



Stockholm, 21 February 2002

Report 2001

Fourth quarter better than the second and third

- **Stronger income in the fourth quarter**
- **Cost efficiency measures started yielding results**
- **Activities to reach our Cost efficiency targets now fully committed**
- Operating result* decreased by 10 per cent on comparable basis to SEK 7,153 M.
- Total costs decreased 7 per cent on comparable basis to SEK 22, 679 M.
- Net interest income rose 5 per cent on comparable basis to SEK 13,053 M.
- Net commission income decreased by 20 per cent on comparable basis to SEK 11,576 M.
- Credit losses amounted to SEK 547 M (815).
- Return on equity was 11.9 per cent (16.9).
- Earnings per share amounted to SEK 7.17 (9.43).
- A dividend of SEK 4:00 (4:00) is proposed.
- Operating result in the fourth quarter, excl. restructuring costs, was SEK 1,860 M (1,694 in the third quarter 2001 and 1,729 in the fourth quarter of 2000).

PRESIDENT'S COMMENT

2001 was a turbulent year. The stock markets were weak and the economies in most countries experienced a sharp downturn reinforced by the terror attacks of September 11.

SEB has a strong position in equity related products. The sharp downturn in equity markets thus affected SEB more than many of its competitors.

In February last year we announced a proposed merger with FöreningsSparbanken with the idea of creating a Nordic bank that could actively participate in the restructuring of the European financial industry. However, EU Merger Task Force put such demands on us that we in September mutually decided to withdraw our application.

We therefore decided to realise our own potential by launching a restart programme implying

- a renewal of our management team
- a cost efficiency program to reduce costs by SEK 2.5 billion, net, over the next 18 months
- a culture change programme called "3 C", which stands for **C**ustomer satisfaction, **C**ross-servicing and **C**ost efficiency.

The "3 C" programme is a change process being initiated in the entire group to ensure long term profitability. *Customer satisfaction* is key to long-term success. In many parts of the Group customer satisfaction is high compared to our peers, for example in SEB Germany and in Merchant Banking.

*Operating result includes pension settlements/provisions. **Excluding** pension provisions of SEK 1,002 M (943), the **statutory operating result** amounted to SEK 6,151 M (8,800).

However, external studies have shown that customer satisfaction has decreased amongst our retail customers in Sweden. This is an area that we now address, partly by focusing on our local branches, reinforcing their customer responsibility.

Cross-servicing offers an important potential to enhance our revenues, by increasing our market share with existing customers. Further strengthening the co-operation between the units within the Group will achieve this target and improve service to our customers at the same time.

The *Cost-efficiency* projects that are now under way in most parts of the bank reflect the need for adapting to weaker markets but also for creating a long term cost efficiency culture in the Group. The total cost reduction programme, which focuses on support and administrative functions, amounts to SEK 3 billion, gross, and will give an annual net effect of SEK 2.5 billion as from the first quarter of 2003 - all other things equal.

We have already made decisions that will achieve annual cost savings of SEK 1 billion. Furthermore, we have identified, in specified projects, another SEK 2 billion in annual cost savings. Our business units are firmly committed to these projects which are well reflected in their own plans.

The fourth quarter result was better than that of previous quarters in 2001, partly due to stronger stock markets. The improvement was due to lower operating costs and a stronger equity market. However, we have chosen to take an up-front restructuring charge for the initial costs of the change programme. Most of the charge has been taken in 2001 but some will also be affecting 2002.

A large contribution was made from *Corporate & Institutions* where *Merchant Banking* reported strong income due to good performance in customer-driven business. *Enskilda Securities'* result was weaker, as for most investment banks, and cost reduction measures have been taken.

SEB Germany's income decreased due to the weak German economy. However, this was to a large extent offset by further cost savings in the restructuring programme.

The *Baltic banks* continue to grow, showing strong results.

Nordic Retail & Private Banking was affected by the declining stock markets but managed to keep costs under control. In the international part of private banking some major steps were taken to reduce costs and adapt to the market environment.

The number of e-banking customers totalled 1,128,000 at year-end (800,000). The increases continued both in Sweden, Germany and in the Baltic countries.

Our *credit volumes* remained at stable levels overall. We saw expansion in the Nordic corporate segment, the Baltic and in mortgage lending to Swedish households. Credit losses were at a low level and doubtful claims, gross, declined somewhat. However, a number of companies have been downgraded by the rating institutes and it is not unreasonable to expect an increase in the general credit loss level in the banking industry.

All in all, in terms of result, we can conclude that 2001 was a tough year. However under the circumstances I feel comfortable given the measures now under way.

Since stock markets and the general economy still do not show any clear signs of a forthcoming recovery, our cost efficiency programmes are of utmost importance for our future. These programmes have top priority within all parts of the group!

THE GROUP

Profit and loss account, SEK M	2001	2000	Change, per cent	Change on comparable basis, per cent
Net interest income	13,053	11,616	12	5
Net commission income	11,576	13,846	-16	-20
Net result of financial transactions	2,964	3,552	-17	-16
Other operating income	2,627	3,644	-28	4
Total income	30,220	32,658	-7	-8
Staff costs	-12,353	-12,761	-3	-8
Pension compensation	1,002	943	6	6
Other operating costs	-8,763	-8,751	0	-4
Merger and restructuring costs	-716	0		
Depreciation	-1,849	-1,763	+5	+1
Total costs	-22,679	-22,332	2	-7
Net credit losses and write-downs	-616	-890	-31	-51
Net result from associated companies	-29	95	-131	
Non-life insurance	257	212	21	
Operating result	7,153	9,743	-27	-10

Fourth quarter results

Total income in the fourth quarter was SEK 7,701 M, 8 per cent higher than in the third quarter of 2001 but lower than in the last quarter of 2000.

Costs in the fourth quarter, excluding restructuring costs, amounted to SEK 5,559 M compared with SEK 5,331 M in the third quarter, SEK 5,611 M in the second quarter and SEK 6,519 M in the fourth quarter of 2000. The last two quarters show a positive trend in terms of cost-savings.

Total merger and restructuring costs in the fourth quarter amounted to 413 M.

Credit losses, net, were SEK 181 M compared with SEK 112 M in the last quarter of 2000.

The result for the fourth quarter before restructuring costs was SEK 1,860 M, which was better than for the second and third quarters 2001 and even better than for the fourth quarter of 2000. After restructuring costs the operating result totalled SEK 1,447 M.

Full year results

Comparisons with the preceding year have been affected by one-off items and the consolidation of Vilniaus Bankas in the fourth quarter of 2000. Furthermore, comparisons have been affected by the currency translation difference due to the weak Swedish krona as well as merger and restructuring costs.

Income

Total income for the full year 2001 decreased by 7 per cent to SEK 30,220 M (32,658). Adjusted for items affecting comparability, total income dropped by 8 per cent.

Net interest income showed a steady increase quarter by quarter and rose by 12 per cent to SEK 13,053 M (11,616) for the full year. The cost for the governmental deposit guarantee declined by SEK 207 M.

Adjusted for item affecting comparability, net interest income increased by 5 per cent, mainly due to increased volumes and higher margins.

Net commission income decreased by 16 per cent to SEK 11,576 M (13,846), despite a recovery during the fourth quarter. Commission income from credit and charge cards rose by 17 per cent, while equity related commission income fell by 23 per cent compared with 2000. Adjusted for items affecting comparability, net commission income for the full year 2001 declined by 20 per cent. Net commission income is strongly related to stock market trends both in terms of value and business activity. (See further Note on page 20.)

Net result of financial transactions was down 17 per cent to SEK 2,964 M (3,552). Adjusted for items affecting comparability, net result of financial transactions decreased by 16 per cent. (See further Note on page 20.)

Other income amounted to SEK 2,627 M (3,644), of which capital gains and one-off items accounted for SEK 1,024 M (1,277). Of the capital gains, SEK 512 M referred to the sale of OM shares and SEK 248 M to the sales of shares in Deutsche Börse – both regarded as one-off items in the first quarter of 2001. Remaining capital gains are regarded as part of normal business activity. Adjusted for one-off items, exchange rate fluctuations and other items affecting comparability Other income was up 4 per cent.

Costs

Costs including restructuring costs of SEK 716 M, amounted to SEK 22,679 M (22,332). Adjusted for restructuring costs and other items affecting comparability, including exchange rate changes, total costs decreased by 7 per cent.

Staff costs, gross, dropped by 3 per cent to SEK 12,353 M (12,761). *Staff costs, net*, decreased by 4 per cent to SEK 11,351 M (11,818). Compensation for the pension costs, which is included in the staff costs, gross, increased to SEK 1,002 M (943), including the pension insurance scheme that has replaced the earlier profit-sharing system.

Adjusted for items affecting comparability, staff costs declined by 8 per cent. This was achieved through efficiency improvement measures, primarily within Nordic Retail & Private Banking and SEB Germany, which have also offset the general pay cost increase. In addition, decreased income has led to lower performance-related compensation (SEK 646 M less compared with 2000).

As of 31 December 2001 the number of employees decreased by 584 to 20,696.

At year-end 2001, total assets in the pension funds amounted to SEK 18.5 billion (23.2), while commitments were SEK 9.1 billion (8.0). Accordingly the surplus value at year-end 2001 amounted to SEK 9.4 billion (15.2).

In line with the promise in the annual report for 2000 total IT costs were kept level with 2000: SEK 4.7 billion (4.8). IT costs are here defined as a calculated cost for all IT-related activities including costs for own personnel etc. Of these calculated costs SEK 2,221 M (2,338) represented external costs.

Depreciation amounted to SEK 1,849 M (1,763), of which goodwill accounted for SEK 733 M (671).

Merger and restructuring costs

Total merger and restructuring costs amounted to SEK 716 M. Of the total, SEK 225 M was attributable to costs for integration planning work in connection with the planned and discontinued merger with FöreningsSparbanken (Swedbank). SEK 491 M was restructuring costs and thereof SEK 358 M is a reserve for actions taking place during 2002.

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 200 M, which will be accounted for in 2002.

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*. Of the *restructuring reserve* for the acquisition of Trygg Hansa in 1997, SEK 29 M was left at year-end after having used SEK 227 M during 2001.

Credit losses and doubtful claims

The Group's credit losses, including changes in the value of assets taken over, amounted to SEK 547 M, net (815), of which SEK 480 M, net (781), in SEB Germany. The improvement was mainly due to lower credit losses and to some extent higher recoveries during 2001. The level of credit losses was 0.09 per cent (0.12).

The Estonian subsidiary bank Eesti Ühispank made write-downs of SEK 69 M in its investment portfolio.

Doubtful claims, gross, amounted to SEK 15,822 M, (16,437). SEK 8,161 M (9,368) of the doubtful claims are non-performing loans and SEK 7,661 M (7,069) are performing loans (loans where interest and amortisation are current). Doubtful claims net after deducting general reserves amounted to SEK 7,769 M (7,280). The provision ratio for doubtful claims including general reserves was 50.9 per cent (55.7). The provision ratio for non-performing loans was 54.7 per cent and for performing loans 33.7 per cent (see further page 37). The level of doubtful claims, net, was 1.37 (1.35).

The volume of pledges taken over amounted to SEK 265 M (213).

Non-life insurance and run-off

Operating result for non-life insurance, mainly run-off, amounted to SEK 257 M (212). The increase was mainly due to capital gains of SEK 126 M from bond portfolio sales 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 2001 amounted to SEK 886 M. Non-recurring costs for merger and restructuring amounted to SEK 716 M, of which SEK 413 M refers to the fourth quarter. The net effect of one-off items was thus a gain of SEK 170 M. In 2000, the result was positively affected by a total of SEK 2,306 M of a non-recurring nature.

Operating result

Operating result decreased by 27 per cent to SEK 7,153 M (9,743). Adjusted for items affecting comparability, mainly the above one-off items, the operating result fell by 10 per cent.

Changes in surplus value of the life insurance operations are not included in the operational and statutory accounts. Life insurance operations should be evaluated based on the value created by the ongoing operations and its future long-term implications. Thus, a detailed report on SEB Trygg Liv's operations, including changes in surplus values, is stated in *Appendix 2*.)

Taxes

The Group's operating result before tax was SEK 7,153 M (9,743). The tax on the profit for 2001 was SEK 1,990 M (2,710). Of this, SEK 1,161 M (1,730) represented taxes paid and SEK 829 M (980) deferred tax. The weighted tax rate is 27.8 per cent (27.8), taxes paid represents a tax rate of 16.2 per cent (17.8 per cent).

Furthermore, the result is charged with taxes of SEK 68 M (146) for previous years.

Assets under management

At year-end 2001, the SEB Group's assets under management totalled SEK 871 billion (910). The rise in stock market values during the fourth quarter explains the increase of 7 per cent from the third quarter. Of this, SEK 567 billion (591) are managed by SEB Asset Management, SEK 113 billion (110) by SEB Germany and the rest by Private Banking.

Credit portfolio

As per 31 December 2001, SEB's loan and leasing volume, excluding repos, amounted to SEK 718 billion (690).

The total credit portfolio also includes contingent liabilities, such as letters of credits, guarantees and credit commitments, as well as credit exposures related to derivatives contracts. The total credit portfolio increased by approximately SEK 29 billion during 2001 and amounted to SEK 955 billion (926) at year-end. A significant factor for the increased credit exposure has been the deterioration of the Swedish krona during the year. From a sector perspective the portfolio has been stable. Within the household sector Swedish mortgage lending accounts for the majority of the increase. Corporate credit volumes have also increased somewhat, particularly within Merchant Banking.

SEB AG's credit exposure, measured in euro, declined by approximately EUR 1.5 billion, while it increased by approximately SEK 4 billion measured in SEK. The three Baltic subsidiary banks have increased their credit exposure to SEK 30 billion (24) during the year, of which the major part was related to the corporate sector.

Exposure on the telecommunication industry (operators and manufacturing companies) increased somewhat during the year, totalling approximately SEK 15 billion, 1.5 per cent of the Group's total portfolio. Exposure on the IT sector declined somewhat during the year, totalling approximately SEK 4 billion.

The net exposure on emerging markets at the year-end amounted to SEK 9.7 billion (11.5) after deduction of provisions for possible lending losses. (See further in *Appendix 3*.)

Risk and capital management

In order to ensure the best possible use of the capital of the Group and to evaluate profitability in the various business areas with more precision SEB uses a control model that is based upon economic capital, Capital at Risk (CAR). CAR represents an assessment of the risk for unexpected losses that the operations of the Group imply at each given point in time. It is based upon statistical probability calculations of the Bank's various types of risk; i.e. credit, market, insurance, operational and business risks. CAR is well in line with the forthcoming changes of the capital adequacy rules. When allocating capital to the divisions, CAR, like the capital requirement for risk-weighted assets, are important parameters. When calculating the return on capital of the divisions their respective results, after an assumed tax rate of 28 per cent, are put in relation to the allocated capital.

The risk level for each type of risk, without considering diversification effects, as well as the Group's total CAR, are summarised in the following table (SEK billion):

	31 Dec. 2001	31 Dec. 2000
Market risk	5	3
Credit risk	34	32
Insurance risk	6	5
Operational and business risk	8	9
Diversification	-14	-13
Total CAR	39	36

The Group's risk taking in trading operations (so-called value at risk, VaR) averaged SEK 133 M during 2001. This means that the Group, with 99 per cent certainty, could not expect to lose more than a maximum of SEK 133 M during a ten-day period. During the year this risk varied between SEK 80 M and SEK 165 M. Following table shows the risk by risk type (SEK M).

	Min	Max	Average	31 Dec 2001	31 Dec 2000
Interest risk	66	168	126	146	98
Currency risk	12	58	26	14	19
Equity risk	4	24	15	12	30
Diversification			-34	-29	-61
Total	80	165	133	143	86

An increase of market interest rates by one percentage point as per 31 December 2001, would result in a reduction in the market value of the Group's all interest-bearing assets and liabilities, including derivatives, by SEK 2,200 M (1,600).

Capital base and capital adequacy

On the 31 December 2001, the capital base for the financial group of undertakings (excluding the insurance companies) amounted to SEK 54.4 billion (53.3). Core capital was SEK 38.7 billion (36.5), of which SEK 1.9 billion constituted so-called core capital contribution. (For calculation of the capital base see *Appendix 4*). The risk-weighted assets amounted to SEK 501 billion (496).

The rise in risk-weighted assets due to increased lending and a weaker Swedish krona have been counteracted with continued capital rationalisation, particularly within SEB Germany. In addition, the Financial Supervisory Authority's approval of SEB's internal Value-at-Risk model last December has contributed to reducing risk-weighted assets by a little more than SEK 5 billion.

The core capital ratio was 7.71 per cent (7.37) and the total capital ratio was 10.84 per cent (10.76). The Group's long-term goals 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 have thus been met.

During the year SEB has taken an active part in the work evaluating and responding to the proposed new capital adequacy rules of the Basle Committee and the EU commission. The Bank participated in the two Quantitative Impact Studies that the Basle Committee carried out for the purpose of evaluating the effects of the new rules. This work has provided good insight into the changes that can be expected. The Group will continue to monitor the development of the new rules on a regular basis and will as part of this consider the Group's capital situation in order to be prepared when the new rules become effective.

Rating

SEB's credit ratings are unchanged. The long-term rating with Moody's is A2, with Standard & Poor's A- and with Fitch A+. SEB's mortgage subsidiary's (SEB BoLån) debt issues were given a long-term rating of A+ by Fitch in December 2001.

Employee stock options programme

The Board of Directors approved an incentive programme based on a maximum of 7,000,000 employee stock options, under similar terms and conditions as the preceding year's programme, for approximately 1,000 senior officers and key individuals. At allotment, the Management Committee will receive 1,500,000 options, approximately 400 other senior officers will receive 3,700,000 options and about 600 key personnel and experts 1,800,000 employee stock options. Each option carries entitlement to the acquisition of one Series A share at a price corresponding to 110 per cent of the average of the price at the close of the Stock Exchange during the period February 21 - March 6, 2002. The employee stock options may be exercised between three and seven years following allotment.

Including this year's approved options programme, the number of outstanding employee stock options (1999-2002) totals approximately 19 million, corresponding to 2.6 per cent of the number of shares outstanding.

Existing employee stock options programmes are hedged through swap agreements for both the options price increase and the accompanying social cost component. It is proposed that the employee stock options programme for 2002 is initially hedged in the same manner. The cost of the hedging arrangement for both the employee stock options and the social costs are calculated as the difference between the dividend level of the SEB share and the current financing cost for the number of underlying shares. If the price of the SEB share increases by SEK 10, the social costs will amount to approximately SEK 15 M. The hedging arrangement means that shareholders' equity will be fully compensated and remain intact.

Repurchase of own shares

The Board of SEB has decided to propose that the Annual General Meeting authorise the Board to decide on the repurchase of the Company's shares via the Stock Exchange during the period prior to the Annual General Meeting of shareholders in 2003 in order to protect the bank against the cost of the 2002 employee stock options programme. The repurchased shares will replace the swap contract for the price increase in the employee stock options approved by the Board. This authorisation comprises the acquisition of a maximum of seven million Series A shares, corresponding to approximately 1 per cent of the total number of shares in the Bank. It is proposed that the Annual General Meeting's decision also include the possibility to transfer the repurchased shares to the employee stock options holders under the 2002 programme, in accordance with the terms and conditions of the programme and a mandate for the Board to transfer the repurchased shares that are not used for delivery to the options holders via the Stock Exchange prior to the 2003 Annual General Meeting. The acquisition and transfer of shares via the Stock Exchange can only be effected at a price within the registered price interval at any given time on the Stockholm Exchange, which means the interval between the highest bid price and the lowest ask price.

In addition, the Board decided, as in prior years and in accordance with Ch. 4 §5 of the Securities Business Act (1991:981), to propose to the Annual General Meeting that, during the time prior to the next Annual General Meeting, it be permitted to acquire within its own securities business the Group's own Series A and Series C shares in a number that at any time means that the holding of such shares does not exceed 5 per cent of the total number of shares in the Bank. The price of the acquired shares must correspond to the applicable market price at the time.

The proposals for the repurchase of the Group's own shares falls within the maximum 10 per cent of outstanding share volume permitted by applicable legislation.

Dividend

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

Earnings per share was SEK 7.17 (9.43). The Board of Directors proposes a dividend of SEK 4.00 (SEK 4.00) per Series A and Series C shares. This proposal corresponds to 56 per cent (40.9) of earnings per share. The total dividend amounts to SEK 2,818 M (2,818). The SEB share will be traded ex dividend as from 11 April 2002.

Stockholm, 21 February, 2002

Lars H. Thunell

President and Group Chief Executive

Financial information during 2002

7 May Interim report January-March

22 August Interim report January-June

7 November Interim report January-September

The Annual General Meeting will be held on Wednesday 10 April, 2002 at 12.30 p.m. (Swedish time) at Cirkus, Djurgårdsslätten, Stockholm.

Reports are also found on Internet (www.seb.net).

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THE DIVISIONS AND BUSINESS AREAS

SEB's operations are as from December 2001 organised into six divisions: Nordic Retail & Private Banking, Corporate & Institutions, SEB Germany, SEB Asset Management, SEB Trygg Liv and The Baltic & Poland.

Summary of operating result per division and business area

SEK M	2001	2000	Change per cent
Nordic Retail & Private Banking	2 226	2 920	-24
Retail Banking	1 266	1 338	-5
Private Banking	497	1 112	-55
SEB Kort	463	470	-1
Corporate & Institutions	4 675	5 382	-13
Merchant Banking (incl. Mid Corporate and Securities Services)	4 306	4 288	0
Enskilda Securities	369	1 094	-66
SEB Germany	895	787	14
SEB Asset Management	593	809	-27
SEB Trygg Liv	-79	86	-192
The Baltic & Poland	547	370	48
Total all divisions	8 857	10 354	-14
Joint Group incl. capital gain and elimination.	-1 704	-611	179
Operating result	7 153	9 743	-27

Nordic Retail & Private Banking

The division was formed in December 2001 through combining the Personal Banking Sweden and Personal Banking International divisions and including parts of the Mid Corporate business area.

The aim is to further increase customer orientation and strengthen SEB's local presence in Sweden. Moreover, the intention is to secure and develop the leading position in the private banking sector as well as improve co-operation between units in Sweden, units in the Nordic region and between the various sales and service channels.

In specific terms, this resulted in a reinstatement of collective customer and profit responsibility at the slightly more than 200 branch offices. Concurrently, the telephone and Internet units were combined into a new business area.

The division has about 1.5 million private customers and 120,000 small and mid-size corporate customers, of which about 25,000 previously were included in the Mid Corporate business area.

Operations are divided into three main business areas: Retail Banking, including branch office operations, telephone and Internet banking in Sweden and Denmark; Private Banking, with

Enskilda Banken in Sweden and private banking activities in Luxembourg, Norway, the UK and Switzerland; and SEB Kort, with operations in four Nordic countries.

For full-year 2001, Nordic Retail & Private Banking reported a result of SEK 2,226 M, a decline of 24 per cent compared with a year earlier.

Return on allocated capital, SEK 7,000 M, was 22.9 per cent. Risk-weighted assets amounted to SEK 100 billion.

The decline in earnings is attributable mainly to a 22 per cent decrease in commission income, related to the decline in the stock market. However, net interest income developed positively, due mainly to improved margins.

In the lending sector, the pressure on margins continued. However, this trend was partly offset by increased volumes. In the housing loans sector, SEB continued to grow, in volume as well as market shares.

Several extensive restructuring measures were implemented during 2001 in the former Personal Banking International operations:

The e-banking venture in Norway was discontinued. In this market, the division will focus on asset management and mutual funds activities.

SEB closed its e-banking operations in the UK during the third quarter.

Retail Banking

The retail banking operations include the branch office activities and the combined telephone and Internet units. The area posted a result in 2001 of SEK 1,266 M (1,338).

The savings market is decisive, not only for the private banking operations, but also in the retail area. SEB strengthened its position in the Swedish savings market during 2001. In terms of total savings, SEB has the largest share, 16.8 per cent (September 2001). SEB also posted an increase in bank deposits, with a share of 13.8 per cent in September.

The steady increase in new Internet customers continued in Sweden, actually exceeding the Bank's own goal. At year-end, the division had about 660,000 e-banking customers in Sweden. Nearly every second customer who personally cites SEB as his or her main bank is now also an Internet customer.

In Denmark, SEB has about 25,000 customers.

Private Banking

Private Banking serves private individuals with investable assets as well as foundations. The result, SEK 497 M (1 112), was heavily affected by the stock exchange decline during 2001 – although the trend began to turn during the autumn. In SEB Enskilda Banken, the response to the weakening market was increased activity toward customers, which partly offset the general trend. Assets managed within Private Banking declined 6 per cent during the year to SEK 252 billion, while at the same time the stock exchange index fell 16 per cent.

Expertise is a decisive factor, particularly in private banking. An illustration of SEB's efforts is that nearly 800 new Swedish securities advisor licences were granted at year-end solely within Enskilda Banken. SEB was granted a total of about 1 500 licenses during 2001 – the decidedly largest portion on the Swedish market.

An e-banking service was launched in Luxembourg and was well received by existing private banking customers.

SEB Kort

The operating result declined 1 per cent to SEK 463 M. Income rose by 5 per cent, mainly due to increased card and redemption volumes. Costs rose by 4 per cent, largely as a result of increased volumes. However, in 2001 certain items have been accounted for on a gross basis, which have affected both income and costs (income up 9 per cent, costs up 12 per cent). Credit losses rose by 57 per cent to SEK 108 M, mainly attributable to confirmed losses and frauds. The credit loss level is however low in an international perspective.

Diners Club Denmark was again this year awarded first prize in the Teleperformance Grand Prix for best call centre. Diners Club Norway was awarded third prize.

Cost-savings programme

During 2001, Nordic Retail & Private Banking reduced costs by 3 per cent, from SEK 6, 216 M to SEK 6, 000 M. The efficiency enhancement work continues. The division's portion of the Group's cost-reduction programme through 2003 is about SEK 1, 000 M.

During the same period, the personnel reduction was about 300 positions. During 2001, Nordic Retail & Private Banking reduced its personnel by 5 per cent to 4 898 (5 144). The division restructuring costs in 2001 amounted to SEK 184 M.

Corporate & Institutions

The Corporate & Institutions division is focused on large and medium sized companies as well as financial institutions, and consists of Merchant Banking (since December 2001 also comprising the business areas Securities Services and Mid Corporate) and Enskilda Securities.

The operating result for 2001 amounted to SEK 4,675 M (5, 382). The "old" Merchant Banking showed a result in line with the record result in 2000, while the results for Enskilda Securities and Securities Services were negatively affected by the market conditions during 2001.

Return on allocated capital, SEK 15,500 M, was 21.7 per cent. Risk-weighted assets amounted to SEK 208 billion.

Capital efficiency remains in focus of the division and the cost efficiency process has been intensified. Some projects to increase efficiency is in progress and further activities will be initiated during 2002. Enskilda Securities has for example launched a programme aiming at reducing costs by 15 per cent. Other examples are the continuing development of internet solutions with the objective to rationalise processes both for customers and the Bank, as well as a number of ongoing projects for outsourcing of relevant processes within Merchant Banking. The gross cost reduction from these measures is estimated to SEK 325 M in annual effect as from the first quarter of 2003.

Merchant Banking – Continued strong performance with high profitability

The result for Merchant Banking, including Securities Services and Mid Corporate amounted to SEK 4,306 M (SEK 4,288 M).

Since the end of 2001 Merchant Banking consists of the business areas Merchant Banking, Securities Services and Mid Corporate. In connection with the reorganisation the responsibility for a large number of customers moved from Mid Corporate to the Nordic Retail and Private Banking division. This implies that Mid Corporate is now responsible for the relationship with 3 450 customer and as previously SEB Finans.

Merchant Banking, excluding the added entities, showed a continued strong performance in the fourth quarter but not as good as the fourth quarter in 2000 which showed an exceptional result due to very strong performance in Trading and Treasury and income from a number of very large structured Finance transactions. The result for 2001 is in line with the record result for 2000, SEK 3, 052 M

(3, 036). The growth in customer related income continued and was up 9 per cent compared with 2000, while income from treasury related activities decreased by 20 per cent. The increase in customer related income was partly attributable to a continued good performance from trading activities and expansion within growth areas such as Structured Finance.

For a number of years Merchant Banking has actively focused on cost efficiency to enable investments in selected growth areas. Despite large investments in these areas the underlying cost level, i.e. costs excluding performance related remuneration and exchange rate effects, decreased by 4 per cent compared with last year. This means that the underlying costs decreased for the fourth consecutive year.

During 2001 a number of customer surveys have confirmed Merchant Banking's leading position in its key markets.

Securities Services' result amounts to SEK 517 M (661), which is 22 per cent lower than the record year 2000 but 7 per cent better than 1999. Securities Services is highly affected by the development of the global securities markets, which was negative during 2001. This is in sharp contrast to the past years' considerable growth in terms of volume as well as in value. Securities Services' strong market position remains firm with a market share of 30 to 75 per cent within the different segments.

Mid Corporat's' result for year 2001, including SEB Finans, amounted to SEK 758 M (605), an increase of 25 per cent compared to 2000.

Mid Corporate's result, excluding SEB Finans, amounted to SEK 521 M (279). The increase is mainly explained by higher revenues and considerably lower credit losses.

The result for SEB Finans amounted to SEK 237 M (326). The decrease is due to a combination of lower commission revenues and higher lending losses. At the same time, however, the company has increased its volumes and reports favourable sales volumes with the core business in focus.

Enskilda Securities – improved position in difficult market

Total market value as well as volume of trading declined on all Nordic stock exchanges compared with 2000. Activities on the stock markets were the lowest since autumn 1999 and there were few IPOs during the year.

Enskilda Securities managed to maintain its strong position in the Nordic stock markets and kept its No. 1 position in Sweden and Norway; in Finland and Denmark it was ranked No. 2 and 3, respectively. Enskilda Securities' turnover in the secondary market for equities remained unchanged compared with 2000, although it slackened towards the end of the year.

Enskilda Securities' income during 2001 dropped by 34 per cent. Income declined in all product areas. Revenues from mainly IPOs and issues, M&A and trading were affected by the unfavourable and uncertain market climate. Brokerage income, which is the single most important income source, also declined in the third quarter as a result of lower volumes, but rebounded during the last quarter of the year.

Total costs declined 20 per cent, which was mainly an effect of lower bonus provisions due to the lower result. Costs before bonuses rose 10 per cent, most of which as a result of higher IT expenses. A cost-reduction programme is under way. This programme also includes downsizing of personnel and the goal is for cost to decline by 15 per cent during 2003. Result for the year was charged with restructuring costs of SEK 24 M.

After a loss in the third quarter of SEK 17 M, operating result in the fourth quarter was a profit of SEK 81 M. For the full year, Enskilda Securities reported a result of SEK 369 M (1,094).

SEB Germany

SEB Germany's result amounted to SEK 895 M (787). The result for the fourth quarter, SEK 202 M, is better than the average operational profit for the first three quarters due to lower costs in the last quarter.

The weakened Swedish krona has affected the profit and loss account. Total income for SEB Germany fell by 10 per cent in EUR and by 2 per cent in SEK. Total cost declined by 9 per cent in EUR and by 1 per cent in SEK.

Net interest income, SEK 4, 119 M, has remained stable considering that the reduction in risk weighted assets made it possible to reduce allocated shareholders' equity for 2001 by EUR 400 (or approximately SEK 3, 700 M). This in turn has reduced net interest income on allocated equity by over SEK 100 M as compared to the previous year.

Commission income fell by 20 per cent to SEK 1.365 M as a result of the weak market development.

During the first quarter SEB AG sold its shares in Deutsche Börse, which resulted in a capital gain of EUR 26,8 M (about SEK 248 M).

During the fourth quarter the SEB Invest and SEB ImmoInvest funds generated increased positive net inflows amounting to SEK 2,3 billion as compared to SEK 3.7 billion during the first nine months. Assets under Management, which decreased during the first nine months, has now increased again to SEK 112 billion, which is 3 per cent above the level at year-end 2000.

Return on allocated capital, SEK 10 800 M, was 6.0 per cent. Risk-weighted assets amounted to SEK 146 billion. Since SEB's acquisition, risk-weighted assets have been reduced by nearly 65 SEK billion (almost -30 per cent), of which SEK 17 billion in 2001.

The number of e-banking customers has during the year increased by 62 per cent up to a total of 236 000 at year-end. Also, the activity among the Internet customers has increased. Today, 23 per cent of all payments, 38 per cent of the share transactions and 45 per cent of all account inquiries are taking place over the Internet.

The restructuring activities continued according to plan and resulted in the reduction of risk-weighted assets, the number of full time employees and costs. Under the prevailing market conditions, the focus in restructuring work remains on continued cost reductions. Hence, the number of full time employees, 3 852 as per end of December, is more than 200 full time employees below the year-end target. During 2002, the restructuring focus gradually will be more and more aimed at increasing income.

The previous SEB unit in Germany, Skandinaviska Enskilda Banken AG, has been 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 have taken place, thus 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 Luxemburg. However, adjustment was not made for the external company sales completed by SEB AG during 2000.

SEB Asset Management (SEB Invest)

As from 21 February 2002 the SEB Invest division will reinstate the name SEB Asset Management to strengthen its market profile as a leading supplier of management expertise and services to companies, institutions and private individuals. SEB Asset Management holds strong market positions in Sweden as well as in Denmark and Finland. More than 100 portfolio managers and analysts work within the division in the Nordic region and in the US.

The division reported an operating result of SEK 593 M (809), down 27 per cent. Income declined 15 per cent to SEK 1,631 M (1,868), mainly due to the negative stock market trend. Costs were reduced 2 per cent to SEK 1,038 M (1,059). The underlying costs declined significantly more, however, since they were affected by the weak Swedish krona (SEK 47 M) and by restructuring costs (SEK 54 M). During the year, the operations in Hong Kong, Tokyo and Oslo were discontinued and it was decided to transfer the operations in London to Stockholm. The total cost savings is estimated to amount to slightly more than SEK 100 M annually as from the first quarter of 2003.

Return on allocated capital, SEK 1,700 M, was 25.1 per cent.

At 31 December 2001, SEB Asset Management had SEK 567 billion (591) under management, of which SEK 181 billion (197) in funds. Total managed capital declined 4 per cent since year-end.

Market shares for the division on the Nordic fund markets remained strong. The share of the total fund assets in Sweden is 18.4 per cent (19.6), in Finland 8.2 per cent (9.1) and Denmark 1.0 per cent (0.6). The division is also the market leader in institutional management in the Nordic region.

In 2001, the net inflow to the mutual fund companies in Sweden totalled SEK 57.3 billion, of which SEB accounted for SEK 3.6 billion or 6.4 per cent (8.9). These figures do not include the Group's sales of external funds, which began during the latter part of 2000.

In October, SEB was the first in the Nordic markets to start fixed-income funds focused on corporate bonds, which invest in both the US and the EU: SEB Corporate Bonds Euro – SEB Corporate Bonds – SEK.

SEB Trygg Liv

Total result from ongoing business was SEK 1,162 M (1,317). This corresponds to a return on allocated capital of 21.5 per cent. However, total result was affected by short-term market fluctuations and changes in assumptions. This led to a total result net of SEK 583 M (423).

Operating result, i.e. before changes in surplus value, amounted to SEK -79 M (86). A detailed report on SEB Trygg Liv is stated in Appendix 3.

Lower market values on funds assets resulted in a decline in income of 10 per cent. Operating and other expenses declined 5 per cent, excluding restructuring costs of SEK 55 M. Measures to reduce costs include closing the sales operations in Finland and Norway, discontinuing own telephone sales and a review of staffing in all functions. Total costs savings are estimated at more than SEK 100 M annually as from the first quarter of 2003.

Sales, i.e. new premiums and extra premiums under existing insurance contracts, measured as weighted sales, declined by 9 per cent. Most of the decline occurred during the first quarter and is attributable to single-payment endowment insurance, which is sensitive to the prevailing market situation. Premium income (total paid-in premiums) declined by 16 per cent to SEK 15,528 M (18,532).

According to the Insurance Association's statistics, SEB Trygg Liv's market share on the total life insurance market amounted to 13,0 (14,9) per cent. The market for single premium endowment insurance has had a significant decline, which has negatively affected all bank-owned insurance companies. The fact that SEB Trygg Liv's product mix also contains occupational pension insurance, has made SEB Trygg Liv better off in protecting its market position compared to other bank-owned insurance companies.

SEB Trygg Liv's ambition is to continue to develop in the occupational pension segment and other services and products procured by the employer and to secure positions in the private sector. The focus is on unit-linked insurance, which accounts for most sales.

At the end of 2001, the Welfare Analysis unit was formed to follow developments in the Swedish welfare system and determine what role and what need SEB Trygg Liv as a life insurance company can fill in this area.

The Baltic & Poland

Growth in the Baltic has continued to be very strong and the countries have not been affected appreciably by the economic instability and reduced demand that affected large parts of the world. Domestic demand and larger exports, as well as increased demand for loans, leasing products and savings products, are contributing to the growth.

Through its subsidiaries, Eesti Ühispank, Latvijas Unibanka and Vilniaus Bankas, SEB has a strong base, with large market shares, in the Baltic States. The trend of earnings for the banks continues to be highly favourable. Adjusted for Vilniaus Bankas, which was consolidated in the last quarter of 2001, income increased by 24 per cent, compared with the preceding year. The cost/income ratio declined to 0.64.

The focus of operations during the year has been on developing the banks in terms of expertise, products and efficiency. All three banks are now offering private advisory services and are today selling some SEB funds and insurance policies. The co-operation between the local banks and with other SEB units has been productive, resulting in many transactions as well as increased customer satisfaction.

The number of customers has increased by more than 15 per cent and the three banks now have a total of nearly 1.2 million customers. More than 220 000 customers, an increase of 100 per cent since the preceding year, are today using the Internet to conduct their bank transactions. In October, for the second year in a row, Unibanka in Latvia and Vilniaus Bankas in Lithuania were named the best banks in their countries.

The strong growth has also implied a need of development for new products and services as well as an increased level of activities. Through ongoing effectiveness and co-ordination, the cost for this can be effected with only a few per cent increased cost level.

The result for SEB's operations in the Baltic States increased by 54 per cent to SEK 570 M (370). Pro forma, with Vilniaus Bankas consolidated during all of 2000, the increase was 26 per cent.

During 2001 SEB acquired additional shares in the Polish bank Bank Ochrony Srodowiska (BOS). Today, SEB owns 47 per cent of BOS and is thereby the largest single owner.

Economic growth in Poland declined from 6 per cent to 2 per cent during the year. Exports have not been affected to the same degree, however; it is primarily domestic demand that has decreased, dampening growth.

The focus on Scandinavian Clients Department, an operation that is directed primarily to Scandinavian companies, has been highly successful and attracted more clients than had been expected in its first year.

The result of BOS is not consolidated in SEB. However, costs of SEK 23 M for BOS are accounted for in the total result of The Baltic & Poland division, SEK 547 M. Return on allocated capital for the division, SEK 2,750 M, was 14,3 per cent. Risk-weighted assets amounted to SEK 35 billion.

SEB Group

Operational Profit and Loss Account

SEK M	2001	2000	Change per cent
Net interest income	13 053	11 616	12
Net commission income	11 576	13 846	-16
Net result of financial transactions	2 964	3 552	-17
Other income	2 627	3 644	-28
Total income	30 220	32 658	-7
Staff costs	-12 353	-12 761	-3
Pension compensation	1 002	943	6
Other operating costs	-8 763	-8 751	0
Amortisation of goodwill	- 733	- 671	9
Depreciations	-1 116	-1 092	2
Merger & Restructuring costs	- 716		
Total costs	-22 679	-22 332	2
Net credit losses etc*	- 547	- 815	-33
Write-downs	- 69	- 75	
Net result from associated companies	- 29	95	-131
Operating result from non-life insurance	257	212	21
Operating result	7 153	9 743	-27
Current tax	-1 229	-1 876	-34
Deferred tax	- 829	- 980	-15
Minority interests	- 44	- 245	-82
Net profit for the year	5 051	6 642	-24

*including change in value of seized assets and write-down of financial fixed assets

Profit and loss items, average currency rates

	2001	2000
SEK	1,000	1,000
EUR	9,252	8,446
USD	10,331	9,161

Balance sheet items, actual currency rates

	2001	2000
SEK	1,000	1,000
EUR	9,304	8,829
USD	10,567	9,499

Key figures

	2001	2000
Return on equity, %	11,9	16,9
Earnings per share, SEK	7,17	9,43
Income/cost ratio, SEB Group	1,33	1,46
Income/cost ratio, banking operations	1,30	1,42
Cost/income ratio, SEB Group	0,75	0,68
Cost/income ratio, banking operations	0,77	0,70
Lending loss level, %	0,09	0,12
Provision ratio for doubtful claims, %	44,6	49,1
Level of doubtful claims, %	1,37	1,35
Total capital ratio, %	10,84	10,76
Core capital ratio, %	7,71	7,37

Operational Profit & Loss Account, quarterly performance

SEK M	2001:4	2001:3	2001:2	2001:1	2000:4
Net interest income	3 507	3 312	3 164	3 070	2 898
Net commission income	2 996	2 622	2 965	2 993	3 507
Net result of financial transactions	693	762	534	975	1 294
Other income	505	446	521	1 155	598
Total income	7 701	7 142	7 184	8 193	8 297
Staff costs	-3 096	-3 021	-3 200	-3 036	-3 391
Pension compensation	236	237	231	298	227
Other operating costs	-2 233	-2 080	-2 181	-2 269	-2 847
Goodwill amortisations	- 196	- 180	- 179	- 178	- 184
Depreciations	- 270	- 287	- 282	- 277	- 324
Merger & Restructuring costs	- 413	- 233	- 70		
Total costs	-5 972	-5 564	-5 681	-5 462	-6 519
Net credit losses etc*	- 181	- 135	- 52	- 179	- 112
Write-downs	- 45	- 7	- 14	- 3	
Net result from associated companies	- 34	- 11	17	- 1	20
Operating profit from non-life insurance	- 22	36	2	241	43
Operating result	1 447	1 461	1 456	2 789	1 729

*including change in value of seized assets and write-down of financial fixed assets

Net commission income

SEK M	2001:4	2001:3	2001:2	2001:1	2000:4
Payments	282	270	259	283	286
Cards	471	445	479	445	426
Issue of securities ¹⁾	108	145	130	49	114
Custody and mutual fund	820	762	853	931	1 170
Courtage shares	513	419	541	662	659
Courtage other	68	39	34	47	47
Lending	74	96	116	105	116
Deposits	19	15	17	16	1
Guarantees	33	31	40	31	35
Advisory ¹⁾	144	52	207	89	241
Derivatives	55	36	10	79	32
Other	271	89	71	166	91
SEB AG and The Baltic	616	636	658	602	756
Commission income	3 474	3 035	3 415	3 505	3 974
Payments	- 250	- 252	- 233	- 246	- 209
Securities	- 59	- 38	- 26	- 102	- 59
Other	- 126	- 63	- 88	- 58	- 69
SEB AG and The Baltic	- 43	- 60	- 103	- 106	- 130
Commission costs	- 478	- 413	- 450	- 512	- 467
Payments	503	463	505	482	503
Securities	1 450	1 327	1 532	1 587	1 931
Other	470	256	373	428	447
SEB AG and The Baltic	573	576	555	496	626
Net commission income	2 996	2 622	2 965	2 993	3 507

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

Net result financial transactions

Mkr	2001:4	2001:3	2001:2	2001:1	2000:4
Skandinaviska Enskilda Banken	246	323	83	419	621
Enskilda Securities	85	- 12	32	121	145
SEB AG	- 34	42	19	49	64
Other	1		9	37	12
Realised and unrealised	298	353	143	626	842
Exchange rate fluctuations	387	409	391	349	448
Redemptions of bonds	8				4
Net result financial transactions	693	762	534	975	1 294

Nordic Retail & Private Banking

SEK M	Q 4 2001	Q 4 2000	Change per cent	Jan-Dec 2001	Jan-Dec 2000	Change per cent
Net interest income	1 088	1 039	5	4 328	4 072	6
Net commission income	956	1 097	-13	3 645	4 684	-22
Net result of financial transactions	38	37	3	184	204	-10
Other income	50	121	-59	202	214	-6
Total income	2 132	2 294	-7	8 359	9 174	-9
Staff costs	-744	-849	-12	-2 955	-3 180	-7
Pension compensation	81	117	-31	461	459	0
Other operating costs	-839	-1 095	-23	-3 239	-3 393	-5
Merger & Restructuring costs	-89			-184		
Amortisation of goodwill		-1	-100		-2	-100
Depreciations	-17	-32	-47	-83	-100	-17
Total costs	-1 608	-1 860	-14	-6 000	-6 216	-3
Net credit losses etc*	-6	323	-102	-69	151	-146
Net result from associated companies	-26	-53	-51	-64	-189	-66
Operating result from non-life insurance						
Operating result	492	704	-30	2 226	2 920	-24

*including change in value of seized assets and write-down of financial fixed assets

Private Banking

SEK M	Q 4 2001	Q 4 2000	Change per cent	Jan-Dec 2001	Jan-Dec 2000	Change per cent
Net interest income	152	146	4	508	526	-3
Net commission income	332	408	-19	1 338	1 816	-26
Net result of financial transactions	30	39	-23	101	171	-41
Other income	4	102	-96	25	106	-76
Total income	518	695	-25	1 972	2 619	-25
Staff costs	-184	-194	-5	-718	-717	0
Pension compensation	13	-15	-187	83	71	17
Other operating costs	-234	-254	-8	-697	-693	1
Merger & Restructuring costs	4			-42		
Amortisation of goodwill		-1	-100		-2	-100
Depreciations	2	-10	-120	-25	-29	-14
Total costs	-399	-474	-16	-1 399	-1 370	2
Net credit losses etc*	-1	26	-104	-12	52	-123
Net result from associated companies	-26	-53	-51	-64	-189	-66
Operating result from non-life insurance						
Operating result	92	194	-53	497	1 112	-55

*including change in value of seized assets and write-down of financial fixed assets

Retail Banking

SEK M	Q 4 2001	Q 4 2000	Change per cent	Jan-Dec 2001	Jan-Dec 2000	Change per cent
Net interest income	900	864	4	3 682	3 415	8
Net commission income	307	358	-14	1 107	1 699	-35
Net result of financial transactions	8	-2		83	32	159
Other income	17	18	-6	83	100	-17
Total income	1 232	1 238	0	4 955	5 246	-6
Staff costs	-454	-562	-19	-1 858	-2 115	-12
Pension compensation	57	122	-53	338	349	-3
Other operating costs	-487	-718	-32	-2 031	-2 256	-10
Merger & Restructuring costs	-93			-142		
Amortisation of goodwill						
Depreciations	-17	-17		-47	-54	-13
Total costs	-994	-1 175	-15	-3 740	-4 076	-8
Net credit losses etc*	28	317	-91	51	168	-70
Net result from associated companies						
Operating result from non-life insurance						
Operating result	266	380	-30	1 266	1 338	-5

*including change in value of seized assets and write-down of financial fixed assets

SEB Kort

SEK M	Q 4 2001	Q 4 2000	Change per cent	Jan-Dec 2001	Jan-Dec 2000	Change per cent
Net interest income	36	29	24	138	131	5
Net commission income	317	331	-4	1 200	1 169	3
Net result of financial transactions					1	-100
Other income	29	1		94	8	
Total income	382	361	6	1 432	1 309	9
Staff costs	-106	-93	14	-379	-348	9
Pension compensation	11	10	10	40	39	3
Other operating costs	-118	-123	-4	-511	-444	15
Merger & Restructuring costs						
Amortisation of goodwill						
Depreciations	-2	-5	-60	-11	-17	-35
Total costs	-215	-211	2	-861	-770	12
Net credit losses etc*	-33	-20	65	-108	-69	57
Net result from associated companies						
Operating result from non-life insurance						
Operating result	134	130	3	463	470	-1

*including change in value of seized assets and write-down of financial fixed assets

Corporate & Institutions

<u>SEK M</u>	<u>Q 4 2001</u>	<u>Q 4 2000</u>	<u>Change per cent</u>	<u>Jan-Dec 2001</u>	<u>Jan-Dec 2000</u>	<u>Change per cent</u>
Net interest income	1 076	954	13	4 007	3 983	1
Net commission income	1 245	1 190	5	4 431	5 058	-12
Net result of financial transactions	474	1 034	-54	2 165	2 724	-21
Other income	49	207	-76	168	565	-70
Total income	2 844	3 385	-16	10 771	12 330	-13
Staff costs	-1 027	-1 096	-6	-3 762	-4 292	-12
Pension compensation	41	48	-15	218	198	10
Other operating costs	-638	-744	-14	-2 450	-2 305	6
Merger & Restructuring costs	-35			-35		
Amortisation of goodwill	-14	-14		-56	-51	10
Depreciations	-43	-48	-10	-160	-154	4
Total costs	-1 716	-1 854	-7	-6 245	-6 604	-5
Net credit losses etc*	8	-326	-102	149	-344	-143
Net result from associated companies						
Operating result from non-life insurance						
Operating result	1 136	1 205	-6	4 675	5 382	-13

*including change in value of seized assets and write-down of financial fixed assets

Merchant Banking including Mid Corporate and Securities Services

<u>SEK M</u>	<u>Q 4 2001</u>	<u>Q 4 2000</u>	<u>Change per cent</u>	<u>Jan-Dec 2001</u>	<u>Jan-Dec 2000</u>	<u>Change per cent</u>
Net interest income	1 075	994	8	4 023	4 149	-3
Net commission income	675	493	37	2 282	2 081	10
Net result of financial transactions	394	881	-55	1 941	2 049	-5
Other income	54	208	-74	156	452	-65
Total income	2 198	2 576	-15	8 402	8 731	-4
Staff costs	-695	-678	3	-2 562	-2 448	5
Pension compensation	41	48	-15	218	198	10
Other operating costs	-463	-519	-11	-1 793	-1 725	4
Merger & Restructuring costs	-11			-11		
Amortisation of goodwill		-1	-100			
Depreciations	-23	-36	-36	-91	-112	-19
Total costs	-1 151	-1 186	-3	-4 239	-4 087	4
Net credit losses etc*	8	-360	-102	143	-357	-140
Net result from associated companies						
Operating result from non-life insurance						
Operating result	1 055	1 030	2	4 306	4 287	0

*including change in value of seized assets and write-down of financial fixed assets

Merchant Banking excluding Mid Corporate and Securities Services

SEK M	Q 4 2001	Q 4 2000	Change per cent	Jan-Dec 2001	Jan-Dec 2000	Change per cent
Net interest income	740	671	10	2 673	2 750	-3
Net commission income	491	287	71	1 469	1 183	24
Net result of financial transactions	321	831	-61	1 803	1 941	-7
Other income	29	182	-84	99	390	-75
Total income	1 581	1 971	-20	6 044	6 264	-4
Staff costs	-577	-554	4	-2 095	-2 001	5
Pension compensation	30	39	-23	166	155	7
Other operating costs	-335	-355	-6	-1 253	-1 235	1
Merger & Restructuring costs	-7			-7		
Amortisation of goodwill						
Depreciations	-21	-33	-36	-82	-103	-20
Total costs	-910	-903	1	-3 271	-3 184	3
Net credit losses etc *	87	-62		279	-44	
Net result from associated companies						
Operating result from non-life insurance						
Operating result	758	1 006	-25	3 052	3 036	1

* including change in value of seized assets and write-down of financial fixed assets

Enskilda Securities

SEK M	Q 4 2001	Q 4 2000	Change per cent	Jan-Dec 2001	Jan-Dec 2000	Change per cent
Net interest income	1	-40	-103	-16	-166	-90
Net commission income	570	696	-18	2 149	2 976	-28
Net result of financial transactions	80	153	-48	224	675	-67
Other income	-5	-1		12	113	-89
Total income	646	808	-20	2 369	3 598	-34
Staff costs	-332	-418	-21	-1 200	-1 844	-35
Pension compensation						
Other operating costs	-175	-225	-22	-657	-580	13
Merger & Restructuring costs	-24			-24		
Amortisation of goodwill	-14	-13	8	-56	-51	10
Depreciations	-20	-12	67	-69	-42	64
Total costs	-565	-668	-15	-2 006	-2 517	-20
Net credit losses etc*				6	13	-54
Net result from associated companies						
Operating result from non-life insurance						
Operating result	81	140	-42	369	1 094	-66

*including change in value of seized assets and write-down of financial fixed assets

SEB Germany

SEK M	Q 4 2001	Q 4 2000	Change per cent	Jan-Dec 2001	Jan-Dec 2000	Change per cent
Net interest income	1 103	966	14	4 119	4 068	1
Net commission income	308	449	-31	1 365	1 705	-20
Net result of financial transactions	-8	54	-115	101	227	-56
Other income	103	-45		551	236	133
Total income	1 506	1 424	6	6 136	6 236	-2
Staff costs	-606	-620	-2	-2 651	-2 645	0
Pension compensation						
Other operating costs	-502	-488	3	-1 816	-1 861	-2
Merger & Restructuring costs						
Amortisation of goodwill						
Depreciations	-91	-111	-18	-369	-362	2
Total costs	-1 199	-1 219	-2	-4 836	-4 868	-1
Net credit losses etc*	-132	-182	-27	-480	-781	-39
Net result from associated companies	27	58	-53	75	200	-63
Operating result from non-life insurance						
Operating result	202	81	149	895	787	14

*including change in value of seized assets and write-down of financial fixed assets

SEB Asset Management

SEK M	Q 4 2001	Q 4 2000	Change per cent	Jan-Dec 2001	Jan-Dec 2000	Change per cent
Net interest income	23	30	-23	100	102	-2
Net commission income	383	550	-30	1 506	1 754	-14
Net result of financial transactions	6	4	50	14	7	100
Other income	2			11	5	120
Total income	414	584	-29	1 631	1 868	-13
Staff costs	-129	-179	-28	-567	-592	-4
Pension compensation	6	11	-45	46	43	7
Other operating costs	-113	-165	-32	-432	-481	-10
Merger & Restructuring costs	-35			-54		
Amortisation of goodwill	13	-2		-8	-7	14
Depreciations	-4	-8	-50	-23	-22	5
Total costs	-262	-343	-24	-1 038	-1 059	-2
Net credit losses etc*						
Net result from associated companies						
Operating result from non-life insurance						
Operating result	152	241	-37	593	809	-27

*including change in value of seized assets and write-down of financial fixed assets

SEB Trygg Liv

SEK M	Q 4 2001	Q 4 2000	Change per cent	Jan-Dec 2001	Jan-Dec 2000	Change per cent
Net interest income	19	26	-27	94	119	-21
Net commission income	12	-5		47	45	4
Net result of financial transactions	-4	7	-157	-23	9	
Other income	354	410	-14	1 375	1 479	-7
Total income	381	438	-13	1 493	1 652	-10
Staff costs	-138	-154	-10	-571	-542	5
Pension compensation						
Other operating costs	-154	-291	-47	-872	-954	-9
Merger & Restructuring costs	-55			-55		
Amortisation of goodwill	-8	-8		-32	-33	-3
Depreciations	-9	-8	13	-33	-28	18
Total costs	-364	-461	-21	-1 563	-1 557	0
Net credit losses etc*						
Net result from associated companies	4	-2		-9	-9	
Operating result from non-life insurance						
Operating result	21	-25	-184	-79	86	-192

*including change in value of seized assets and write-down of financial fixed assets

The Baltic & Poland

SEK M	Q 4 2001	Q 4 2000	Change per cent	Jan-Dec 2001	Jan-Dec 2000	Change per cent
Net interest income	352	280	26	1 183	653	81
Net commission income	161	133	21	596	334	78
Net result of financial transactions	57	70	-19	197	163	21
Other income	31	31		157	81	94
Total income	601	514	17	2 133	1 231	73
Staff costs	-176	-151	17	-673	-368	83
Pension compensation		1	-100	2	3	-33
Other operating costs	-132	-132		-451	-309	46
Merger & Restructuring costs						
Amortisation of goodwill	-13	-19	-32	-49	-39	26
Depreciations	-56	-61	-8	-217	-136	60
Total costs	-377	-362	4	-1 388	-849	63
Net credit losses etc*	-49	1		-200	-64	
Net result from associated companies	-23	3		2	52	-96
Operating result from non-life insurance						
Operating result	152	156	-3	547	370	48

*including change in value of seized assets and write-down of financial fixed assets

Statutory Profit and Loss Account

SEK M	Q4 2001	Q4 2000	Change per cent	2001	2000	Change per cent
Income						
<i>Interest income</i>	12 423	13 144	-5	53 616	51 196	5
<i>Interest costs</i>	-8 925	-10 257	-13	-40 605	-39 640	2
Net interest income	3 498	2 887	21	13 011	11 556	13
Dividends received	10	13	-23	95	877	-89
<i>Commission income</i>	3 379	4 077	-17	13 039	15 132	-14
<i>Commission costs</i>	- 478	- 670	-29	-1 853	-1 669	11
Net commission income ¹⁾	2 901	3 407	-15	11 186	13 463	-17
Net result of financial transactions ²⁾	691	1 288	-46	2 987	3 544	-16
Other operating income	318	409	-22	1 920	2 208	-13
Income from banking operations	7 418	8 004	-7	29 199	31 648	-8
Costs						
Staff costs	-2 963	-3 242	-9	-11 796	-12 234	-4
Other operating costs	-2 176	-2 688	-19	-8 282	-8 345	-1
Depreciation and write-downs of tangible and intangible fixed assets	- 449	- 492	-9	-1 784	-1 703	5
Merger & Restructuring costs	- 358			- 661		
Costs from banking operations	-5 946	-6 422	-7	-22 523	-22 282	1
Profit/loss from banking operations before credit losses	1 472	1 582	-7	6 676	9 366	-29
Net credit losses ³⁾	- 206	- 61		- 549	- 858	-36
Change in value of seized assets				2	43	-95
Write-downs of financial fixed assets	- 20	- 51	-61	- 69	- 75	-8
Net result from associated companies	- 38	22		- 20	104	-119
Operating profit from banking operations	1 208	1 492	-19	6 040	8 580	-30
Operating profit from insurance operations ⁴⁾	3	10	-70	111	220	-50
Operating profit	1 211	1 502	-19	6 151	8 800	-30
Pension compensation	236	227	4	1 002	943	6
Profit before tax and minority interests	1 447	1 729	-16	7 153	9 743	-27
Current tax ^{*)}	- 73	- 461	-84	-1 229	-1 876	-34
Deferred tax	- 165	- 152	9	- 829	- 980	-15
Minority interests	12	- 36	-133	- 44	- 245	-82
Net profit for the period ^{**)}	1 221	1 080	13	5 051	6 642	-24
*) Of which tax on previous years income	-40	-193		-68	-146	
***) Earnings per share, SEK	1,73	1,54		7,17	9,43	
Number of shares	704 557 680	704 557 680		704 557 680	704 557 680	

1) Net commission income

SEK M	Q4	2001	Q4	2000	Change per cent	2001	2000	Change per cent
Payment commissions		681		912	-25	2 638	2 424	9
Securities commissions		1 552		1 461	6	6 152	8 137	-24
Other commissions		668		1 034	-35	2 396	2 902	-17
Net commission income		2 901		3 407	-15	11 186	13 463	-17

2) Net result of financial transactions

SEK M	Q4	2001	Q4	2000	Change per cent	2001	2000	Change per cent
Shares/participations		69		- 169	-141	1 728	- 44	
Interest-bearing securities		238		183	30	975	413	136
Other financial instruments		- 343		738	-146	-1 155	1 693	-168
Realised result		- 36		752	-105	1 548	2 062	-25
Shares/participations		526		- 62		411	- 451	-191
Interest-bearing securities		- 243		12		- 322	105	
Other financial instruments		52		140	-63	- 194	493	-139
Unrealised value changes		335		90		- 105	147	-171
Exchange rate fluctuations		385		442	-13	1 536	1 360	13
Redemption of bonds		7		4	75	8	- 25	-132
Net result of financial transactions		691		1 288	-46	2 987	3 544	-16

3) Net credit losses

SEK M	Q4	2001	Q4	2000	Change per cent	2001	2000	Change per cent
<i>Individually appraised receivables</i>								
Reported write-down, incurred losses		- 923		-1 982	-53	-2 691	-3 496	-23
Reversal of previous provisions for possible losses, reported as incurred losses in current years accounts		648		1 651	-61	2 014	2 569	-22
Reported provision for possible losses		- 573		- 526	9	-1 411	-1 552	-9
Recovered from losses incurred in previous years		210		381	-45	573	612	-6
Reversal of previous provisions for possible losses		447		291	54	949	638	49
Reported net cost for individually appraised receivables		- 191		- 185	3	- 566	-1 229	-54
<i>Receivables appraised by category</i>								
Reported write-down, incurred losses		- 35		9		- 114	- 57	100
Reported provision for possible losses		- 5		2		- 22	- 8	175
Recovered from losses incurred in previous years		7		- 4		28	24	17
Withdrawal from reserve for lending losses								
Reported net cost for receivables appraised by category		- 33		7		- 108	- 41	163
Allocation to/withdrawal from reserve for political risks abroad		- 7		69	-110	74	363	-80
Contingent liabilities		25		48	-48	51	49	4
Net credit losses		- 206		- 61		- 549	- 858	-36

4) Operating profit from insurance operations

SEK M	Q4	2001	Q4	2000	Change per cent	2001	2000	Change per cent
Non-life operations		- 22		43	-151	257	212	21
Life operations		25		- 33	-176	- 146	8	
Operating profit from insurance operations		3		10	-70	111	220	-50

Cash flow analysis

SEK M	2001	2000
Cash flow before changes in lending and deposits	-4 225	10 795
Increase in lending to the public	-30 571	-36 262
Increase in deposits from the public	45 356	27 113
Cash flow, current operations	10 560	1 646
Cash flow, investment activities	-2 201	41 291
Cash flow, financing activities	-11 321	-20 630
Cash flow for the period	-2 962	22 307
Liquid funds at beginning of year	46 532	24 225
Cash flow for the period	-2 962	22 307
Liquid funds at end of period	43 570	46 532

Balance sheet

SEK M	31 December 2001	31 December 2000	Change per cent
Lending to credit institutions	175 380	164 673	7
Lending to the public	634 995	605 759	5
Interest-bearing securities	153 033	158 047	-3
- <i>Financial fixed assets</i>	4 094	4 736	-14
- <i>Financial current assets</i>	148 939	153 311	-3
Shares and participations	10 227	8 688	18
Assets used in the insurance operations	66 459	71 749	-7
Other assets	123 221	113 894	8
Total assets	1 163 315	1 122 810	4
Liabilities to credit institutions	221 686	217 364	2
Deposits and borrowing from the public	465 243	419 887	11
Securities issued, etc.	194 682	199 103	-2
Liabilities of the insurance operations	64 111	66 932	-4
Other liabilities and provisions	143 293	146 505	-2
Subordinated liabilities	30 008	31 410	-4
Shareholders' equity ¹⁾	44 292	41 609	6
Total liabilities and shareholders' equity	1 163 315	1 122 810	4

1) Change in shareholders' equity

SEK M	31 December 2001	31 December 2000	Change per cent
Opening balance	41 609	33 006	26
New share issue		4 067	-100
Dividend to shareholders	-2 818	-2 466	14
Result, holding of own shares	- 1	21	-105
Merger difference	194		0
Translation difference	257	339	-24
Net profit for the period	5 051	6 642	-24
Closing balance	44 292	41 609	6

Derivative contracts

31 December 2001	Contracts on the asset side		Contracts on the liability side	
SEK M	Book value	Market value	Book value	Market value
Interest-related	18 114	19 786	18 152	20 950
Currency-related	33 570	34 268	32 007	32 056
Equity-related	1 771	1 771	1 321	1 321
Other	6	6	6	6
Total	53 461	55 831	51 486	54 333

On 31 December 2001 the notional value of the Group's derivatives contracts amounted to SEK 5 217 billion (SEK 4 285 billion on 31 December 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

SEK M	31 December 2001	31 December 2000
Non-performing loans	8 161	9 368
Performing loans	7 661	7 069
Doubtful claims	15 822	16 437
Provision for possible lending losses ¹⁾	-7 049	-8 072
of which provision for non-performing loans	-4 464	
of which provision for performing loans	-2 585	
Doubtful claims, net ²⁾	8 773	8 365
Claims subject to interest reduction	42	308
Total volume of problem loans	8 815	8 673
1) General provisions not included in the above	-1 004	-1 085
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	1,37	1,35
(Doubtful claims (net) in relation to lending and leasing (net) at end of period, per cent)		
Provision ratio for doubtful claims	44,6	49,1
(Reserve for possible lending losses in relation to doubtful claims (gross), per cent)		
<i>Provision ratio for non-performing loans</i>	<i>54,7</i>	
<i>Provision ratio for performing loans</i>	<i>33,7</i>	
Provision ratio for doubtful claims considering general provisions	50,9	55,7
Pledges taken over		
Buildings and land	87	104
Shares and participations	178	109
Total volume of pledges taken over	265	213

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

The shortfall in income due to interest deferments was SEK 6 M (9), while unpaid interest on non-performing loans amounted to SEK 208 M (271).

On 31 December 2001, the Group had SEK 55 M (107) 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.

2) Net commission income

	Q4	Q4	Change			Change
SEK M	2001	2000	per cent	2001	2000	per cent
Payment commissions	172	386	-55	676	1 416	-52
Securities commissions	679	844	-20	2 669	3 580	-25
Other commissions	329	208	58	1 011	962	5
Net commission income	1 180	1 438	-18	4 356	5 958	-27

3) Net result of financial transactions

	Q4	Q4	Change			Change
SEK M	2001	2000	per cent	2001	2000	per cent
Shares/participations	363	59		1 648	65	
Interest-bearing securities	196	182	8	795	394	102
Other financial instruments	- 472	195		-1 242	725	
Realised result	87	436	-80	1 201	1 184	1
Shares/participations	- 10	- 3		- 23	- 15	53
Interest-bearing securities	- 134	-34		- 278	- 199	40
Other financial instruments	294	222	32	169	211	-20
Unrealised value changes	150	185	-19	- 132	- 3	
Exchange rate fluctuations	332	331	0	1 272	1 117	14
Net result of financial transactions	569	952	-40	2 341	2 298	2

4) Net credit losses

	Q4	Q4	Change			Change
SEK M	2001	2000	per cent	2001	2000	per cent
<i>Individually appraised receivables</i>						
Reported write-down, incurred losses	- 251	-1 173	-79	-1 041	-1 420	-27
Reversal of previous provisions for possible losses reported as incurred losses in current period's accounts	217	1 148	-81	959	1 295	-26
Reported provision for possible losses	- 159	- 239	-33	- 357	- 520	-31
Recovered from losses incurred in previous years	94	289	-67	297	372	-20
Reversal of previous provisions for possible losses	167	26		316	164	93
Reported net cost for individually appraised receivables	68	51	33	174	- 109	
<i>Receivables appraised by category</i>						
Reported write-down, incurred losses		- 15	-100		- 52	-100
Reported provision for possible losses		- 2	-100		- 4	-100
Recovered from losses incurred in previous years		4	-100		22	-100
Withdrawal from provision for lending losses						
Reported net cost for receivables appraised by category		- 13	-100		- 34	-100
Allocation to/withdrawal from reserve for political risks abroad	- 84	81		- 6	279	-102
Contingent liabilities	14	8	75	23	8	188
Total	- 2	127	-102	191	144	33

Skandinaviska Enskilda Banken
Profit and Loss Account

SEK M	Q4 2001	Q4 2000	Change per cent	2001	2000	Change per cent
Income						
Interest income	5 919	7 324	-19	27 156	27 250	0
Leasing income	149	114	31	595	459	30
Interest costs	-4 706	-6 313	-25	-22 664	-22 879	-1
Net interest income ¹⁾						
Dividends received ^{*)}	253	1 270	-80	634	2 157	-71
Commission income	1 409	1 685	-16	5 192	6 958	-25
Commission costs	- 229	- 247	-7	- 836	-1 000	-16
Net commission income ²⁾	1 180	1 438	-18	4 356	5 958	-27
Net result of financial transactions ³⁾	569	952	-40	2 341	2 298	2
Other income	268	479	-44	1 504	1 990	-24
Total income	3 632	5 264	-31	13 922	17 233	-19
Costs						
Staff costs	-1 344	-1 756	-23	-5 408	-6 470	-16
Other administrative and operating costs	-1 095	-1 476	-26	-5 428	-5 267	3
Depreciation and write-downs of tangible and intangible fixed assets	- 52	- 83	-37	- 311	- 317	-2
Merger & Restructuring costs	- 575			- 575		
Total costs	-3 066	-3 315	-8	-11 722	-12 054	-3
Profit/loss before credit losses	566	1 949	-71	2 200	5 179	-58
Net credit losses ⁴⁾	- 2	127	-102	191	144	33
Change in value of seized assets				- 5	- 8	-38
Write-downs of financial fixed assets	- 750	- 549	37	- 750	- 658	14
Operating profit	- 186	1 527	-112	1 636	4 657	-65
Pension compensation	141	227	-38	848	943	-10
Profit before appropriations and tax	- 45	1 754	-103	2 484	5 600	-56
Other appropriations ^{**)}	- 457	- 506	-9	-1 600	-2 307	-31
Current tax ^{*)}	- 289	- 31		- 296	- 491	-40
Deferred tax	328	- 43		86	19	
Net profit for the period	- 463	1 174	-139	674	2 821	-76
*) Of which tax on previous years income	-18	27		-60	-155	

***) Group contributions reported directly against equity.

1) Net interest income

SEK M	Q4 2001	Q4 2000	Change per cent	2001	2000	Change per cent
Interest income	5 919	7 324	-19	27 156	27 250	0
Leasing income	149	114	31	595	459	30
Interest costs	-4 706	-6 313	-25	-22 664	-22 879	-1
Leasing depreciation	- 47	- 38	24	- 182	- 148	23
Net interest income	1 315	1 087	21	4 905	4 682	5

2) Net commission income

SEK M	Q4 2001	Q4 2000	Change per cent	2001	2000	Change per cent
Payment commissions	172	386	-55	676	1 416	-52
Securities commissions	679	844	-20	2 669	3 580	-25
Other commissions	329	208	58	1 011	962	5
Net commission income	1 180	1 438	-18	4 356	5 958	-27

3) Net result of financial transactions

SEK M	Q4 2001	Q4 2000	Change per cent	2001	2000	Change per cent
Shares/participations	363	59		1 648	65	
Interest-bearing securities	196	182	8	795	394	102
Other financial instruments	- 472	195		-1 242	725	
Realised result	87	436	-80	1 201	1 184	1
Shares/participations	- 10	- 3		- 23	- 15	53
Interest-bearing securities	- 134	- 34		- 278	- 199	40
Other financial instruments	294	222	32	169	211	-20
Unrealised value changes	150	185	-19	- 132	- 3	
Exchange rate fluctuations	332	331	0	1 272	1 117	14
Net result of financial transactions	569	952	-40	2 341	2 298	2

4) Net credit losses

SEK M	Q4 2001	Q4 2000	Change per cent	2001	2000	Change per cent
<i>Individually appraised receivables</i>						
Reported write-down, incurred losses	- 251	-1 173	-79	-1 041	-1 420	-27
Reversal of previous provisions for possible losses reported as incurred losses in current period's accounts	217	1 148	-81	959	1 295	-26
Reported provision for possible losses	- 159	- 239	-33	- 357	- 520	-31
Recovered from losses incurred in previous years	94	289	-67	297	372	-20
Reversal of previous provisions for possible losses	167	26		316	164	93
Reported net cost for individually appraised receivables	68	51	33	174	- 109	
<i>Receivables appraised by category</i>						
Reported write-down, incurred losses		- 15	-100		- 52	-100
Reported provision for possible losses		- 2	-100		- 4	-100
Recovered from losses incurred in previous years		4	-100		22	-100
Withdrawal from provision for lending losses						
Reported net cost for receivables appraised by category		- 13	-100		- 34	-100
Allocation to/withdrawal from reserve for political risks abroad	- 84	81		- 6	279	-102
Contingent liabilities	14	8	75	23	8	188
Total	- 2	127	-102	191	144	33

Cash flow analysis

SEK M	2001	2000
Cash flow before changes in lending and deposits	-9 382	7 813
Increase (-)/decrease (+) in lending to the public	-2 407	-31 782
Increase (+)/decrease (-) in deposits from the public	37 088	15 923
Cash flow, current operations	25 299	-8 046
Cash flow, investment activities	3 442	-19 546
Cash flow, financing activities	-5 076	-3 598
Cash flow for the period	23 665	-31 190
Liquid funds at beginning of year	45 261	76 451
Cash flow for the period	23 665	-31 190
Liquid funds at end of period	68 926	45 261

Balance sheet

SEK M	31 December 2001	31 December 2000	Change per cent
Lending to credit institutions	227 364	184 849	23
Lending to the public	223 357	220 493	1
Interest-bearing securities	113 355	118 418	-4
- <i>Financial fixed assets</i>	2 459	2 962	-17
- <i>Financial current assets</i>	110 896	115 456	-4
Shares and participations	44 352	44 485	0
Other assets	95 952	94 112	2
Total assets	704 380	662 357	6
Liabilities to credit institutions	203 701	198 618	3
Deposits and borrowing from the public	271 738	234 650	16
Securities issued, etc.	54 364	52 518	4
Other liabilities and provisions	120 175	120 194	0
Subordinated liabilities	26 832	28 207	-5
Shareholders' equity ¹⁾	27 570	28 170	-2
Total liabilities and shareholders' equity	704 380	662 357	6

1) Change in shareholders' equity

SEK M	31 December 2001	31 December 2000	Change per cent
Opening balance	28 170	22 294	26
New share issue		4 067	-100
Dividend to shareholders	-2 818	-2 466	14
Group contributions, net	1 544	1 436	8
Result, holding of own shares		21	-100
Staff option programme			
Translation difference	- 1	- 3	-67
Net profit for the period	675	2 821	-76
Closing balance	27 570	28 170	- 2

Statutory Profit and Loss Account

January-December 2001, SEK M	SEB Trygg Liv	Internal trans- actions bank- insurance	Reclassifi cation
Net interest income	13 011	42	
Dividends received	95	2	- 97
Net commission income	11 186		390
Net result of financial transactions	2 987	- 23	
Other income	1 920	1 374	119
Income from banking operations	29 199	1 395	- 396 22
Staff costs	-11 796	- 569	12
			1 002
Other administrative and operating costs	-8 282	- 865	384
intangible fixed assets		- 32	- 701
	-1 784	- 33	701
Merger & Restructuring costs	- 661	- 55	
Costs from banking operations	-22 523	-1 554	396 1 002
Profit/loss from banking operations before credit losses	6 676		
Net credit losses etc*	- 549		2
Change in value of seized assets	2		- 2
Write-downs of financial fixed assets	- 69		
Net result from associated companies	- 20	- 9	
Operating profit from banking operations			
Operating profit from insurance operations	111	168	- 22
Operating profit	6 151	0	0 1 002
Pension compensation	1 002		-1002
Profit before tax and minority interests	7 153	0	0 0
Taxes	-2 058		
Minority interests	- 44		
Net profit for the year	5 051	0	0 0

Operational Profit and Loss Account

13 053 Net interest income
11 576 Net commission income
2 964 Net result of financial transactions
2 627 Other income
30 220 Total income
-12 353 Staff costs
1 002 Pension compensation
-8 763
- 733 Amortisation of goodwill
-1 116 Depreciations
- 716 Other operating costs
-22 679 Total costs
- 547 Net credit losses etc
- 69 Write-downs of financial fixed assets
- 29 Net result from associated companies
257 Operating profit from non-life insurance
7 153 Operating result
7 153 Profit before tax and minority int
-2 058 Taxes
- 44 Minority interests
5 051 Net profit for the year

Appendix 1**SEB AG in the SEB Group****Profit & Loss Account adapted to Swedish Accounting Principles**

EUR M	2001:4	2001:3	2001:2	2001:1	2000:4
Net interest income	128	122	118	127	120
Net commission income	40	44	45	41	58
Net result of financial transactions	- 3	6	5	7	10
Other income	14	9	11	36	5
Total income	179	181	179	211	193
Staff costs	- 69	- 77	- 80	- 82	- 77
Other operating costs	- 70	- 66	- 62	- 65	- 81
Total costs	- 139	- 143	- 142	- 147	- 158
Net credit losses etc*	- 14	- 14	- 15	- 10	- 18
Net result from associated companies		1			2
"External" Profit	26	25	22	54	19
One-off items				- 27	
"Normal" Profit	26	25	22	27	19

*including change in value of seized assets and write-down of financial fixed assets

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 Restructuring plan	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
Utilised Q 4	-8,0	-5,2	-42,5	-55,7
Closing balance 31 December 2001	103,7	24,8	152,6	281,1

Of the utilisation of the restructuring reserve (EUR 152,6 M)
EUR 50,7 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 equivalents for account of the traditional mutual life insurance businesses in Nya Livförsäkringsaktiebolaget SEB Trygg Liv and Gamla Livförsäkringsaktiebolaget SEB Trygg Liv. These two mutual entities are not consolidated in the SEB Trygg Liv Holding group, which only receives a fee for administrative and sales services provided. From an accounting point of view the life business differs from that of traditional banking, why SEB Trygg Liv's accounts are presented separately in this Appendix.

The market for individual life, pension and endowment products was negatively affected by the turbulence on world stock markets. The downward trend since the first quarter of 2000 reached a low point during September 2001, after which a significant recovery has taken place. However, uncertainty still prevails. The demand for single premium endowment policies has declined during the year as a result of stock market trends and uncertainty in general business forecasts, while the market for corporate pension plans is more stable.

SEB Trygg Liv sales, i.e. new premiums and extra payments under existing insurance contracts, totalled SEK 28,645 M (31,467) measured as weighted volume in accordance with Swedish standards (single premium plus regular premium times ten). The decline was 9 per cent compared to premium income decrease of 16 per cent. This was due to an increase in the corporate-paid regular premium business. A significant portion of the decline occurred in the first quarter. In accordance with the market trend, the decline in volume is in single premium endowment policies for the private sector. Unit linked products accounted for the main portion, 75 per cent (89), of the business written. The change from last year was due to the unstable stock market conditions, which favour traditional life products.

Premium income (premiums paid) decreased by 16 per cent, to SEK 15,528 M (18,532). During the fourth quarter market values recovered, contributing to an increase in assets under management by SEK 13 billion or 7 per cent. The full year effect was a decrease of SEK 18 billion or 7 per cent, to SEK 227 billion (245) as a result of declining market values.

Total income (administration fees, fund-related and other unit-linked charges and interest) decreased by 10 per cent, mainly as a result of lower asset values compared to last year.

Operating expenses and other costs decreased by 5 per cent, excluding restructuring costs of SEK 55 M. Actions taken include discontinuing of sales activities in Norway and Finland, closing own telephone sales operations in favour of existing telephone sales channels within the Bank and critically reviewing personnel requirements within all functions, including the use of consultants. Net of deferred acquisition costs, total costs remained on the same level as last year.

Total result from ongoing business was SEK 1,162 M (1,317). This corresponds to a return on allocated capital of 21.5 per cent. However, total result was affected by short-term market fluctuations and changes in assumptions. This led to a total result net of SEK 583 M (423).

Operating result, i.e. before changes in surplus value amounted to SEK -79 M (86).

An insurance company's costs for an insurance policy mainly arise when the contract is written. On the other hand, income accrues regularly throughout the duration of the policy. This means that in periods of rapid growth in the insurance portfolio, actual costs exceed income, which thus has a negative impact on the operating result. At the same time, surplus values in operations increase. In order to provide a more true presentation of the life insurance business, the total result is presented including the current period change in surplus values being the present value of future profits from existing insurance contracts (see page 3 for details). The calculation of surplus values includes the unit linked business and, to a lesser extent, the assignment contracts with the traditional life operation which is conducted on a mutual basis.

When determining the surplus values in the insurance portfolio an annual unit fund value growth of 6 per cent, i.e. 1.5 per cent per quarter, is assumed. A higher or lower actual growth rate due to short-term market fluctuations during a given period will result in positive or negative financial effects. During 2001 the aggregate growth in unit funds was -14 per cent (-9) resulting in negative financial effects of SEK -1,199 M.

Volumes, SEK M	2001	2000
<u>Sales volume weighted</u> (10 x regular + single)		
Traditional life insurance	7,034	3,548
Unit-linked insurance	21,611	27,919
	28,645	31,467
<u>Premium income</u>		
Traditional life insurance	5,521	4,838
Unit-linked insurance	10,007	13,694
	15,528	18,532
<u>Assets under management</u>	Dec 31	Dec 31
Traditional life insurance	168,300	184,400
Unit-linked insurance	58,200	61,000
	226,500	245,400

Surplus value assumptions

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	9 %
Surrender of contracts	5 %
Lapse rate of regular premiums	8 %
Growth in fund units	6 %
Inflation	2 %
Mortality	According to industry experience

The discount rate has been adjusted from 11 per cent to 9 per cent effective December 31, 2001. The adjusted discount rate is in line with industry practice. The lapse rate for regular premium contracts has also been adjusted from 5 to 8 per cent. The net effect of adjustments made on the total stock of business amounts to SEK 620 M and is shown as a separate item in the change analysis.

Sensitivity analysis

The calculation of surplus value is relatively sensitive to changes in assumptions. Examples as of December 31, 2001:

Change in discount rate by 1 percentage point: an effect of SEK ±580 M

Change in unit fund growth by 1 percentage point: an effect of SEK ±500 M

New business margin

One way to analyse the result of the sales efforts is to determine the new business margin. The sales result, i.e. present value of new sales less actual selling expenses, is related to the weighted sales volume. The volume as well as the present value will vary significantly with the product mix. For 2001 a lower weighted volume is reported, but as the portion of regular premium business is higher than last year, the impact on present value of sales is limited. The margin has also improved due to lower sales costs.

SEK M	2001	2000
Sales volume weighted (regular + single/10 according to international standards)	2,865	3,147
Present value of new sales	1,222	1,307
Selling expenses (before deferred acquisition costs)	-1,029	-1,126
New business profit	193	181
New business margin (11 % discount rate)	6.7 %	5.8 %
New business margin (9 % discount rate)	11.1 %	8.8 %
Profit and loss account, SEK M	2001	2000
Administration agreements, traditional life insurance	378	349
Unit-linked insurance	949	1,070
Risk operations and other	166	232
Total income	1,493	1,651
Operating expenses	-1,703	-1,707
Capitalisation of acquisition costs	231	275
Goodwill and other	-100	-133
Total costs	-1,572	-1,565
Operating result	-79	86
Change in surplus values ¹⁾	1,241	1,231
Total result on-going business	1,162	1,317
Change in assumptions	620	-80
Financial effects due to short term fluctuations	-1,199	-814
Total result net	583	423
Expense ratio per cent ²⁾	11.0%	9.2%
<u>Return on allocated capital after tax, per cent ³⁾</u>		
Excluding change in assumptions and short term fluctuations	21.5%	24.3%
Including change in assumptions and short term fluctuations	10.8%	7.8%

Notes

¹⁾ After deduction for change in capitalised acquisition costs

²⁾ Operating expenses as percentage of premiums earned

³⁾ Allocated capital SEK M 3,900

Change in surplus value by quarter

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.

From 2001 deferred acquisition costs are depreciated over a 10 year time period (5 years until 2001). This is due to the relative increase in sales of corporate pension schemes with longer duration.

Balance of surplus value

(after deduction of capitalised acquisition costs)	0112	0109	0106	0103	0012
Opening balance	3,112	3,592	3,228	3,479	3,748
Present value of new sales ¹⁾	214	292	405	311	391
Return on existing policies	156	155	155	155	143
Realised surplus value in existing policies	-177	-179	-196	-161	-188
Actual outcome compared to assumptions ²⁾	129	179	-113	147	213
Current change from operations	322	447	251	452	559
Change in assumptions	620	0	0	0	2
Financial effects from to short term fluctuations ³⁾	189	-903	159	-644	-753
Total change in surplus values before deduction of capitalised acquisition costs	1,131	-456	410	-192	-192
Capitalisation of acquisition cost for the period	-178	-125	-149	-164	-155
Amortisation of capitalised acquisition cost	76	101	103	105	78
Total change in surplus values ⁴⁾	1,029	-480	364	-251	-269
Closing balance ⁵⁾	4,141	3,112	3,592	3,228	3,479

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 – 14 per cent (-9) resulting in negative financial effects of SEK –1,199 M (-814).

⁴⁾ Prepaid acquisition costs are capitalised in the accounts and amortised over 10 years. Effective 2001, amortisation has been extended to 10 years for deferrals beginning 2001 as a result of the change in product mix towards regular premium business. 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

M SEK

	31Dec.2001	%	<i>of which</i>	%	31	%	<i>of which</i>	%
			<i>SEB AG</i>		Dec.2000		<i>SEB AG</i>	
Corporate and banks								
Banks ¹⁾	181 918	19,1	68 389	19,2	171 707	18,4	69 546	19,9
Finance and insurance	48 835	5,1	7 255	2,0	44 330	4,8	8 664	2,5
Property management	116 575	12,2	71 261	20,0	113 888	12,3	62 896	17,9
Wholesale and retailing, hotels and restaurants	37 266	3,9	7 384	2,1	38 649	4,2	9 257	2,6
Transportation	33 318	3,5	1 475	0,4	35 195	3,8	1 203	0,3
Other service sector	42 400	4,4	12 831	3,6	24 977	2,7	91	0,0
Construction	10 909	1,1	2 903	0,8	10 110	1,1	3 541	1,0
Manufacturing	89 162	9,3	8 604	2,5	84 816	9,2	10 447	3,0
Other	81 344	8,6	25 932	7,4	87 829	9,5	36 964	10,5
	641 727	67,2	206 034	58,0	611 501	66,0	202 609	57,7
Public administration								
Swedish municipalities, County Councils	14 759	1,5	-	-	16 235	1,8	-	-
Swedish municipality- owned companies	28 793	3,0	-	-	26 993	2,9	-	-
German and Baltic Municipalities and Federal states	53 566	5,7	52 779	14,8	48 928	5,3	48 924	13,9
	97 118	10,2	52 779	14,8	92 156	10,0	48 924	13,9
Households								
First mortgage loans ²⁾	145 549	15,2	68 129	19,2	134 217	14,5	66 779	19,1
Other loans	70 471	7,4	28 546	8,0	73 431	7,9	32 666	9,3
	216 020	22,6	96 675	27,2	207 648	22,4	99 445	28,4
Not distributed by sector of industry	0	-	-	-	15 141	1,6	-	-
Total credit portfolio	954 865	100,0	355 488	100,0	926 446	100,0	350 978	100,0
Repos ²⁾								
Credit institutions	52 512	-	-	-	36 193	-	-	-
General public	52 552	-	-	-	53 159	-	-	-
	105 064	-	-	-	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.

1. Including National Debt Office
2. Excluding first mortgage loans through the Baltic subsidiaries of the bank which are shown under Other loans
Repo (repurchase agreement) refers to a transaction through which one party sells a security at call, while at the same time agreeing to repurchase the same type of security forward.

Geographical Distribution

The geographic composition of the credit portfolio has been stable during the year with approximately 40 per cent of the credit exposure related to Sweden, followed by Germany with approximately 35 per cent.

Exposure on emerging markets represents 1.2 per cent (1.5) of the total credit portfolio. The exposure has decreased since the year-end 2000 by approximately SEK 1.8 billion and amounted to net SEK 9.7 billion (11.5) after deduction of provisions for possible lending losses. Asia accounted for a major part of the decline.

Exposure on emerging markets, geographically distributed, SEK M

	Total	of which SEB AG
Asia¹⁾	3 340	293
Hong Kong	386	69
China	608	63
Other Specified Countries ²⁾	1 629	64
Latin America³⁾	3 975	333
Brazil	2 180	15
Argentina	263	36
Eastern- and Central Europe^{4,6)}	1 697	915
Russia	665	291
Africa and Middle East⁵⁾	2 719	316
Turkey	751	1
Total, Gross	11 731	1 857
Provision	2 008	857
Total, Net	9 723	1 000

1. e.g. Hong Kong, China, India, Pakistan, Taiwan and Macao and Note 2

2. e.g. Philippines, Malaysia, Thailand, Korea and Indonesia

3. e.g. Brazil, Argentina, Mexico and Peru

4. e.g. Russia, Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Romania, Hungary, Slovenia, Croatia, Kazakhstan and Ukraine

5. e.g. 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

	December 2001
Shareholders' equity in the balance sheet	44 292
./. Proposed dividend to be decided by the Annual General Meeting	-2 818
./. Deductions from the financial group of undertakings	-1 139 1)
<hr/>	
= Shareholders' equity in the capital adequacy	40 334
Core capital contribution	1 861
Minority interest	1 239
./. Goodwill	-4 775 2)
<hr/>	
= Core capital (tier 1)	38 660
Dated subordinated debt	11 146
./. Deductions for remaining maturity	-3 150
Perpetual subordinated debt	16 869
<hr/>	
= Supplementary capital (tier 2)	24 864
./. Deductions for investements in insurance companies	-8 610 3)
./. Deductions for other investments outside the financial group of undertakings	-543
<hr/>	
= Capital base	54 370

To note:

The deduction (1) 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 (2) 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 (3).