currently one of the fastest-growing economies in the world. In Estonia and Lithuania GDP are rising by 4-5 per cent. Increased private consumption and investment is sparking growth despite the international cyclical downturn and currently appears to be independent of global events.

Eesti Ühispank has opened an Internet page with operative information about asset management products, for present as well as for potential customers. Unibanka has entered into one for Latvia unique agreement on co-operation to joint an ATM network. The joint network consists of almost 200 ATMs.

In August, Vilniaus Bankas carried out a very successful campaign to promote use of charge cards. The campaign attracted considerable attention to the bank and usage of charge cards.

A restructuring of the operations of the bank Bank Ochrony Srodowiska (BOS), in which SEB holds an interest of 47 per cent, was initiated in early summer. Among other actions, a unit was established to work with Scandinavian customers. The restructuring is proceeding according to plan and the Scandinavian unit is fully operational. The harsh economic situation in Poland is, however, also affecting the banks' earnings.

Operational Profit and Loss Account for the Group

SEK M	January- September 2001	January- September 2000	Change per cent	Full year 2000
Net interest income	9 546	8 718	9	11 616
Net commission income	8 580	10 339	-17	13 846
Net result of financial transactions	2 271	2 258	1	3 552
Other operating income	2 122	3 046	-30	3 644
Total income	22 519	24 361	-8	32 658
Staff costs	-9 257	-9 370	-1	-12 761
Pension compensation	766	716	7	943
Other operating costs	-6 530	-5 904	11	-8 751
Merger & Restructuring costs	- 303			
Depreciations	-1 383	-1 255	10	-1 763
Total costs	-16 707	-15 813	6	-22 332
Net credit losses etc	- 390	- 778	-50	- 890
Net result from associated companies	5	75	-93	95
Operating profit from non-life insurance operations	279	169	65	212
Operating result	5 706	8 014	-29	9 743
Change in surplus value in life insurance operations	- 367	606	-161	337
Total result	5 339	8 620	-38	10 080
Taxes	-1 820	-2 243	-19	-2 856
Taxes on change in surplus values	103	- 170	-161	- 94
Minority interests	- 56	- 209	-73	- 245
Total result after tax	3 566	5 998	-41	6 885

Profit and loss items, average currency rates

	January-September 2001	Full year 2000	January-September 2000
SEK	1,000	1,000	1,000
EUR	9,746	8,446	8,393
USD	10,250	9,161	8,914

Balance sheet items, actual currency rates

	30 September 2001	31 December 2000	30 September 2000
SEK	1,000	1,000	1,000
EUR	9,746	8,829	8,512
USD	10,684	9,499	9,683

Key figures for the Group

	January- September 2001	January- September 2000	Full year 2000
Return on equity, %	12,2	19,1	16,9
Return including change in surplus values, %	10,7	19,4	16,5
Return on equity, 12 months moving average, %	11,8	18,2	16,9
Return including change in surplus values, 12 months moving average, %	10,2	19,6	16,5
Earnings per share, SEK	5,44	7,89	9,43
Earnings per share (Total result after tax), SEK	5,06	8,51	9,77
Income/cost ratio, SEB Group	1,35	1,54	1,46
Income/cost ratio, banking operations	1,31	1,49	1,42
Cost/income ratio, SEB Group	0,74	0,65	0,68
Cost/income ratio, banking operations	0,76	0,67	0,70
Lending loss level, %	0,07	0,15	0,12
Provision ratio for doubtful claims, %	48,1	53,2	49,1
Level of doubtful claims, %	1,24	1,20	1,35
Total capital ratio, %	10,41	10,97	10,76

Core capital ratio, %

7,27

7,36

7,37

Operational Profit & Loss Account, quarterly performance for the Group

SEK M	2001:3	2001:2	2001:1	2000:4	2000:3
Net interest income	3 312	3 164	3 070	2 898	2 849
Net commission income ¹⁾	2 622	2 965	2 993	3 507	3 400
Net result of financial transactions ¹⁾	762	534	975	1 294	786
Other operating income	446	521	1 155	598	394
Total income	7 142	7 184	8 193	8 297	7 429
Staff costs	-3 021	-3 200	-3 036	-3 391	-3 072
Pension compensation	237	231	298	227	226
Other operating costs	-2 080	-2 181	-2 269	-2 847	-1 891
Merger & Restructuring costs	- 233	- 70			
Depreciations	- 467	- 461	- 455	- 508	- 409
Total costs	-5 564	-5 681	-5 462	-6 519	-5 146
Net credit losses etc	- 142	- 66	- 182	- 112	- 247
Net result from associated companies	- 11	17	- 1	20	23
Operating profit from non-life insurance operations	36	2	241	43	36
Operating result	1 461	1 456	2 789	1 729	2 095
Change in surplus values in life insurance operations	- 480	364	- 251	- 269	179
Total result	981	1 820	2 538	1 460	2 274
Taxes	- 455	- 565	- 800	- 613	- 719
Taxes on change in surplus values	135	- 102	70	76	- 50
Minority interests	11	- 38	- 29	- 36	- 64
Total result after tax	672	1 115	1 779	887	1 441

Net commission income

SEK M	2001:3	2001:2	2001:1	2000:4	2000:3
Payments	270	259	283	286	296
Cards	445	479	445	426	375
Issue of securities ¹⁾	145	130	49	114	195
Custody and mutual fund	762	853	931	1 170	1 028
Courtage shares	419	541	662	659	724
Courtage other	39	34	47	47	36
Lending	96	116	105	116	166
Deposits	15	17	16	1	11
Guarantees	31	40	31	35	29
Advisory ¹⁾	52	207	89	241	199
Derivatives	36	10	79	32	46
Other	89	71	166	91	74
SEB AG and The Baltic	636	658	602	756	595
Commission income	3 035	3 415	3 505	3 974	3 774
Payments	- 252	- 233	- 246	- 209	- 226
Securities	- 38	- 26	- 102	- 59	- 66
Other	- 63	- 88	- 58	- 69	- 16
SEB AG and The Baltic	- 60	- 103	- 106	- 130	- 66
Commission costs	- 413	- 450	- 512	- 467	- 374
Payments	463	505	482	503	445
Securities	1 327	1 532	1 587	1 931	1 917
Other	256	373	428	447	509
SEB AG and The Baltic	576	555	496	626	529
Net commission income	2 622	2 965	2 993	3 507	3 400

1) A reclassification of Q2 has been done by SEK 47 M.

Net result financial transactions

Mkr	2001:3	2001:2	2001:1	2000:4	2000:3
Skandinaviska Enskilda Banken ¹⁾	323	83	419	621	288
Enskilda Securities	- 12	32	121	145	159
SEB AG	42	19	49	64	61
Other		9	37	12	1
Realised and unrealised	353	143	626	842	509
Exchange rate fluctuations	409	391	349	448	291
Redemptions of bonds				4	- 14
Net result financial transactions	762	534	975	1 294	786

1) Dividend on shares in trading portfolio amounts to SEK 1 098 M in 2001:2 and SEK 193 M in 2001:1. In 2000:2 corresponding amount of SEK 134 M was reported as dividend.

Operational Profit and Loss Account by division

	Personal Banking Sweden	Personal Banking International	Corporate & Institutions	SEB Germany	SEB Invest	SEB Trygg Liv	The Baltic	Other incl eliminations	SEB Group
January-September 2001, SEK M									
Net interest income	2 466	225	3 481	3 016	1	36	905	- 584	9 546
Net commission income	1 420	1 178	3 278	1 057	1 123	35	435	54	8 580
Net result of financial transactions	42	72	1 722	109	8	- 19	140	197	2 271
Other income	56	95	119	448	9	1 023	126	246	2 122
Total income	3 984	1 570	8 600	4 630	1 141	1 075	1 606	- 87	22 519
Staff costs	-1 473	- 575	-2 895	-2 045	- 438	- 436	- 496	- 899	-9 257
Pension compensation	317	30	210		40		2	167	766
Other operating costs	-1 411	- 802	-1 993	-1 314	- 319	- 716	- 307	332	-6 530
Merger & Restructuring costs		- 95	- 3		- 19			- 186	- 303
Depreciation	- 29	- 52	- 159	- 278	- 40	- 48	- 255	- 522	-1 383
Total costs	-2 596	-1 494	-4 840	-3 637	- 776	-1 200	-1 056	-1 108	-16 707
Net credit losses etc	35	- 83	126	- 348			- 150	- 10	- 390
Net result from associated companies		- 38		48		- 13	2	6	5
Operating profit from non-life insurance operations								279	279
Operating result	1 423	- 45	3 886	693	365	- 138	402	- 880	5 706
Change in surplus value in life insurance operations						- 367			- 367
Total result	1 423	- 45	3 886	693	365	- 505	402	- 880	5 339

Personal Banking Sweden

SEK M	Q 3 2001	Q 3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent
Net interest income	853	721	18	2 466	2 202	12
Net commission income	386	598	-35	1 420	2 195	-35
Net result of financial transactions	14	- 5		42	15	180
Other operating income	3	65	-95	56	74	-24
Total income	1 256	1 379	-9	3 984	4 486	-11
Staff costs	- 484	- 595	-19	-1 473	-1 662	-11
Pension compensation	107	95	13	317	284	12
Other operating costs	- 401	- 447	-10	-1 411	-1 395	1
Depreciation	- 11	- 11		- 29	- 41	-29
Total costs	- 789	- 958	-18	-2 596	-2 814	-8
Net credit losses/Recoveries	68	21		35	- 76	-146
Operating result	535	442	21	1 423	1 596	-11

Personal Banking International

SEK M	Q 3 2001	Q 3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent
Net interest income	75	95	-21	225	292	-23
Net commission income	375	362	4	1 178	1 277	-8
Net result of financial transactions	28	31	-10	72	124	-42
Other operating income	36	- 3		95	19	
Total income	514	485	6	1 570	1 712	-8
Staff costs	- 209	- 182	15	- 575	- 530	8
Pension compensation	18	10	80	30	29	3
Other operating costs	- 291	- 222	31	- 897	- 767	17
Depreciation	- 23	- 15	53	- 52	- 43	21
Total costs	- 505	- 409	23	-1 494	-1 311	14
Net credit losses	- 37	- 19	95	- 83	- 22	
Net result from associated companies	- 17	- 28	-39	- 38	- 136	-72
Operating result	- 45	29		- 45	243	-119

SEB Kort

SEK M	Q 3 2001	Q 3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent
Net interest income	35	36	-3	102	102	
Net commission income	278	246	13	883	838	5
Net result of financial transactions						
Other operating income	22	- 9		65	8	
Total income	335	273	23	1 050	948	11
Staff costs	- 89	- 82	9	- 273	- 255	7
Pension compensation	17	10	70	29	29	
Other operating costs	- 116	- 50	132	- 393	- 321	22
Depreciation	- 8	- 9	-11	- 24	- 27	-11
Total costs	- 196	- 131	50	- 661	- 574	15
Net credit losses	- 31	- 18	72	- 75	- 49	53
Operating result	108	124	-13	314	325	-3

Personal Banking International excl SEB Kort

SEK M	Q 3 2001	Q 3 2000	Change per cent	January-September 2001	January-September 2000	Change per cent
Net interest income	40	59	-32	123	190	-35
Net commission income	97	116	-16	295	439	-33
Net result of financial transactions	28	31	-10	72	124	-42
Other operating income	14	6	133	30	11	173
Total income	179	212	-16	520	764	-32
Staff costs	- 120	- 100	20	- 302	- 275	10
Pension compensation	1			1		
Other operating costs	- 175	- 172	2	- 504	- 446	13
Depreciation	- 15	- 6	150	- 28	- 16	75
Total costs	- 309	- 278	11	- 833	- 737	13
Net credit losses/Recoveries	- 6	- 1		- 8	27	-130
Net result from associated companies	- 17	- 28	-39	- 38	- 136	-72
Operating result	- 153	- 95	61	- 359	- 82	

Corporate & Institutions

SEK M	Q 3 2001	Q 3 2000	Change per cent	January-September 2001	January-September 2000	Change per cent
Net interest income	1 156	1 253	-8	3 481	3 548	-2
Net commission income	932	1 385	-33	3 278	3 973	-17
Net result of financial transactions	602	621	-3	1 722	1 717	0
Other operating income	42	63	-33	119	360	-67
Total income	2 732	3 322	-18	8 600	9 598	-10
Staff costs	- 912	-1 092	-16	-2 895	-3 325	-13
Pension compensation	71	62	15	210	179	17
Other operating costs	- 647	- 560	16	-1 996	-1 724	16
Depreciation	- 52	- 48	8	- 159	- 143	11
Total costs	-1 540	-1 638	-6	-4 840	-5 013	-3
Net credit losses/Recoveries	- 3	- 73	-96	126	- 94	
Operating result	1 189	1 611	-26	3 886	4 491	-13

Merchant Banking

SEK M	Q 3 2001	Q 3 2000	Change per cent	January-September 2001	January-September 2000	Change per cent
Net interest income	656	736	-11	1 933	2 079	-7
Net commission income	291	343	-15	978	896	9
Net result of financial transactions	581	454	28	1 482	1 110	34
Other operating income	24	54	-56	70	208	-66
Total income	1 552	1 587	-2	4 463	4 293	4
Staff costs	- 526	- 512	3	-1 518	-1 444	5
Pension compensation	46	39	18	136	116	17
Other operating costs	- 302	- 291	4	- 918	- 884	4
Depreciation	- 20	- 23	-13	- 61	- 69	-12
Total costs	- 802	- 787	2	-2 361	-2 281	4
Net credit losses/Recoveries	16	- 2		192	18	
Operating result	766	798	-4	2 294	2 030	13

Mid Corporate

SEK M	Q 3 2001	Q 3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent
Net interest income	473	478	-1	1 396	1 402	0
Net commission income	73	105	-30	215	284	-24
Net result of financial transactions	20	10	100	63	53	19
Other operating income	9	6	50	22	24	-8
Total income	575	599	-4	1 696	1 763	-4
Staff costs	- 128	- 113	13	- 373	- 334	12
Pension compensation	17	16	6	50	44	14
Other operating costs	- 118	- 100	18	- 373	- 335	11
Depreciation	- 1	- 2	-50	- 5	- 5	
Total costs	- 230	- 199	16	- 701	- 630	11
Net credit losses	- 19	- 76	-75	- 72	- 125	-42
Operating result	326	324	1	923	1 008	-8

Enskilda Securities

SEK M	Q 3 2001	Q 3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent
Net interest income	- 22	- 31	-29	- 17	- 126	-87
Net commission income	416	773	-46	1 579	2 280	-31
Net result of financial transactions	- 9	149	-106	144	522	-72
Other operating income	6	- 1		17	114	-85
Total income	391	890	-56	1 723	2 790	-38
Staff costs	- 212	- 428	-50	- 868	-1 426	-39
Other operating costs	- 165	- 120	38	- 482	- 355	36
Depreciation	- 31	- 23	35	- 91	- 68	34
Total costs	- 408	- 571	-29	-1 441	-1 849	-22
Net credit losses/Recoveries		5	-100	6	13	-54
Operating result	- 17	324	-105	288	954	-70

SEB Securities Services

SEK M	Q 3 2001	Q 3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent
Net interest income	49	73	-33	175	202	-13
Net commission income	152	164	-7	506	513	-1
Net result of financial transactions	10	8	25	33	32	3
Other operating income	3	4	-25	10	14	-29
Total income	214	249	-14	724	761	-5
Staff costs	- 43	- 37	16	- 128	- 110	16
Pension compensation	7	6	17	22	18	22
Other operating costs	- 65	- 52	25	- 218	- 158	38
Depreciation				- 2	- 1	100
Total costs	- 101	- 83	22	- 326	- 251	30
Operating result	113	166	-32	398	510	-22

SEB Germany

SEK M	Q 3 2001	Q 3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent
Net interest income	1 026	989	4	3 016	3 102	-3
Net commission income	364	411	-11	1 057	1 256	-16
Net result of financial transactions	29	49	-41	109	173	-37
Other operating income	71	123	-42	448	281	59
Total income	1 490	1 572	-5	4 630	4 812	-4
Staff costs	- 674	- 673	0	-2 045	-2 025	1
Other operating costs	- 460	- 426	8	-1 314	-1 373	-4
Depreciation	- 91	- 77	18	- 278	- 251	11
Total costs	-1 225	-1 176	4	-3 637	-3 649	0
Net credit losses	- 136	- 160	-15	- 348	- 599	-42
Net result from associated companies	21	35	-40	48	142	-66
Operating result	150	271	-45	693	706	-2

SEB Invest

SEK M	Q 3 2001	Q 3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent
Net interest income	- 2	- 4	- 50	1	- 4	- 125
Net commission income	350	430	- 19	1 123	1 204	- 7
Net result of financial transactions	2	3	- 33	8	3	167
Other operating income	8	3	167	9	5	80
Total income	358	432	- 17	1 141	1 208	- 6
Staff costs	- 147	- 153	- 4	- 438	- 413	6
Pension compensation	13	11	18	40	32	25
Other operating costs	- 123	- 103	19	- 338	- 316	7
Depreciation	- 23	- 7	- 40	- 40	- 19	111
Total costs	- 280	- 252	11	- 776	- 716	8
Operating result	78	180	- 57	365	492	- 26

SEB Trygg Liv

SEK M	Q 3 2001	Q 3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent
Net interest income	9	13	-31	36	41	-12
Net commission income	6	17	-65	35	50	-30
Net result of financial transactions	- 1	- 2	-50	- 19	2	
Other operating income	331	356	-7	1 023	1 071	-4
Total income	345	384	-10	1 075	1 164	-8
Staff costs	- 155	- 130	19	- 436	- 391	12
Other operating costs	- 219	- 185	18	- 716	- 661	8
Depreciation	- 16	- 16		- 48	- 45	7
Total costs	- 390	- 331	18	-1 200	-1 097	9
Net result from associated companies	- 5	- 1		- 13	- 7	86
Operating result	- 50	52	-196	- 138	60	
Change in surplus value in life insurance operations	- 480	179		- 367	606	-161
Total result	- 530	231		- 505	666	-176

The Baltic

SEK M	Q 3 2001	Q 3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent
Net interest income	336	129	160	905	373	143
Net commission income	164	71	131	435	201	116
Net result of financial transactions	16	32	-50	140	93	51
Other operating income	33	17	94	126	50	152
Total income	549	249	120	1 606	717	124
Staff costs	- 169	- 70	141	- 496	- 217	129
Pension compensation	1	2	-50	2	2	
Other operating costs	- 111	- 64	73	- 307	- 177	73
Depreciation	- 87	- 43	102	- 255	- 126	102
Total costs	- 366	- 175	109	-1 056	- 518	104
Net credit losses	- 35	- 32	9	- 150	- 65	131
Net result from associated companies	1	16	-94	2	49	-96
Operating result	149	58	157	402	183	120

Statutory Profit and Loss Account for the Group

SEK M	Q3 2001	Q3 2000	Change per cent	January-September 2001	January-September 2000	Change per cent	Full year 2000
Income							
Interest income	13 334	12 939	3	41 193	38 052	8	51 196
Interest costs	-10 034	-10 106	-1	-31 680	-29 383	8	-39 640
Net interest income	3 300	2 833	16	9 513	8 669	10	11 556
Dividends received *)	11	7	57	1 376	864	59	877
Commission income	2 930	3 447	-15	9 660	11 055	-13	15 132
Commission costs	- 413	- 171	142	-1 375	- 999	38	-1 669
Net commission income ¹⁾	2 517	3 276	-23	8 285	10 056	-18	13 463
Net result of financial transactions ²⁾	769	788	-2	1 005	2 256	-55	3 544
Other operating income	287	263	9	1 602	1 799	-11	2 208
Income from banking operations	6 884	7 167	-4	21 781	23 644	-8	31 648
Costs							
Staff costs	-2 870	-2 939	-2	-8 833	-8 992	-2	-12 234
General administrative costs	-1 535	-1 220	26	-4 601	-4 125	12	-5 985
Depreciation and write-downs of tangible and intangible fixed assets	- 450	- 394	14	-1 335	-1 211	10	-1 703
Other operating costs	- 639	- 591	8	-1 808	-1 532	18	-2 360
Costs from banking operations	-5 494	-5 144	7	-16 577	-15 860	5	-22 282
Profit/loss from banking operations before credit losses	1 390	2 023	-31	5 204	7 784	-33	9 366
Net credit losses ³⁾	- 136	- 243	-44	- 343	- 797	-57	- 858
Change in value of seized assets	- 5	3		2	43	-95	43
Write-down of financial fixed assets	- 1	- 7	-86	- 49	- 24	104	- 75
Net result from associated companies	- 6	24	-125	18	82	-78	104
Operating profit from banking operations	1 242	1 800	-31	4 832	7 088	-32	8 580
Operating profit from insurance operations ⁴⁾	- 18	69	-126	108	210	-49	220
Operating profit	1 224	1 869	-35	4 940	7 298	-32	8 800
Pension compensation	237	226	5	766	716	7	943
Profit before tax and minority interests	1 461	2 095	-30	5 706	8 014	-29	9 743
Taxes	- 455	- 719	-37	-1 820	-2 243	-19	-2 856
Minority interests	11	- 64	-117	- 56	- 209	-73	- 245
Net profit for the period **)	1 017	1 312	-22	3 830	5 562	-31	6 642

*) Dividend on shares in Merchant Bankings trading portfolio amounts to SEK 1 291 M (134). 2000 included an extra ordinary dividend of SEK 440 M.

***) Earnings per share, SEK
 Number of shares

1,45	1,86	5,44	7,89	9,43
704 557 680	704 557 680	704 557 680	704 557 680	704 557 680

1) Net commission income

SEK M	Q3 2001	Q3 2000	Change per cent	January-September 2001	January-September 2000	Change per cent	Full year 2000
Payment commissions	637	345	85	1 957	1 512	29	2 424
Securities commissions	1 429	2 393	-40	4 600	6 676	-31	8 137
Other commissions	451	538	-16	1 728	1 868	-7	2 902
Net commission income	2 517	3 276	-23	8 285	10 056	-18	13 463

2) Net result of financial transactions

SEK M	Q3 2001	Q3 2000	Change per cent	January-September 2001	January-September 2000	Change per cent	Full year 2000
Shares/participations	14	- 147	-110	368	125	194	- 44
Interest-bearing securities	203	- 64		737	230		413
Other financial instruments	- 58	348	-117	- 812	955	-185	1 693
Realised result	159	137	16	293	1 310	-78	2 062
Shares/participations	45	91	-51	- 115	- 389	-70	- 451
Interest-bearing securities	21	258	-92	- 79	93	-185	105
Other financial instruments	129	28		- 246	353	-170	493
Unrealised value changes	195	377	-48	- 440	57		147
Exchange rate fluctuations	411	288	43	1 151	918	25	1 360
Redemption of bonds	4	- 14	-129	1	- 29	-103	- 25
Net result of financial transactions	769	788	-2	1 005	2 256	-55	3 544

3) Net credit losses

SEK M	Q3 2001	Q3 2000	Change per cent	January-September 2001	January-September 2000	Change per cent	Full year 2000
<i>Individually appraised receivables</i>							
Reported write-down, incurred losses	- 441	- 559	-21	-1 768	-1 514	17	-3 496
Reversal of previous provisions for possible losses, reported as incurred losses in current years accounts	291	304	-4	1 366	918	49	2 569
Reported provision for possible losses	- 274	- 295	-7	- 838	-1 026	-18	-1 552
Recovered from losses incurred in previous years	148	83	78	363	231	57	612
Reversal of previous provisions for possible losses	123	94	31	502	347	45	638
Reported net cost for individually appraised receivables	- 153	- 373	-59	- 375	-1 044	-64	-1 229
<i>Receivables appraised by category</i>							
Reported write-down, incurred losses	- 29	- 24	21	- 79	- 66	20	- 57
Reported provision for possible losses	- 9	- 4	125	- 17	- 10	70	- 8
Recovered from losses incurred in previous years	7	12	-42	21	28	-25	24
Withdrawal from reserve for lending losses							
Reported net cost for receivables appraised by category	- 31	- 16	94	- 75	- 48	56	- 41
Allocation to/withdrawal from reserve for political risks abroad	32	112	-71	81	294	-72	363
Contingent liabilities	16	34	-53	26	1		49
Net credit losses	- 136	- 243	-44	- 343	- 797	-57	- 858

4) Operating profit from insurance operations

SEK M	Q3 2001	Q3 2000	Change per cent	January-September 2001	January-September 2000	Change per cent	Full year 2000
Non-life operations	36	36		279	169	65	212
Life operations	- 54	33		- 171	41		8
Operating profit from insurance operations	- 18	69	-126	108	210	-49	220

Cash flow analysis for the Group

SEK M	January-September		January-September
	2001	Full year 2000	2000
Cash flow before changes in lending and deposits	746	10 795	994
Increase in lending to the public	-57 210	-36 262	-10 073
Increase in deposits from the public	41 173	27 113	25 843
Cash flow, current operations	-15 291	1 646	16 764
Cash flow, investment activities	-2 940	41 291	40 045
Cash flow, financing activities	2 511	-20 630	-14 682
Cash flow for the period	-15 720	22 307	42 127
Liquid funds at beginning of year	46 532	24 225	24 225
Cash flow for the period	-15 720	22 307	42 127
Liquid funds at end of period	30 812	46 532	66 352

Balance sheet for the Group

SEK M	30 September	31 December	30 September
	2001	2000	2000
Lending to credit institutions	180 032	164 673	181 695
Lending to the public	662 135	605 759	573 804
Interest-bearing securities	155 268	158 047	130 650
- Financial fixed assets	4 785	4 736	5 714
- Financial current assets	150 483	153 311	124 936
Shares and participations	6 530	8 688	11 083
Assets used in the insurance operations	60 502	71 749	77 451
Other assets	134 597	113 894	133 681
Total assets	1 199 064	1 122 810	1 108 364
Liabilities to credit institutions	241 147	217 364	196 085
Deposits and borrowing from the public	461 060	419 887	409 978
Securities issued, etc.	204 467	199 103	203 038
Liabilities of the insurance operations	57 982	66 932	74 069
Other liabilities and provisions	160 227	146 505	152 255
Subordinated liabilities	31 375	31 410	32 771
Shareholders' equity ¹⁾	42 806	41 609	40 168
Total liabilities and shareholders' equity	1 199 064	1 122 810	1 108 364

1) Change in shareholders' equity

SEK M	30 September	31 December	30 September
	2001	2000	2000
Opening balance	41 609	33 006	33 006
New share issue		4 067	4 067
Dividend to shareholders	-2 818	-2 466	-2 466
Result, holding of own shares		21	
Staff option programme	- 277		
Translation difference	462	339	- 1
Net profit for the period	3 830	6 642	5 562
Closing balance	42 806	41 609	40 168

Derivative contracts for the Group

30 September 2001 SEK M	Contracts on the asset side		Contracts on the liability side	
	Book value	Market value	Book value	Market value
Interest-related	23 374	23 374	23 838	23 838
Currency-related	42 888	45 864	40 129	43 153
Equity-related	584	584	203	203
Other	10	10	10	10
Total	66 856	69 832	64 180	67 204

On 30 June 2001 the notional value of the Group's derivatives contracts amounted to SEK 5 363 billion (SEK 4 006 billion on 30 September 2000).

The book value of derivatives instruments forming part of trading operations is identical with the market value.

Those deviations between actual and book values which are reported in the above table are matched by opposite deviations between market and book values in the part of the Group's operations which is the object of hedge accounting.

Problem loans and seized assets for the Group

SEK M	30 September 2001	31 December 2000	30 September 2000
Non-performing loans	8 984	9 368	9 646
Performing loans	6 891	7 069	5 196
Doubtful claims	15 875	16 437	14 842
Provision for possible lending losses ¹⁾	-7 636	-8 072	-7 896
<i>of which provision for non-performing loans</i>	-5 212		
<i>of which provision for performing loans</i>	-2 424		
Doubtful claims, net ²⁾	8 239	8 365	6 946
Claims subject to interest reduction	57	308	557
Total volume of problem loans	8 296	8 673	7 503
1) General provisions	-1 030	-1 085	-1 160
2) In case loans are believed to involve a lending loss risk, a corresponding provision for a possible loss has been made. Doubtful claims net is equivalent to the volume in where loss is not considered to occur taking into consideration collateral and the borrower's repayment capacity.			
Level of doubtful claims, %	1,24	1,35	1,20
(Doubtful claims (net) in relation to lending and leasing (net) at end of period, per cent)			
Provision ratio for doubtful claims, %	48,1	49,1	53,2
(Reserve for possible lending losses in relation to doubtful claims (gross), per cent)			
<i>Provision ratio for non-performing loans, %</i>	<i>58,0</i>		
<i>Provision ratio for performing loans, %</i>	<i>35,2</i>		
Provision ratio for doubtful claims considering general provisions, %	54,6	55,7	61,0
Pledges taken over			
Buildings and land	36	104	84
Shares and participations	179	109	111
Total volume of pledges taken over	215	213	195

The soft loans of the Group are included among claims subject to interest reduction.

The shortfall in income due to interest deferrals was SEK 3 M (6), while unpaid interest on non-performing loans amounted to SEK 161 M (211).

On 30 September 2001, the Group had SEK 117 M (230) in non-performing loans in Sweden on which interest income was reported. These loans are not included among the problem loans, since the corresponding collateral covers both interest and principal.

Skandinaviska Enskilda Banken

Profit and Loss Account

SEK M	Q3 2001	Q3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent	Full year 2000
Income							
Interest income	6 798	7 031	-3	21 237	19 926	7	27 250
Leasing income	151	118	28	446	345	29	459
Interest costs	-5 644	-5 940	-5	-17 958	-16 566	8	-22 879
Net interest income ¹⁾							
Dividends received ^{*)}	- 19	2		1 672	887	89	2 157
Commission income	1 118	1 672	-33	3 783	5 273	-28	6 958
Commission costs	- 203	- 228	-11	- 607	- 753	-19	-1 000
Net commission income ²⁾	915	1 444	-37	3 176	4 520	-30	5 958
Net result of financial transactions ³⁾	679	540	26	481	1 346	-64	2 298
Other operating income	226	229	-1	1 236	1 511	-18	1 990
Total income	3 106	3 424	-9	10 290	11 969	-14	17 233
Costs							
Staff costs	-1 389	-1 537	-10	-4 064	-4 714	-14	-6 470
Other administrative expenses	-1 040	-1 103	-6	-3 383	-2 911	16	-3 985
Depreciation and write-downs of tangible and intangible fixed assets	- 106	- 78	36	- 259	- 234	11	- 317
Other operating costs	- 332	- 282	18	- 950	- 880	8	-1 282
Total costs	-2 867	-3 000	-4	-8 656	-8 739	-1	-12 054
Profit/loss before credit losses	239	424	-44	1 634	3 230	-49	5 179
Net credit losses ⁴⁾	58	- 3		193	17		144
Change in value of seized assets				- 5	- 8	-38	- 8
Write-down of financial fixed assets		1	-100		- 109	-100	- 658
Operating profit	297	422	-30	1 822	3 130	-42	4 657
Pension compensation	213	226	-6	707	716	-1	943
Profit before appropriations and tax	510	648	-21	2 529	3 846	-34	5 600
Other appropriations ^{**)}	- 358	- 835	-57	-1 142	-1 801	-37	-2 307
Taxes ^{*)}	- 32	50	-164	- 249	- 398	-37	- 472
Net profit for the period	120	-137	-188	1 138	1 647	-31	2 821

*) Dividend on shares in Merchant Bankings trading portfolio amounts to SEK 1 291 M (134). 2000 included an extra ordinary dividend of SEK 440 M.

***) Group contributions reported directly against equity.

1) Net interest income

SEK M	Q3 2001	Q3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent	Full year 2000
Interest income	6 798	7 031	-3	21 237	19 926	7	27 250
Leasing income	151	118	28	446	345	29	459
Interest costs	-5 644	-5 940	-5	-17 958	-16 566	8	-22 879
Leasing depreciation	- 47	- 37	27	- 135	- 110	23	- 148
Net interest income	1 258	1 172	7	3 590	3 595	0	4 682

2) Net commission income

SEK M	Q3 2001	Q3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent	Full year 2000
Payment commissions	160	337	-53	504	1 030	-51	1 416
Securities commissions	562	824	-32	1 990	2 736	-27	3 580
Other commissions	193	283	-32	682	754	-10	962
Net commission income	915	1 444	-37	3 176	4 520	-30	5 958

3) Net result of financial transactions

SEK M	Q3 2001	Q3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent	Full year 2000
Shares/participations	- 1			- 6	6	-200	65
Interest-bearing securities	139	170	-18	599	212	183	394
Other financial instruments	131	210	-38	- 770	530		725
Realised result	269	380	-29	- 177	748	-124	1 184
Shares/participations	- 5	- 3	67	- 13	- 12	8	- 15
Interest-bearing securities	- 20	- 104	-81	- 144	- 165	-13	- 199
Other financial instruments	86	15		- 125	- 11		211
Unrealised value changes	61	- 92	-166	- 282	- 188	50	- 3
Exchange rate fluctuations	349	252	38	940	786	20	1 117
Net result of financial transactions	679	540	26	481	1 346	-64	2 298

4) Net credit losses

SEK M	Q3 2001	Q3 2000	Change per cent	January- September 2001	January- September 2000	Change per cent	Full year 2000
<i>Individually appraised receivables</i>							
Reported write-down, incurred losses	- 46	- 145	-68	- 790	- 247		-1 420
Reversal of previous provisions for possible losses reported as incurred losses in current period's accounts	37	62	-40	742	147		1 295
Reported provision for possible losses	- 84	- 80	5	- 198	- 281	-30	- 520
Recovered from losses incurred in previous years	92	26		203	83	145	372
Reversal of previous provisions for possible losses	27	34	-21	149	138	8	164
Reported net cost for individually appraised receivables	26	- 103	-125	106	- 160	-166	- 109
<i>Receivables appraised by category</i>							
Reported write-down, incurred losses		- 15	-100		- 37	-100	- 52
Reported provision for possible losses		- 2	-100		- 2	-100	- 4
Recovered from losses incurred in previous years		6	-100		18	-100	22
Withdrawal from provision for lending losses							
Reported net cost for receivables appraised by category		- 11	-100		- 21	-100	- 34
Allocation to/withdrawal from reserve for political risks abroad	29	111	-74	78	198	-61	279
Contingent liabilities	3			9			8
Total	58	- 3		193	17		144

Skandinaviska Enskilda Banken

Cash flow analysis

SEK M	January- September 2001	Full year 2000	January- September 2000
Cash flow before changes in lending and deposits	499	7 813	7 463
Increase (-)/decrease (+) in lending to the public	-26 369	-31 782	-18 534
Increase (+)/decrease (-) in deposits from the public	15 772	15 923	23 508
Cash flow, current operations	-10 098	-8 046	12 437
Cash flow, investment activities	401	-19 546	-16 561
Cash flow, financing activities	-6 386	-3 598	1 288
Cash flow for the period	-16 083	-31 190	-2 836
Liquid funds at beginning of year	45 261	76 451	76 451
Cash flow for the period	-16 083	-31 190	-2 836
Liquid funds at end of period	29 178	45 261	73 615

Skandinaviska Enskilda Banken

Balance sheet

SEK M	30 September 2001	31 December 2000	30 September 2000
Lending to credit institutions	218 051	184 849	201 280
Lending to the public	246 921	220 493	207 896
Interest-bearing securities	108 977	118 418	92 738
- Financial fixed assets	3 090	2 962	3 154
- Financial current assets	105 887	115 456	89 584
Shares and participations	45 576	44 485	42 805
Other assets	107 419	94 112	108 638
Total assets	726 944	662 357	653 357
Liabilities to credit institutions	237 055	198 618	172 081
Deposits and borrowing from the public	250 422	234 650	242 235
Securities issued, etc.	49 246	52 518	55 299
Other liabilities and provisions	135 337	120 194	126 924
Subordinated liabilities	27 911	28 207	30 312
Shareholders' equity ¹⁾	26 973	28 170	26 506
Total liabilities and shareholders' equity	726 944	662 357	653 357

1) Change in shareholders' equity

SEK M	30 September 2001	31 December 2000	30 September 2000
Opening balance	28 170	22 294	22 294
New share issue		4 067	4 067
Dividend to shareholders	-2 818	-2 466	-2 466
Group contributions, net	742	1 436	941
Result, holding of own shares		21	
Staff option programme	- 277		
Translation difference	18	- 3	23
Net profit for the period	1 138	2 821	1 647
Closing balance	26 973	28 170	26 506

Statutory Profit and Loss Account

	January- September 2001	SEB Trygg Liv	Internal trans- actions bank- insurance	Reclassifi- cation
SEK M				
Net interest income	9 513	34	- 1	
Dividends received	1 376	2		-1 378
Net commission income	8 285		295	
Net result of financial transactions	1 005	- 19		1 285
Other operating income	1 602	1 019	- 592	93
Income from banking operations	21 781	1 036	- 298	0
Staff costs	-8 833	- 432	8	766
General administrative costs	-4 601	- 583		5 184
Depreciation and write-downs of tangible and intangible fixed assets	-1 335	- 48		
Other operating costs	-1 808	- 131	290	-5 184
Costs from banking operations	-16 577	-1 194	298	766
Profit/loss from banking operations before credit losses	5 204			
Net credit losses	- 343			- 47
Change in value of seized assets	2			- 2
Write-down of financial fixed assets	- 49			49
Net result from associated companies	18	- 13		
Operating profit from banking operations	4 832			
Operating profit from insurance operations	108	171		
Operating profit	4 940	0	0	766
Pension compensation	766			- 766
Taxes	-1 820			103
Minority interests	- 56			
Net profit for the period	3 830	0	0	342

Operational Profit and Loss Account

January- September 2001
9 546 Net interest income
8 580 Net commission income
2 271 Net result of financial transactions
2 122 Other operating income
22 519 Total income
-9 257 Staff costs
766 Pension compensation
-1 383 Depreciations
-6 833 Other operating costs
-16 707 Total costs
- 390 Net credit losses etc
5 Net result from associated companies
Operating profit from non-life 279 insurance operations
5 706 Operating result
Change in surplus value in life - 367 insurance operations
5 339 Total result
-1 820 Taxes
103 Taxes on change in surplus values
- 56 Minority interests
3 566 Total result after tax

Appendix 1

SEB AG in the SEB Group

Profit & Loss Account adapted to Swedish Accounting Principles

EUR M	2001:3	2001:2	2001:1	2000:4	2000:3
Net interest income	122	118	127	120	126
Net commission income	44	45	41	58	54
Net result of financial transactions	6	5	7	10	10
Other operating income	9	11	36	5	14
Total income	181	179	211	193	204
Staff costs	- 77	- 80	- 82	- 77	- 85
Other operating costs	- 66	- 62	- 65	- 81	- 69
Total costs	- 143	- 142	- 147	- 158	- 154
Net credit losses etc	- 14	- 15	- 10	- 18	- 18
Net result from associated companies	1			2	
"External" profit	25	22	54	19	32
One-off items			- 27		
"Normal" profit	25	22	27	19	32

At the beginning of 2001 the reserves amounted to EUR 463,5 M. The allocation and utilisation during 2001 is showned in the table below:

Allocation and utilisation of reserves

EUR M	Reserve for credit losses	Sozial plan	Restructuring reserves	Total
Opening balance 2001	112,3	67,1	284,1	463,5
Utilised Q 1		-23,4	-26,7	-50,1
Utilised Q 2	-0,6	-6,9	-27,6	-35,1
Utilised Q 3		-6,8	-34,7	-41,5
Closing balance 30 June 2001	111,7	30,0	195,1	336,8

Of the utilisation of the restructuring reserve (EUR 26,7 M + EUR 27,6 M + EUR 34,7 M = EUR 89,0 M) EUR 34,4 M covers the change of brand name from BfG to SEB.

Appendix 2

SEB Trygg Liv

SEB Trygg Liv focuses on the sale and administration of unit-linked insurance products as well as their equivalent for account of the traditional mutual life insurance business. SEB Trygg Liv is a wholly-owned life group whose ultimate parent is Skandinaviska Enskilda Banken. From an accounting point of view, the life business is separate from the traditional banking activities. SEB Trygg Liv's accounts are presented in this Appendix according to generally accepted accounting standards within the insurance business.

The market was adversely affected by the continued decline in market values, which accelerated during the third quarter. The demand for single-premium endowment assurance dropped significantly while the market for corporate pensions is more stable. Total new issues of single-premium unit linked insurance in Sweden during the twelve-month period amounted to SEK 17.5 billion (28.5), a 39 per cent decline compared with the preceding year.

SEB Trygg Liv reported a decline in sales of 30 per cent compared with a year earlier. In accordance with the market as a whole, single-premium endowment assurance for the private market accounted for most of the decline. Most sales, 79 per cent (92) pertained to unit-linked products but demand for traditional life products increased in the segment for corporate pensions.

Sales, i.e. new premiums and extra payments under existing insurance contracts, decreased by SEK 2 873 M, or 30 per cent, to SEK 6 615 M (9 488). The main portion of the decrease occurred during the first quarter. Sales defined as SPE (Single Premium Equivalent), implying that current contracts are multiplied by 10, decreased by 8 per cent to SEK 16 474 M (17 821).

Premium income (premiums paid) decreased less than sales, by 17 per cent to SEK 11 359 M (13 671). In total, the value of assets under management decreased by SEK 40 billion or 16 percent to SEK 213 billion (253) during the twelve-month period, mainly due to the decline in market values.

Total income decreased by 8 per cent to SEK 1 075 M (1 165), mainly as a result of the lower asset values compared with the preceding year. Operating costs and other costs, after deducting the change in deferred acquisition cost of SEK 129 M (198), rose by 10 per cent to SEK 1 213 M (1 105). However, the actual increase in costs adjusted for non-recurring items was less than 2 per cent. Operating result, before current period change in surplus values, totalled SEK -138 M (60) as a result of the decline in earnings.

The surplus value in life insurance operations is the present value of expected future profits from signed insurance contracts. The surplus value comprises unit-linked operations as well as commissioning agreements with traditional life insurance companies.

When determining the surplus value in the insurance portfolio an annual unit fund growth of 6 per cent, i.e. 1.5 per cent per quarter, is assumed. A higher or lower growth rate than assumed will result in positive or negative financial effects when computing the current year change. During 2001 the accumulated growth in unit funds was -25 per cent of which -17 per cent occurred in the third quarter resulting in negative financial effects of SEK -1 388 M for the year. The third quarter effect was SEK -903 M.

Total result from operations (incl. change in surplus value) improved by SEK 157 M or 21 per cent to SEK 883 M (726). Total result less current year financial effects was SEK -505 M (666).

Volumes, SEK M	2001-09	2000-09
Sales volume		
Traditional life insurance, regular premium 27.3 (23.0) %	1 407	761
Unit-linked insurance, regular premium 20.4 (14.0) %	5 208	8 727
	6 615	9 488
Premium income		
Traditional life insurance	3 644	3 161
Unit-linked insurance	7 715	10 510
	11 359	13 671
Savings stock	Sept 30	Sept 30
Traditional life insurance	161 500	186 400
Unit-linked insurance	51 800	66 600
	213 300	253 000
Profit and loss account, SEK M		
Administration agreements, traditional life insurance	279	254
Unit-linked insurance	705	800
Risk operations and other	91	111
Total income	1 075	1 165
Operating expenses	-1 240	-1 205
Capitalisation of acquisition costs	129	198
Goodwill and other	-102	-98
Total costs	-1 213	-1 105
Operating result	-138	60
Change in surplus values ¹⁾	-367	606
Total result	-505	666
Total result excl. financial effects included in net surplus value change	883	726
Expense ratio per cent ²⁾	10.9%	8.8%
Return on allocated capital after tax, per cent ³⁾		
Excluding financial effects in surplus value change	17.3%	17.9%
Including financial effects	-9.9%	16.4%

Notes

¹⁾ After deduction for change in capitalised acquisition costs

²⁾ Annual basis. Operating expenses as percentage of premiums earned

³⁾ Annual basis. Allocated capital SEK 4 900 M (3 900)

Sales by quarter, SEK M	0109	0106	0103	0012	0009
Sales (nominal)	1 325	2 502	2 788	2 877	1 974
- thereof regular	39 %	22 %	22 %	18 %	26 %
- thereof single	61 %	78 %	78 %	82 %	74 %
- thereof new business	68 %	64 %	69 %	69 %	65 %
- thereof extra sales	32 %	36 %	31 %	31 %	35 %
- thereof traditional life	28 %	22 %	17 %	12 %	13 %
- thereof unit linked	72 %	78 %	83 %	88 %	87 %
- thereof corporate	51 %	50 %	34 %	31 %	31 %
- thereof private	49 %	50 %	66 %	69 %	69 %

Calculation of surplus value and changes in surplus value

Surplus value in life insurance operations is calculated on the basis of assumptions regarding the future development of signed insurance contracts and a risk-adjusted discount rate. The most important assumptions are the following:

Discount rate	11 %
Return on capital, nominal assets	4 %
Return on capital, real assets	8 %
Surrender of contracts	5 %
Surrender of current premiums	5 %
Administrative expenses (Sweden only)	SEK 250/contract per year
	6 %
Mortality	According to industry experience

Surplus value accounting

Deferred acquisition costs are capitalised in the accounts and depreciated according to plan. The reported change in surplus values is therefore adjusted by the net result of the capitalisation and depreciation during the period.

Balance of surplus value (after deduction of capitalised acquisition costs)	0109	0106	0103	0012	0009
Opening balance	3 592	3 228	3 479	3 748	3569
Present values of new sales ¹⁾	292	405	311	391	229
Return on existing policies	155	155	155	143	173
Realised surplus value in existing policies	-179	-196	-161	-188	-188
Current change from operations	268	364	305	346	214
Change in assumptions	0	0	0	2	0
Actual outcome compared to assumptions ²⁾	179	-113	147	160	92
Investment return in excess of assumptions ³⁾	-903	159	-644	-700	-75
	-724	46	-497	-538	17
Total change in surplus values before deduction of capitalised acquisition costs	-456	410	-192	-192	231
Capitalisation of acquisition cost for the period	-125	-149	-164	-155	-128
Amortisation of capitalised acquisition cost	101	103	105	78	76
Total change in surplus values ⁴⁾	-480	364	-251	-269	179
Closing balance ⁵⁾	3 112	3 592	3 228	3 479	3 748

1) Sales defined as new contracts and extra premiums on existing contracts

2) The reported actual outcome of contracts signed can be placed in relation to the operative assumptions that were made. Thus, the value of the deviations can be estimated. The most important components consist of extensions of contracts as well as cancellations. Also included is the estimated cost of solvency, which increases with growth in fund values. However, the actual income and administrative expenses are included in full in the operating result.

3) Assumed unit growth is 6 per cent, i e 1,5 per cent per quarter. Actual growth during the last quarter was -17 percent resulting in negative financial effects of SEK -903 M.

4) Prepaid acquisition costs are capitalised in the accounts and amortised over 5 years. Accordingly, the reported change in surplus values is adjusted by the net effect in the period.

5) Estimated surplus value according to the above is not included in the statutory balance sheet.

Appendix 3

Credit exposure* by industry and sector, SEK M (before provision for possible credit losses)

SEK M	2001-09-30		<i>of which</i> SEB AG		2000-12-31		<i>of which</i> SEB AG	
		%		%		%		%
Corporates and banks								
Banks	180 092	18,5	77 345	20,7	171 707	18,4	69 546	19,9
Finance and insurance	54 151	5,6	9 054	2,4	44 330	4,8	8 664	2,5
Property management	117 564	12,1	72 623	19,4	113 888	12,3	62 896	17,9
Wholesale and retailing, hotels and restaurants	34 970	3,6	7 861	2,1	38 649	4,2	9 257	2,6
Transportation	34 004	3,5	1 567	0,4	35 195	3,8	1 203	0,3
Other service sectors	33 376	3,4	8 046	2,1	24 977	2,7	91	0,0
Construction	11 174	1,1	3 281	0,9	10 110	1,1	3 541	1,0
Manufacturing	99 207	10,2	9 335	2,5	84 816	9,2	10 447	3,0
Other	94 505	9,7	30 084	8,0	87 829	9,5	36 964	10,5
	659 043	67,7	219 196	58,5	611 501	66,0	202 609	57,7
Public administration								
Municipalities, County Councils	15 570	1,6	-	-	16 235	1,8	-	-
Municipality-owned companies	26 652	2,7	-	-	26 993	2,9	-	-
German and Baltic Municipalities and Federal states	51 736	5,3	51 735	13,8	48 928	5,3	48 924	13,9
	93 958	9,6	51 735	13,8	92 156	10,0	48 924	13,9
Households								
Housing loans (first- mortgage loans)	85 737	8,8	10 819	2,9	76 769	8,3	9 331	2,7
Other loans	135 004	13,9	92 687	24,8	130 879	14,1	90 114	25,7
	220 741	22,7	103 506	27,7	207 648	22,4	99 445	28,4
Not distributed by sector and industry	64	-	-	-	15 141	1,6	-	-
Total credit portfolio	973 806	100	374 437	100	926 446	100	350 978	100
Repos								
Credit institutions	58 878				36 193		-	
General public	68 732				53 159		-	
	127 610				89 352		-	

*The total credit exposure includes in addition to the lending to the public also exposure on credit institutions and both on and off balance sheet items.

Exposure, geographically distributed, SEK M

Emerging Markets, SEK M	Total	<i>of which SEB AG</i>
Asia¹	3 888	541
Hong Kong	616	314
China	757	64
Other Specified Countries ²	1 862	66
Latin America³	3 592	449
Brazil	1 906	17
Eastern- and Central Europe^{4, 6}	1 806	968
Russia	860	331
Africa and Middle East⁵	2 436	233
Turkey	653	16
Total, Gross	11 722	2 191
Provision	2 123	1 025
Total, Net	9 599	1 166

1. Includes Hong Kong, China, India, Pakistan, Taiwan and Macao and not 2.
2. Includes Philippines, Malaysia, Thailand, Korea and Indonesia
3. Includes Brazil, Argentina, Mexico and Peru
4. Includes Russia, Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Romania, Hungary, Slovenia, Croatia, Kazakhstan and Ukraine
5. Includes Turkey, Iran, Saudi Arabia, Egypt, Israel, South Africa, Ethiopia and Algeria
6. Exposure through the Baltic subsidiaries of the bank is not included

Appendix 4

Capital base for the SEB Financial Group of Undertakings

SEK M	September	2001
Shareholders' equity in the balance sheet		42 806
./. Result for the third quarter and change in the translation difference		-1 376 1)
./. Estimated dividend for january - june 2001		-1 409 1)
./. Deductions from the financial group of undertakings		-1 156 2)
= Shareholders' equity in the capital adequacy		38 865
Core capital contribution		1 949
Minority interest		1 271
./. Goodwill		-4 595 3)
= Core capital (tier 1)		37 491
Dated subordinated debt		11 970
./. Deductions for remaining maturity		-3 397
Perpetual subordinated debt		17 455
= Supplementary capital (tier 2)		26 028
./. Deductions for investements in insurance companies		-9 272 4)
./. Deductions for other investements outside the financial group of undertakings		-564
= Capital base		53 682

To note:

Only the result for the period January – June is included in the capital base since the accounts for the third quarter has not been verified by external auditors. This is also reflected in the deduction of estimated dividend (1).

The deduction (2) from shareholders equity in the consolidated balance sheet consists mainly of non-restricted equity in subsidiaries (insurance companies) that are not consolidated in the financial group of undertakings.

The minority interest and goodwill that is included in the capital base differ from the amounts stated in the balance sheet due to the inclusion of companies in the capital adequacy calculation that are not consolidated in the Group's balance sheet.

Goodwill in (3) includes only goodwill from acquisitions of companies in the financial group of undertakings, i.e. not insurance companies. Goodwill from acquisitions of insurance companies is deducted from the capital base (4).