SEB

Annual Report 2002

Presence and partnership basis for new business

Through the integration of SEB's activities in the Nordic countries, Germany and the Baltic States a stronger SEB is created, with an increased reach and competence. In SEB, customers find a financial partner that creates new business opportunities, locally and globally.

Contents

The Annual Report will be available on www.seb.net

Financial information during 2003

Publication of annual accounts	13 February
Publication of Annual Report	Mid March
Annual General Meeting	9 April
Interim report January–March	8 May
Interim report January–June	14 August
Interim report January–September	22 October

For further information please contact:

Gunilla Wikman
Head of Group Communications
Telephone +46 8 763 81 25
E-mail: gunilla.wikman@seb.se

Per Anders Fasth
Head of Group Investor Relations
Telephone +46 8 763 95 66
E-mail: per.anders.fasth@seb.se

Annika Halldin
Head of Financial information
Telephone + 46 8 763 85 60
E-mail: annika.halldin@seb.se

Cover picture: Tadas Dovbyšas together with Jurgita Staraite, both from Vilniaus Bankas in Kaunas, Lithuania.

2002 in brief

Profit development and proposed dividend

- Operating result amounted to SEK 7,412 M, an increase of 6 per cent on a comparable basis
- Income decreased by 4 per cent, on a comparable basis
- Total costs were down by 9 per cent, on a comparable basis – cost target reached
- Credit losses remained low
- Return on equity was 12.0 per cent (11.9)
- Earnings per share were SEK 7.60 (7.17)
- Proposed dividend is SEK 4.00 (4.00)

Strategic and change work

- **Increased customer satisfaction.** Even though customers within corporate banking and private banking as well as SEB's customers in Germany and the Baltic have given the Bank the highest rating earlier, Swedish retail customers have been less satisfied in recent years. In this respect, the reinforcement of the branch offices during 2002 has had a good effect in the form of strongly improved ratings from retail customers in Sweden.
- **Improved co-operation and increased cross-selling within the Group.** A great number of activities have been carried out during the year in order to make better use of SEB's broad range of services. Life insurance services are being sold to corporate customers, the Baltic banks have intensified their co-operation, additional parts of the German operations have been co-ordinated with different divisions in Sweden, etc.
- **Increased cost-efficiency.** SEB's cost reduction programme has been implemented faster than planned and costs have decreased by SEK 2.5 billion since the first half of 2001.

Events during the year

- In early 2002 SEB Asset Management decided to co-ordinate its London and Stockholm activities, which led to the closing of the division's London office.
- During spring SEB presented a new savings account, the Special Account, offering one of the most attractive rates of interest in the Swedish market.
- In April, SEB Private Banking opened an office in Zurich.
- SEB Germany made an agreement with Volkswagen Bank Direkt concerning on-line securities and mutual fund transaction offers to the customers of the car-maker.
- SEB increased its holding in the Danish Amagerbanken to 30 per cent.
- In autumn, SEB purchased Europay Norge (the right to the Eurocard brand in Norway) and became the leading Nordic issuer of credit and charge cards.
- The capital base of Nya Livförsäkringsaktiebolaget SEB Trygg Liv was increased by a total of SEK 530 M.

Team SEB

In June, the Bank's racing boat "SEB" entered the harbour of Kiel, after a three-year engagement in the Volvo Ocean Race.

Team SEB received a total of 24,300 SEB guests that participated in 350 different activities around the race, both during stop-overs and during three summer campaigns that were carried out in Northern Europe. The Göteborg stop-over alone gathered 9,500 guests. Team SEB came in third place in terms of media exposure, the value of which was estimated at SEK 440 M. This means that SEB reached its goal of generating a value twice as high as its investment, as the total cost of a three-year participation in the race was SEK 210 M. Even though the competition result was poor, the project has turned into a real success for SEB. The Bank's association with sailing has proved very positive both for the creation of new relations and for brand-building.

Good performance thanks to focus on core activities

2002 was a year of continued poor international business climate and stock market falls in Europe and the U.S. Increased uncertainty in world politics contributed to frustrating all hopes for a positive turn in the world economy. Uncertainty prevails into 2003.

After the discontinued merger discussions with Förenings-Sparbanken, SEB has focused upon the development of its core activities in existing markets during the year, thus building a stable ground for high and sustainable profitability. Despite the poor economic situation and low activity in the financial markets, SEB reached a level of profitability in line with that of last year and even exceeded it. This is good performance.

However, the Group has not yet reached the long-term profitability target that it has set for itself. This means that our pursuit of increased earnings and cost efficiency must continue with undiminished force, not least in these uncertain times.

"Our pursuit of increased earnings and cost efficiency must continue with undiminished force."


Jacob Wallenberg (in conversation with Lars H Thunell)

The savings goal that we should have attained in early 2003 was reached already before the end of 2002. This is a meaningful signal that shows that our work is carried out in a purposeful and vigorous way, inspiring confidence for the future.

Increased stability within the banking system

The protracted recession and stock market decline have not threatened the stability of the banking system. Generally, European banks have stronger capital bases now than in the early 1990s. The need for improving capital cover ratios is one lesson that we have learnt from previous misjudgements.

However, the German banking market is beset by special problems. The business downturn has uncovered and impaired those structural imbalances in the German economy, which arose in connection with the reunification of the two German states. At the same time, German banks are weaker than other European banks, partly as a result of a fragmented market.

It is obvious that the German banking system is confronting a consolidation process. SEB Germany's restructuring and rationalisation work, started in 2000, gives the bank a very strong competitive edge and opportunities for long-term profitability. Even though return in Germany is still below target, I am convinced that SEB AG will reach the Group's profitability goals in the long run.

Confidence and openness

Wide-spread stock ownership in combination with such negative events as accounting scandals and bankruptcies within large American companies have led to an increased interest in the way in which companies are managed and controlled. The debate on corporate governance is essential and welcome, as it is vital to public interest that people can feel confident about how their investments in trade and industry are managed. A particular responsibility rests with the financial sector companies in this respect. The current discussion, on both sides of the Atlantic, may provide a stimulus to both improved routines and increased transparency. However, it should be borne in mind that rules, practices and corporate cultures differ between countries and continents. This means that experiences and, to an even lesser extent, specific proposals seldom are directly applicable everywhere. Further-

"Corporate governance is an important tool for maintaining confidence among shareholders, customers, lenders and other decision-makers."

more, one should remember that detailed rules can never replace fundamental moral and ethical standards.

SEB – corporate governance in practice

SEB has a tradition of active and committed management. In addition to supervision and control, the work of the Board of Directors comprises continuing discussions and decisions on SEB's strategy and further development. The Board regards corporate governance as an important tool for maintaining confidence among shareholders, customers, lenders and other decision-makers. This is why we have given a detailed account in this annual report on how we, as Directors, fulfil the task of great responsibility with which shareholders have entrusted us. Once again, I wish to underline that it is our ambition to work for increased openness, transparency and communications.

By creating customer value, SEB creates shareholder value. In focus for 2003 will be the continued streamlining of the North-European Group that we have gradually built through investments in new markets, new activities and new technology over the last couple of years, in the best interests of our customers. Increased customer satisfaction and reduced costs can be achieved concurrently through rationalisation and increased co-operation.

Thank you!

To many SEB employees 2002 was a year of very hard work. On behalf of the Board, I wish to convey our thanks to SEB's Management and staff for their splendid achievements and successful work during the past year.

Stockholm in February, 2003

Jacob Wallenberg
Chairman of the Board

Stronger result, despite weaker markets

SEB's profit for 2002 was better than in 2001 as a result of our current change programme. The world economy weakened and for the third consecutive year the value of stock exchanges worldwide declined. Stockholm fell by 37 per cent for the full year (compared with a decline of 16 per cent in 2001). It has been a difficult year for many of our customers.

In recent years, SEB has undergone a strategic transformation and a strong expansion, particularly internationally. During the past year, we have focused our efforts on an internal change programme, with the aim of realising our potential and creating a sustainable profitability level. This programme, launched in the autumn of 2001, has more than offset the impact of the weak economic trend in the world. It is gratifying to see all the achievements made by all divisions, business areas, companies and staff units throughout the Group. The programme is called "3C," which stands for Customer satisfaction, Cross-servicing and Cost-efficiency.

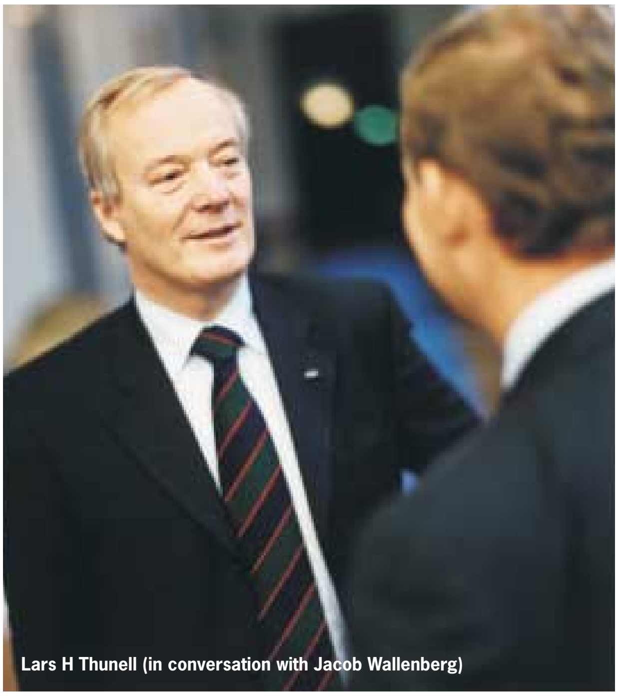
Customer satisfaction has been strong among Nordic corporations and customers in Germany, while the rating from retail customers in Sweden needed to be improved. Following our increased focus on the branch offices, the degree of satisfaction among our Swedish retail customers increased according to an external survey made last autumn. That is a good basis for our continued efforts.

Cross-servicing stands for increased co-operation and cross selling within the Group. This is possibly the most important instrument over the long term to improve customer satisfaction, increase revenues and reduce costs. Therefore a process, under the heading of "one SEB," was initiated during 2002 in order to strengthen internal co-operation. We have chosen to focus on four common core values: commitment, continuity, mutual respect and professionalism.

"Cross-servicing is probably the most important instrument over the long term to improve customer satisfaction, increase revenues and reduce costs."

Our *Cost-efficiency* programme started during the autumn 2001 and aimed at reducing cost levels from SEK 22.5 billion on an annual basis to SEK 20 billion in the first quarter of 2003 (including Trygg Liv and excluding restructuring costs). That level has already been reached – a quarter earlier than planned. In total, the Group's number of employees declined by approximately 1,600, or 8 per cent, in 18 months.

It is clear that our 3 C programme has yielded results throughout the Group. It is also rewarding to see how all business areas have strengthened their market positions.



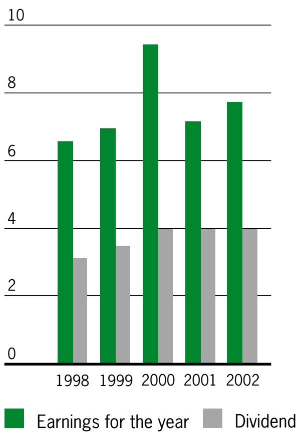
Lars H Thunell (in conversation with Jacob Wallenberg)

Nordic Retail & Private Banking succeeded in reducing costs that more than offset declining revenues. The improved efficiency increased return on capital to almost 26 per cent.

Within the *Corporate & Institutions* division, Merchant Banking posted a result of more than SEK 4 billion, which was in line with the preceding year and a very strong performance. It is especially gratifying to see the stability in Merchant Banking's earnings. Naturally, the decline in earnings was substantial for Enskilda Securities, but it was nevertheless positive to yield a result of nearly SEK 200 M during such a year.

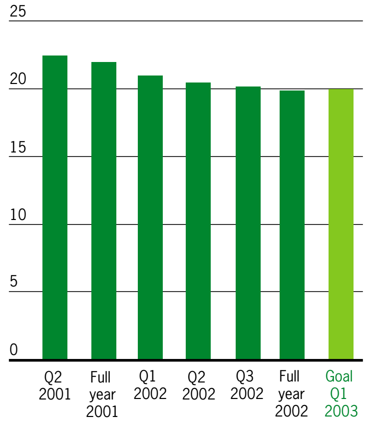
SEB Germany suffered from the weak business climate. Increased sales and cost savings could not entirely offset the impact of the difficult market conditions. Our strategy is to work with a long-term focus to strengthen our position in the German market. SEB Asset Management has succeeded well in cost-efficiency terms, improving its cost/income ratio in spite of falling income. The SEB Baltic & Poland division showed very strong growth in volumes and income resulting in an earnings increase by 30 per cent.

Earnings per share and dividend
Per SEB share, SEK



Earnings per share in 2002 amounted to SEK 7.60. A dividend of SEK 4.00 is proposed.

Cost savings programme
Including costs for SEB Trygg Liv, SEK M



SEB Trygg Liv was hit by the value decline on the stock markets. During the year, the Group supported Nya Livförsäkringsaktiebolaget SEB Trygg Liv with capital infusions totalling SEK 530 M in order to support the operation and its continued growth.

The level of credit losses remained low. The increase in 2002 was mainly due to the fact that reversals were higher than normal in 2001. Today, we cannot see any significant deterioration of our credit portfolios. However, the continued weak economic outlook makes us humble and demands high attention to the credit area.

"We are not counting on any boost from an improved economy during 2003."

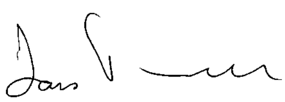
In 2002, we managed to increase the result despite a weak economic climate. It is natural that uncertainty is great at the beginning of the year. This year is even more difficult than ever. At the time of writing, we do not know whether there will be war in Iraq or how it would affect oil prices, currencies, share prices and interest rates. We also face a referendum in Sweden during 2003 on the EMU. Preparations are already under way within SEB – in the event that the voting results in a yes – so that we can handle a transition to the euro in January 2006. In addition, there will be referendums on the EU in the Baltic States and Poland in 2003.

Our business climate scenario for 2003 is fairly pessimistic and we are not counting on any boost from an improved economy. Even though our cost reduction target set in 2001 has been reached, we will continue to improve cost efficiency within our operations. We now know that we can do it, and it is important to capitalise on that experience. Our goal for cost efficiency is a cost/income ratio of 0.60 long-term and 0.65 in 2004 provided the market situation shows some improvement.

SEB's vision is to be a leading North-European bank, based on long-term customer relations, competence and e-technology. Our business concept is to create more value for our customers in a changing world. We will continue to work hard to further improve relations with our customers and to deliver financial and advisory services of the highest quality. With our competent staff, effective and united organisation and strong capital base, it is our conviction that this will also create a good profitability and, as a result, more value for our shareholders.

Finally, I want to take the opportunity to thank all employees as well as customers for their strong commitment to our bank!

Stockholm in February 2003



Lars H Thunell
President and Group Chief Executive

Klas Eklund (to the left) talking with Lars H Thunell

The economic upswing may be late in coming

2002 was characterised by shaky stock markets and uncertainty around the world. Companies were pursuing a wait-and-see policy, postponing their investment decisions. At the same time, the Swedish economy fared surprisingly well. Meet SEB's Group Chief Executive Lars H Thunell and Chief Economist Klas Eklund in a conversation about the past year, the driving forces in the world economy and the threats and opportunities they see for the rest of 2003.

"A year of hangover…"

Lars Thunell and Klas Eklund are in accord when they summarise the economic development of the world during 2002 in these words.

"And it is not just any hangover, continues Klas Eklund, but the continuing effects of the bursting of the largest stock market bubble in 70 years. This has of course strongly shaken the economies of the world and it will take years before the economic system has healed completely from all the after-effects."

"This has led to the uncertainty that still characterises the world economic situation," says Lars Thunell. "Transaction volumes dropped and companies postponed their investment decisions throughout 2002."

In the U.S., the economic "motor" of the world, the Government managed to moderate the downturn to a certain extent through tax cuts and a constant lowering of interest rates by the Fed. According to Klas Eklund, however, this has also meant that one has staved off the problems.

"The indebtedness is high and it will take time before industry's capacity utilisation is back at normal levels, allowing investments to start."

In Sweden, SEB's economists have been part of the circle of pessimists during the past year. When other economic analysts predicted an upswing, Klas Eklund and his collaborators stuck firmly by their opinion that the weak economic trend would continue also in Sweden.

"That is correct. There are several obstacles preventing Swedish growth from gathering momentum. Besides the weak development in the U.S., there are tax hikes, a stronger krona and the continuing telecom crisis."

"At the same time, surprisingly enough, one must say that Sweden has fared pretty well," objects Lars Thunell. "The downturn has actually not hit the Swedish economy as a whole, yet. Private consumption, for example, is still at a rather high level." Lars Thunell believes that many people are surprised that the sharp decline of the stock market has not influenced the banking system to a larger extent.

"The worst affected were not the banks", he says. "The decline has primarily hit the pension system and the unit-linked customers of the life insurance companies."

Klas Eklund knods agreement, adding that it most likely will take some time before we see a real upswing on the stock exchanges again.

"The fund investors have sharply reduced their exposure on the stock exchange, which has led to a significant decrease in demand for equities."

It seems, then, that Sweden has managed rather well despite the poor economic situation. But in Germany, Europe's most important economy, aren't the problems much greater?

"Yes, the German economy is struggling with a series of difficulties, which to a large extent stem from the reunification of the two German states about a decade ago. To this should be added several structural problems such as the tax system and a rigid labour market," says Klas Eklund and continues:

"Unfortunately, I do not foresee any positive turn during 2003, even though the first signs of a crisis-consciousness can be seen which, in the long term, may lead to necessary economic reforms. In order to gather speed, the German economy needs to be helped along from abroad through increased international demand. The German banking system needs structural reform, too, according to Lars Thunell. Besides credit problems, German banks are faced with additional worries in their low-yielding loan portfolios. This leads to restraint in new credit-granting which, in turn, acts as an additional brake on German recovery."

"In that perspective, SEB is very well-positioned in the German market," says Lars Thunell contentedly. "The conditions are very good for an integration of SEB's services across the borders."

The integration of SEB's services and resources in those countries in which the Bank is active seems to go hand in hand with the economic integration of Europe.

"In a way, you could say that SEB went ahead of the financial convergence of Europe," explains Lars Thunell. "We have created our own conditions for continued economic integration through our activities in Germany, Poland and the Baltic countries, for example. From a European perspective, our customers are actually already now integrated. In line with the economic harmonisation that follows from the EU's decision to expand, we will be able to capitalise on the positive effects of our investments of recent years."

Lars Thunell sees primarily the eastward expansion of the EU and the EMU as an instrument for creating a future Europe in peace. He therefore considers it important that also Sweden takes her responsibility for a peaceful development by participating all the way, also in the EMU.

Klas Eklund points to the economic advantages of an EMU-membership. It is for example easier for consumers to compare prices of goods and services and increased competition results in efficiency gains and higher productivity.

"We must not forget that close to half of Sweden's present foreign trade involves countries within the euro-zone and that this trade naturally becomes easier if the currency risks are eliminated. In addition, a common currency should mean a real push forward for the cross-border trade."

A Swedish membership of the EMU will also mean intensified competition for the banks. This is something that Lars Thunell looks forward to with confidence.

"SEB will be challenged in Sweden, but at the same time we will be able to challenge other banks in their home markets by using our collective strength and competence in the countries where we are active."

What can we expect from 2003 and what does it take for the world economy to recover?

"We must first of all realise that the political situation in the world around us is uncertain, with many imponderables, not least the oil price," says Klas Eklund, and continues:

"If the situation improves, we may expect an upturn in the stock markets, although there is a risk of disappointments. In order to achieve long-term growth the U.S. economy must gather momentum and the present great imbalances must even out."

Lars Thunell, who agrees, also points to deflation, falling price levels, as a potential threat to the world economy.

"Industries in China and India produce ever more complex goods at low cost. This risks to create a surplus capacity that may threaten economic growth in Europe and the U.S. in the long run."

Klas Eklund notes that the deflationary threat is an issue for the first time in a very long time. However, he considers that there is little risk that Europe and the U.S. should be facing a "Japanese" deflationary development.

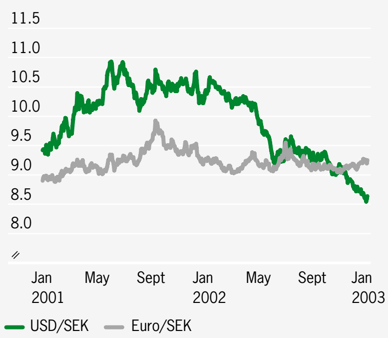
"Our central banks are much too strong to end up in such a situation, but it is important that they continue to fight the threat of deflation as aggressively as they are fighting inflation. The future prospects of the Swedish economy depend mainly on happenings in the surrounding world." At the same time, Lars Thunell and Klas Eklund can see some improvements within the domestic industry.

"The fact that one can discern some stabilisation of the telecom sector is one positive signal," says Lars Thunell.

"In order to get Sweden's economy really going, several external injections are without doubt necessary, not least from the U.S. In all, the Swedish economy will continue to be lukewarm this year, growing at approximately the same rate as during 2002, in our opinion," concludes Klas Eklund.

Currency trend

SEK against Euro and USD, current rates

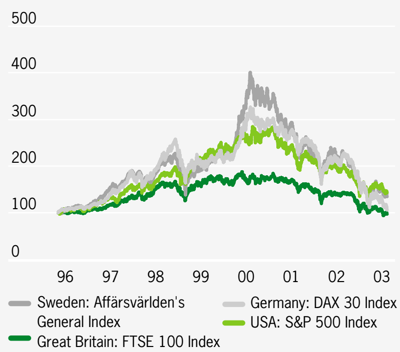


Interest rate movement in Sweden

Per cent

Stock market development

Index 1996 = 100



SEB in brief

More satisfied customers, an improved co-operation between the Group's different parts and increased cost efficiency – those are the most important goals for SEB.

The SEB Group is a North European financial banking Group that is focused on large companies, institutions and private individuals, with 672 branch offices around Sweden, Germany and the Baltic States. SEB has more than 4 million customers, of whom 1.3 million are e-banking customers. On 31 December 2002, the Group's total assets amounted to SEK 1,241 billion while its assets under management totalled SEK 742 billion. The Group is represented in some 20 countries around the world and has a staff of about 20,000.

Business concept, vision and goal

SEB's *business concept* is to offer financial advice and to handle financial risks and transactions for companies and private individuals in in order to:
create real customer satisfaction
give shareholders a competitive return and
be seen as good citizens of society.

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

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

The *financial* goals are:

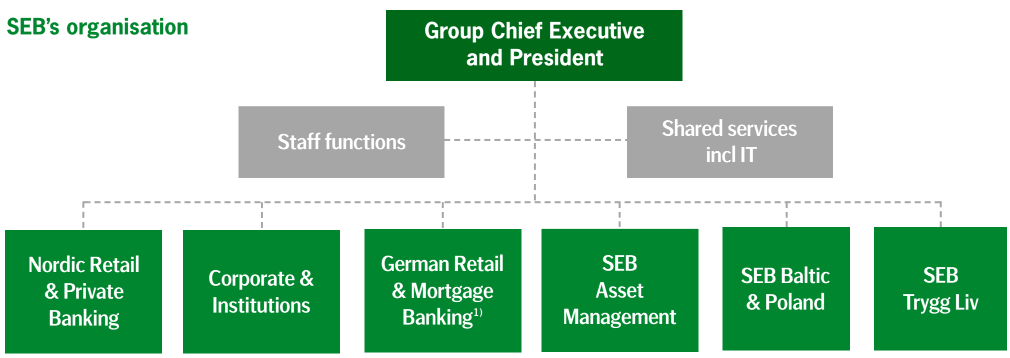
- a return on equity of 15 per cent after tax over a business cycle
- a continuous improvement of the cost/income ratio, to 0.60 long-term
- a core capital ratio of at least 7 per cent and
- a dividend of 40 per cent of earnings per share over a business cycle.

Strategy

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

During 2002, SEB has focused on three main issues:

- *Increased customer satisfaction*. The role of the Swedish branch offices was reinforced during the year, which led to a marked improvement of customer satisfaction among SEB's Swedish retail customers. The strong marks given to the private banking area were raised further and, like previous years, both Merchant Banking/Enskilda Securities and the German/Baltic subsidiary banks were ranked highly.
- *Improved co-operation and cross-selling within the Group*. During the year, several measures were taken in order to increase customers' opportunities of getting access to SEB's broad range of services. For example, in the Baltic countries a one-point-of-entry solution was introduced, which means that customers can obtain service in all the Baltic countries through one of the three subsidiary banks. SEB Trygg Liv intensified its co-operation with the branch offices in Sweden and started to sell life insurance products to the large companies.
- *Increased cost efficiency*. During the autumn of 2001 a cost-savings programme was started for the purpose of achieving net savings of SEK 2.5 billion per year as from the first quarter of 2003. This corresponds to a cost-reduction from SEK 22.5 billion to SEK 20 billion and the target was reached as early as at year-end 2002.



1) Name change from SEB Germany as from 2003

SEB and the market

In the Swedish, German and Baltic retail markets SEB competes mainly with large banks and, as far as Sweden is concerned, also with a number of niche players. During 2002, SEB increased its share of total deposits from households in Sweden by 0.2 percentage units (up to and including November), while its share of total deposits from companies was unchanged. SEB's share of total lending to the general public (households, companies etc) decreased by 0.2 percentage units. The share of lending to households rose by 0.3 percentage units, mainly due to an increase on the mortgage market. SEB's three Baltic subsidiary banks have a collective share of deposits/lending of close to one third in the Baltic in total. In Germany, SEB has a market share of one per cent of the household market.

SEB, with SEK 742 billion in assets under management, is one of the largest asset managers in the Nordic area. In the Swedish household market for savings (excluding directly owned shares) the Group occupied the No. 1 position, once again, with a share of 16 per cent (16.2) at year-end.

Within life insurance, SEB Trygg Liv is one of the three largest players in the Swedish market.

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

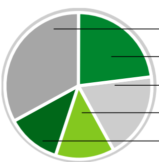
Enskilda Securities is the largest player on the Stockholm and Oslo Stock Exchanges. The company is furthermore one of the most frequently trusted investment banks as regards mergers and acquisitions involving Nordic companies as buyers or sellers.

SEB's share of total savings market, Sweden

SEB	16.0%
Föreningssparbanken	15.3%
Skandia	12.7%
Handelsbanken	12.5%
Nordea	10.9%
AMF	8.3%
Länsförsäkringar	5.5%
Others	19.8%

SEB is still the leader on the Swedish private savings market with a market share of 16.0 per cent (16.2).

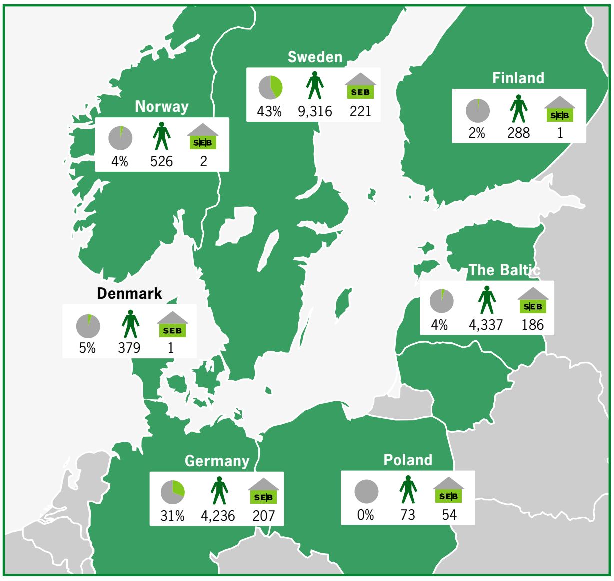
Credit portfolio, 2002



Companies	33%
Households	23%
Banks	19%
Public administration	13%
Property management	12%

SEB's credit exposure increased from SEK 955 billion to SEK 1,000 billion during 2002.

SEB's principal markets



Gross income, % (SEB total: SEK 64,553 M) No. of employees (SEB total: 19,826) No. of branch offices (SEB total: 672)

Market shares

Per cent	2002	2001	2000
Deposits from the general public, Sweden	**21.2**[1)]	21.3	20.2
Households	**12.8**[1)]	12.6	13.4
Companies	**26.9**[1)]	26.9	24.3
Lending to the general public, Sweden	**13.4**[1)]	13.6	14.4
Households	**11.2**[1)]	10.9	11.3
Companies	**14.9**[1)]	15.2	16.5
Deposits from the general public, the Baltic	**26.0**	25.1	26.8
Lending to the general public, the Baltic	**33.0**	34.5	32.5
Market share, mutual funds, Sweden	**17.3**	18.4	19.6
Market share, unit-linked insurance, new policies Sweden	**21.2**	18.5	19.6
Market share, equity trading, Stockholm	**9.3**	9.0	9.8
Market share, equity trading, Oslo	**13.1**	16.9	13.0
Market share, equity trading, Helsinki	**5.2**	10.4	9.3
Market share, equity trading, Copenhagen	**8.0**	9.5	8.3

1) Information as per 30 November 2002

Key figures

	2002	2001	2000
Return on equity, %	**12.0**	11.9	16.9
Earnings per share, SEK[1)]	**7.60**	7.17	9.43
Cost/income ratio	**0.69**	0.73	0.68
Credit loss level, %	**0.13**	0.09	0.12
No. of full time equivalents, average	**19,003**	19,618	20,368
No. of e-banking customers, thousands	**1,332**	1,128	801
Assets under management, SEK billion	**742**	871	910
Risk-weighted assets, SEK billion	**503**	501	496
Provision ratio for doubtful loans, %	**70.8**	67.4[2)]	n.a.
Level of doubtful loans, %	**0.47**	0.65[2)]	n.a.
Total capital ratio, %	**10.47**	10.84	10.76
Core capital ratio, %	**7.88**	7.71	7.37

1) More information on the SEB share can be found on pages 16–17
2) Pro forma, see Note 48 on page 79

SEB and the world around it

SEB's task is to create more value for the customers – and thereby also for the shareholders. To accomplish this qualified and motivated employees and an ethical attitude are required.

SEB's historical heritage

Skandinaviska Enskilda Banken – the parent company of the SEB Group – was formed in 1972 through the amalgamation of Stockholms Enskilda Bank and Skandinaviska Banken.

Stockholms Enskilda Bank, founded in 1856, played an active role for the growth companies of that time, when Sweden passed from an agricultural to an industrial society. The bank followed the growing industrial companies into the world markets and became a leading bank for internationally oriented Nordic companies during the 20th century.

Skandinaviska Banken, which traced its origin from Gothenburg where it was started in 1864, was also a prominent corporate bank, which in addition had a well-developed network of branch offices throughout Sweden.

One important reason for the 1972 merger was that both banks wished to consolidate their strong position among corporate customers to meet the competition from large, international banks. During the following decades SEB set up offices and new operations in Europe, the U.S. and Asia.

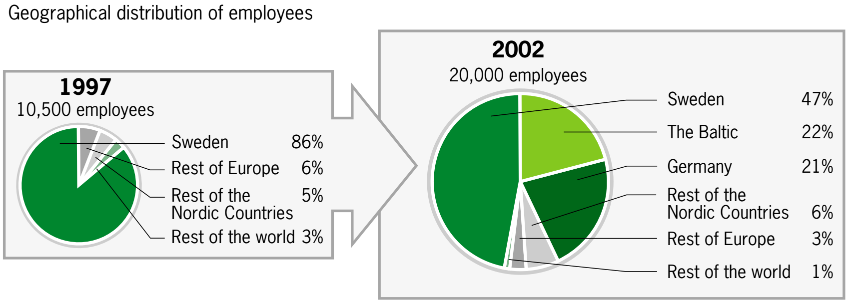
SEB of today

In 1997, a strategic transformation of SEB was initiated to meet the sweeping changes in the world:

- *Internationalisation*, which has affected both corporate activities and savings markets.
- *Demographic development* with rising average length of life, which has led to a need for building up savings capital for the old age.
- *Rapid development of information technology*, which has provided opportunities for faster and more efficient ways of meeting the needs of the customers.
- *Deregulation*, which – in combination with internationalisation and new technology – has led to stiffening competition, not least through the challenges from new players.

SEB today – a North-European bank

Geographical distribution of employees



In order to meet these trends, SEB has developed through restructuring, acquisitions and investments in new technology.

The acquisition of the Trygg-Hansa insurance company in 1997 enabled SEB to offer its customers a complete range of long-term life insurance and pension savings products. (The non-life operations were sold in 1999.)

To strengthen its presence in Northern Europe SEB acquired the German bank BfG (now SEB AG) in 2000 and three Baltic banks: Eesti Ühispank in Estonia, Latvijas Unibanka in Latvia and Vilniaus Bankas in Lithuania (1999–2000).

Through other acquisitions, e.g. of Diners Club Nordic (1994), the private bank Gyllenberg in Finland (1997), Orkla Finans in Norway (2000) and Europay (the Eurocard brand) in Norway (2002), SEB has consolidated its position further in the Nordic area. SEB has also established a presence in Poland via ownership (47 per cent) in Bank Ochrony Środowiska, BOŚ.

Following these acquisitions SEB developed rapidly between 1997 and 2002:

- Revenues and the number of customers doubled.
- Assets under management more than tripled.
- From being a Nordic bank SEB has developed into a North-European financial group, with new home markets in Germany and the Baltic countries and with more than half of its customers and staff outside Sweden.

SEB's customers

SEB has today more than 4 million private customers and 260,000 corporate customers in nine countries with a total population of 150 million. SEB has for many years also had a leading position as a bank for large corporations and institutions in Sweden and other Nordic countries – in several cases with hundred-year-long relations.

SEB shall now realise its full potential to reach the vision that has been set – to be a leading North European bank, based upon long-term customer relations, competence and e-technology.

To be leading means that SEB shall be the first-hand choice for its customers, especially for the two core categories: companies and private customers with particularly high demands. In order to reach that goal SEB must achieve the highest possible degree of customer satisfaction. SEB should have the highest level of service and competence and technology shall be used to the benefit of customers.

SEB does already have a very high degree of customer satisfaction within many areas, such as the corporate sector, private banking and in the German and Baltic operations. However, this has not been the case among Swedish retail customers. In order to increase satisfaction among these customers the role of the Swedish branch offices has been strengthened by restoring customer and profit responsibility to the branch offices as well as by increasing their credit-granting authority. As a consequence, SEB showed the greatest improvement of all Swedish banks in the annual external Swedish Quality Index for private and corporate retail customers in Sweden in 2002.

However, the efforts made in this respect so far only represent the first steps in a process to improve and confirm SEB's long-term relations with customers.

During 2002, intensive efforts have been made to improve co-operation and cross-selling within SEB in order to meet customers' needs, for example via better access to the Group's broad range of products and services.

The SEB Group's Internet services

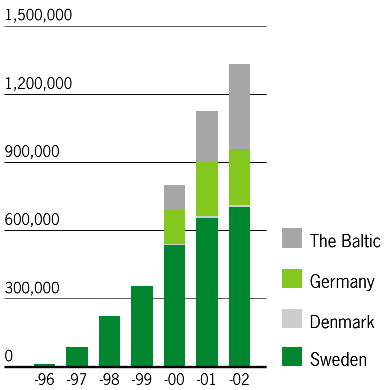
In addition to the strengthening of the branch office network, SEB continued to expand and develop its Internet and telephone services to both private individuals and corporations in all of its home markets. By year-end 2002, more than 1.3 million private individuals and small and medium-sized companies were customers in SEB's Internet banks in Sweden, Denmark, Germany and the Baltic States.

In the beginning of 2002, the Internet banking unit in Sweden with more than 700,000 customers was integrated with SEB's Telephone Bank. The www.seb.se homepage was upgraded and redesigned to further simplify customer navigation and to give access to all of SEB's product and service offerings in Sweden, including life insurance, private banking, leasing products and improved information on card transactions. In Sweden, approximately 37 per cent of private customers' transactions are handled via the Internet. During 2002, SEB's Internet bank services in Sweden were top-ranked by CyberCom and Sparöversikt. In 2002, SEB was the first major bank in Sweden that provided customers with monthly fund comments and market views via the Internet.

In Germany, where SEB had 240,000 Internet customers by year-end, focus in 2002 was set on the increase of attractiveness of the services. In order to meet customers' need the bank now offers the popular PIN/TAN-application in addi-

Number of Internet customers

Develoment 1996–2002



Today, more than 1.3 million private customers and minor companies are using SEB's Internet banks in six different countries. In addition, the Group offers such special services as foreign exchange and fixed income trading via the Internet, mainly to major companies.

tion to the very safe HBCI-standard, which was already introduced in 1998. Parallel to this, new applications were introduced, e.g. the FondsProfiler, which provides a personal investor profile as well as an individual funds portfolio aligned to it. The application is also frequently used in the customer advisory service within the branches. Today, about 30 per cent of all transactions within SEB's German retail operations are handled via the Internet.

The usage of Internet has grown especially fast in the Baltic States. In SEB's Baltic subsidiary banks the number of Internet customers increased by 70 per cent to 375,000 during the year.

During 2002, *Eesti Ühispank* successfully launched an Internet bank for corporate customers. A new service, which offers analyses and advice on investment strategies, was added to the Internet bank. By year-end new service called mobile payment was introduced to Estonian market, allowing customers to use mobile phone as payment media. With more than 181,000 users at year-end, Eesti Ühispank is the second biggest Internet bank in the Baltic States. In December 2002 more than 96 per cent of client payments were made via e-banking services.

In *Latvijas Unibanka* almost 25 per cent of all customers are now using the bank's e-banking service. During 2002 Latvijas Unibanka improved its services integrating several features of using deposit and pension products via its Internet bank.

Vilniaus Bankas has a market share of 40 per cent of Lithuania's Internet banking market. During 2002, the bank launched new Internet service for life insurance customers and expanded its payment modules.

E-banking services for larger companies and institutional clients

SEB has a long tradition of providing innovative financial solutions for demanding corporate customers. Many of these customers have global operations and belong to the "early adopter group" of technology users.

For many years *SEB's Trading Station* has offered larger corporate customers the possibility to do their foreign exchange and fixed income trading via the Internet. In 2002, Trading Station was updated with functionality for prime brokerage and Straight Trough Processing (STP) into the clients own financial systems. The system was also made accessible for corporate customers in Germany. During 2002, when the currency trading system on the Internet was also made accessible to small and medium-sized enterprises, approximately 40 per cent of SEB's total foreign exchange transactions went via Trading Station.

During 2002, SEB launched a number of completely new services for corporations on the Internet:

Online Cash Management is a cutting-edge, user-friendly cash-management solution that offers balance and transaction reporting, international payments and domestic payments for Denmark, Finland, Norway and Sweden in five languages.

The *Corporate Authorisation System* (CAS), which is connected to Online Cash Management, is a new power of attorney and authorisation system for companies that eliminates paper. Using the application, customers can create and manage their powers of attorney by themselves.

WebForecast is a liquidity management tool that uses advanced Internet technology to simplify cash flow forecasting. WebForecast offers users highly reliable data without any time delay. The result is improved decision-making and better use of short- and long-term liquidity.

SESAR is an Internet-based service that provides financial institutions with information on movements in their accounts and custody holdings. Instructions and questions can be sent in a secure way over the net.

SEB Trade Finance helps companies improve their handling of export and import letters of credit, collections and guarantees. The system includes an effective reporting module that allows customers to check the status of outstanding transactions and payments. Today 25 per cent of all trade finance transactions handled by SEB are made over the Internet.

SEB's staff

For a knowledge and service company such as SEB, skilled and motivated employees are the primary competitive advantage. It is the staff's ability to identify and satisfy customer needs that decides the degree of success.

Accordingly, creating an environment that attracts and develops competent employees, increases commitment, and stimulates top-level performance is the overall goal on the personnel front.

Competence and leadership development

Within the Group there is a well-functioning process to further enhance competence among employees that has been in place for many years and the responsibility for this development lies with the staff as well as with the managers.

Employees acquire additional skills for new tasks by participating in a personal development programme, where the competence profile provides the platform for future development within the Group.

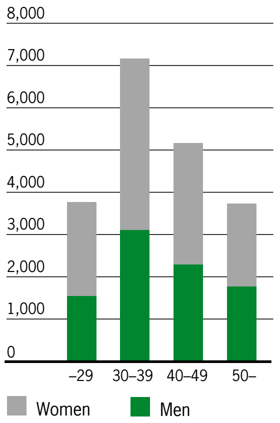
Managers have a direct responsibility for ensuring that employees receive the training and development needed to meet customers' needs for leading financial expertise. Training in understanding customers and their needs, and the ability to work in relations and networks, both internally and with clients, is carried out at all levels.

Apart from what is expected of all employees, the Group's managers are required to be courageous, visionary, ethical and realistic. Additional criteria for good leadership are goal awareness, analytical capacity, communication skills, social competence and integrity.

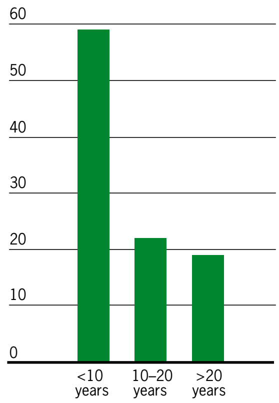
SEB has for many years used internal attitude surveys in order to analyse employees' views on motivation, leadership, work environment etc. The result of the survey is also a key management tool. In the autumn of 2002 the survey was carried out globally and simultaneously throughout the whole Group.

In 2002, SEB invested a total of SEK 201 M (198) in personnel training and development. A total of approximately

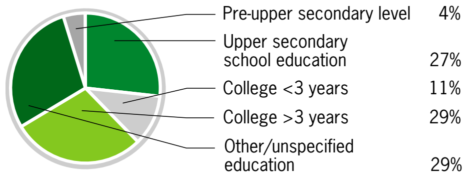
Number of employees
Distributed by age and sex, 2002



Years of service
Per cent, 2002



Education level
2002



11,000 employees, including 500 managers, participated in the Group's various internal and external training programmes. In-house training encompasses everything from courses in professional competence to the Group's own management programme under the auspices of the Wallenberg Institute. SEB has entered into external co-operation agreements with the Stockholm School of Economics, the IFL (Swedish Institute of Management), the Ruter Dam Management Development Programme for Women Managers in Sweden, the IMD International (International Institute for Management Development) in Switzerland and the Wharton School of the University of Pennsylvania in the U.S.

Work environment and health

A systematic work environment effort is carried out within the Group. Important tools to help survey the physical, psychological and social work environment include a work environment review, staff evaluations, the aforementioned attitude surveys and sick-leave statistics. The goal is to create and maintain a good work environment where employees feel good and are not subjected to either physical or psychological health risks.

Even though SEB is well placed concerning sick leaves compared to many other companies, the increase in ill health – similar to society in general – is also a problem within the Swedish parts of the SEB Group. During spring 2002, a survey was conducted among Group employees in Sweden who were on long sick leaves, which resulted in a project for the purpose of preventing work-related illness and reducing the incidence of sick leaves. The project covers preventive measures as well as rehabilitation and is based on educating managers and work-environment representatives on these issues, informing employees and initiating activities for improving health and well-being.

In Stockholm, the Bank and its subsidiary SEB Trygg Liv, are conducting a specific project for employees on sick leave as a result of stress-related illness. The goal, apart from providing assistance to employees, is to develop a rehabilitation model that later on may also be offered to SEB Trygg Liv's policyholders.

Equality and diversity

Equality and diversity are areas that basically involve mutual respect and the need to safeguard the competence existing within the company in the best possible manner. The SEB Group shall offer equal opportunities and equal rights to all regardless of gender, national or ethnic origin, age, sexual inclination or faith. Each manager has a responsibility to carry through the necessary changes. Work towards this goal is planned and implemented locally and in co-operation with staff representatives.

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

During 2002, 39 per cent (38) of all SEB managers in Sweden were women. As regards group and customer service managers, the share was 50.5 per cent, which means that the target at this level has already been reached. With respect to division and office managers, the share has increased to more than 34 per cent, which means that the short-term target at this level has been achieved. The share of women on top levels is close to 25 per cent.

During 2003, the Group has the intention to review the issue of equality also in a global perspective.

The Group's remuneration system

The pay structure in SEB is on an individual basis. Compensation consists of a fixed salary based on working effort, education, experience and competence, plus general benefits. In addition, a major part of the employees get a performance-based, variable portion of the salary (possibility of receiving bonus or commission). Senior executives and specialists within the organisation are also covered by employee stock option programmes for the purpose of boosting loyalty and long-term commitment to the company (see section on page 48).

Variable pay in the form of commissions is applied to certain categories of sales personnel (insurance, car financing, etc). Variable pay is awarded to a varying extent from one business area to another and can be collective or individual.

The collective bonus system means that all employees within a business area receive compensation linked to the business' annual result.

The individual bonus system means that compensation is paid if – or in proportion to how – the set goals are met. Normally, the goals are partly comprehensive (for example, the business area's result) and partly personal (such as implementing a project). An individual bonus is decided through an agreement between the individual and his or her immediate manager and shall be approved by a higher executive.

The size of the individual bonuses varies, but usually amounts to maximum 10 to 15 per cent of the annual pay for department managers and similar positions. For senior managers and specialists, for example in trading operations, the bonus can be larger. Individual agreements are valid one year at a time.

SEB's ethical guidelines

SEB's basic values are reflected in a number of instructions and policies that are valid for all SEB Group employees as well as for those who are Board members, auditors, consultants and the like in some institutes within the Group. All measures and decisions shall be in accordance with law, regulations and other external rules as well as with internal instructions and policies. According to SEB's ethical policy, everyone within SEB shall:

- observe confidentiality – both inside and outside the Group;
- show concern for customers and carry out tasks with proficiency and speed;
- not carry out any assignment on behalf of any customer without first fully understanding the implications involved;
- ensure that customers understand the meaning and implications of advice given and transactions carried out;
- avoid situations that can lead to conflicts of interest between customers, employees and the SEB Group;
- carry out all measures or decisions affecting the SEB Group in such a manner that they can withstand scrutiny by others, and
- show respect for fellow human beings and observe the basic principle of equal treatment.

Furthermore, there are regulations within specific subject areas that expound and clarify the above-mentioned guidelines, for example, on the issue of measures against money laundering and rules regarding certain employees' own share transactions.

Treatment of personal information

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

Bank secrecy

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

Integrity on the Internet

SEB's rigorous requirements with respect to the protection of integrity and security are, of course, also applicable to the handling of its web-site information. On all SEB's web sites with personal information, SEB provides information about the purpose for which such information is handled.

Information security

SEB has taken a number of protective measures which, together, contribute to a high degree of IT security and aim to secure transmission of information so that no information is accessible to unauthorised individuals -Protect. SEB uses advanced cryptographic technology in web sites via which sensitive information can be transmitted. The handling of information is supervised actively and continuously.

Views and complaints

Customers who are critical of the information received from the bank or of the way a service has been rendered can turn to the complaints departments in Sweden and Germany, respectively. These units have the obligation to ensure, that justified complaints are rectified in the specific case in a speedy and effective manner and that system errors are corrected. In the first instance, viewpoints or complaints are handled directly by the manager or the unit that has provided the information or service at issue.

SEB's social responsibility

Environmental policy

The financial sector does not have any particularly great direct influence on the external environment. Indirectly, however, the banks and other financial companies can play a key role, particularly in connection with lending.

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

The Group's credit policy contains rules that the environment and environment-related risks shall be taken into account in connection with all major credit decisions. Existing customers shall also be followed up.

Furthermore, the Group markets and sells a number of funds where environmental demands are placed on the investments.

SEB has signed the environmental documents of both the United Nations and the International Chamber of Commerce under which the signatories are committed to paying due regard to, and to acting for, a better environment within their respective activities.

Other social contributions

Contribution to a positive development of society forms part of the Group's strategy and of the business activities that SEB carries out within different areas. SEB makes direct contributions to many different charity projects, both at a central level and through its business areas.

SEB Asset Management has a multiyear co-operation with WWF (World Wildlife Fund), the Swedish Medical Society and the Swedish Cancer Society as regards charity mutual funds and now also with five ethical funds. The latest ones are based upon international criteria for corporate values covering SRI (Socially Responsible Investments). Two additional funds are planned. Gyllenberg in Finland is also committed to these programmes for its major customers. The Bank's contribution to the WWF, the Swedish Medical Society and the Swedish Cancer Society amounted to nearly SEK 3 M in 2002.

SEB Trygg Liv has worked with the welfare concept in mind and taken strategic business positions based upon a comprehensive valuation process for the past three years. Among other projects, the company concluded an agreement with the Stockholm City Mission for a rehabilitation project involving shelters for the gradual reintegration of the homeless and social outcasts back into a normal life at an annual contribution of SEK 200,000.

During the past two years, *SEB Finans* (SEB's leasing company) has had a committed and close co-operation with Livslust, a Swedish foundation for an orphanage in Latvia. This foundation has a similar activity in Sweden that has gained success and recognition. The project has attracted the involvement of all employees as well as customers.

Furthermore, SEB actively supports Mentor, a Swedish foundation engaged in youth drug prevention. In addition to a yearly contribution, which in 2002 amounted to SEK 2 M, a number of SEB employees participate in this project as mentors for pupils at the senior level of the compulsory school. In 2003 the activities are planned to include several schools.

In Germany, *SEB AG* contributes 260,000 euro (approximately SEK 2.5 M) to various social projects in the fields of culture, sports, particularly sports for the disabled, and environment. SEB AG is in its fourth year of co-operation with OroVerde, a foundation that works for the preservation of the rain forests of the world. In 2002, SEB AG contributed approximately 30,000 euro to this foundation.

For the 22nd time, SEB AG presented its Deutscher Städtebaupreis (German Urban Development Award). The award, worth 15,000 euro, is intended to contribute to the revitalisation and restructuring of certain urban areas.

In the *Baltic countries*, SEB's three subsidiary banks also make donations to charities, for example to a project for the improvement of the lighting conditions of Estonian schools and to Livslust mentioned above.

The SEB share

Earnings per share amounted to SEK 7.60 (7.17). A dividend of SEK 4.00 (SEK 4.00) per share has been proposed.

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

Stock Exchange trading
During 2002, the value of the SEB share decreased by 24 per cent, while the General Index dropped by 37 per cent and the European Banking Index declined by 28 per cent. During the year, the total turnover in SEB shares amounted to almost SEK 84 billion.

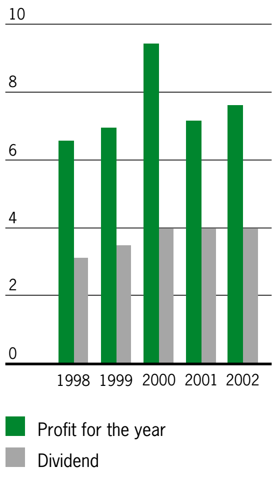
Dividend policy
The size of the dividend in SEB is determined by the financial position and growth possibilities of the Group. SEB strives to achieve long-term growth based upon a capital base for the financial group of undertakings that must not be inferior to a core capital ratio of 7 per cent. The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

The SEB share

Data per share	**2002**	2001	2000	1999	1998
Profit for the year, SEK[1]	**7.60**	7.17	9.43	6.96	6.58
Adjusted shareholders' equity, SEK[2]	**68.63**	67.10	62.61	55.83	48.05
Dividend					
per Series A share, SEK	**4.00**	4.00	4.00	3.50	3.13
per Series C share, SEK	**4.00**	4.00	4.00	3.50	3.13
Year-end market price					
per Series A share, SEK	**72.50**	95.50	104.00	86.00	76.45
per Series C share, SEK	**65.00**	83.00	99.00	76.00	69.30
Highest price paid during the year					
per Series A share, SEK	**110.00**	119.50	127.50	105.07	130.10
per Series C share, SEK	**99.50**	110.00	117.00	96.57	117.14
Lowest price paid during the year					
per Series A share, SEK	**66.00**	61.00	77.50	69.30	50.52
per Series C share, SEK	**58.50**	55.50	68.50	62.59	46.50
Dividend per share as a percentage					
of earnings per share, %	**52.7**	55.8	42.4	50.3	47.6
Adjusted shareholders' equity per share, %	**5.8**	6.0	6.4	6.3	6.5
market price per Series A share, %	**5.5**	4.2	3.8	4.1	4.1
Year-end market price per Series A share as a percentage of					
earnings per share, P/E	**9.5**	13.3	11.0	12.4	11.6
adjusted shareholders' equity per share, %	**105.6**	142.3	166.1	154.0	159.1

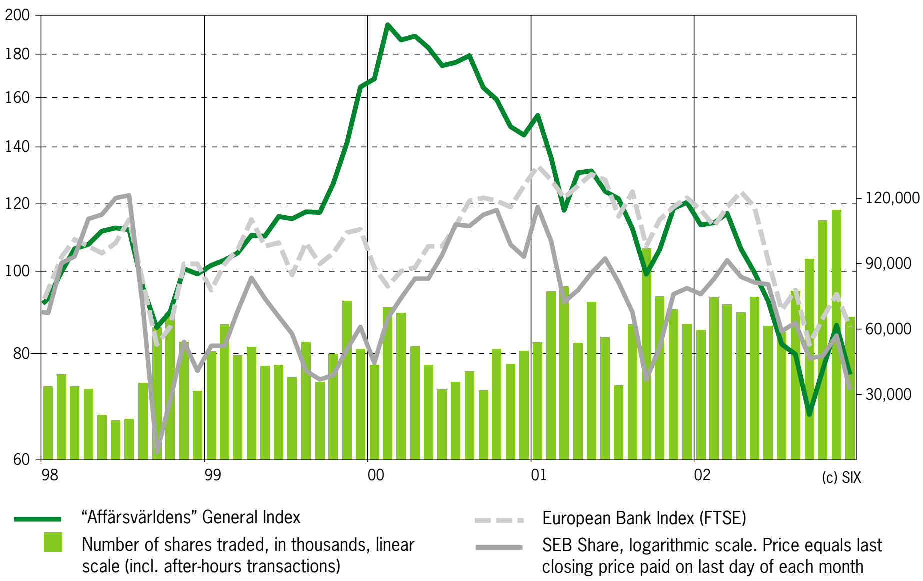
1) Calculated on an average number of shares in 1999 (rights issue) and 1997 (non-cash issue), taking the bonus issue element in the 1999 rights issue into account.
2) Calculated for 1999, including rights issue and with actual number of shares outstanding.

Earnings for the year and dividend
per SEB share, SEK



Earnings per share in 2002 amounted to SEK 7.60. Earnings per share after full dilution, calculated in accordance with the recommendations of the Swedish Financial Accounting Standards Council, give the same result. A dividend of SEK 4.00 is proposed.

SEB Share
SEK



Share capital

Share series	Number of shares	Number of votes	Percentage of capital	Percentage of votes
A	673,784,123	673,784,123	95.6	99.5
C	30,773,557	3,077,355	4.4	0.5
	704,557,680	**676,861,478**	**100.0**	**100.0**

Each Series A-share entitles to one vote and each Series C-share to 1/10 of a vote. The nominal value of each share is SEK 10.

Change in share capital

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

Year	Transaction	Price SEK	Added no. of shares	Accumulated no. of shares	Share-capital SEK M
1972				5,430,900	543
1975	Rights issue 1:5	125	1,086,180	6,517,080	652
1976	Rights issue 1:6	140	1,086,180	7,603,260	760
1977	Split 2:1		7,603,260	15,206,520	760
1981	Rights issue 1B:10	110	1,520,652	16,727,172	837
1982	Bonus issue 1A:5		3,345,434	20,072,606	1,004
1983	Rights issue 1A:5	160	4,014,521	24,087,127	1,204
1984	Split 5:1		96,348,508	120,435,635	1,204
1986	Rights issue 1A:15	90	8,029,042	128,464,677	1,284 [1]
1989	Bonus issue 9A+1C:10		128,464,677	256,929,354	2,569
1990	Directed issue[2]	88.42	6,530,310	263,459,664	2,635
1993	Rights issue 1:1	20	263,459,664	526,919,328	5,269
1994	Conversion		59,001	526,978,329	5,270
1997	Non-cash issue	91.30	61,267,733	588,246,062	5,882
1999	Rights Issue 1:5[3]	35	116,311,618	704,557,680	7,046

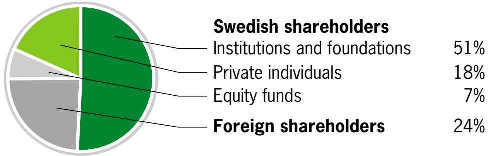
1) The recorded share capital at 31 December, 1986 was still SEK 1,204 M, since the proceeds from the rights issue were not paid in full until early 1987.
2) The issue was directed at the member-banks of Scandinavian Banking Partners. Through splits in 1977 (2:1) and 1984 (5:1), the nominal value of the shares has been changed from SEK 100 to SEK 10.
3) According to the instructions of the Financial Supervisory Authority, sub-scribed shares that have been paid will not be registered as share capital in the balance sheet until the rights issue has been registered (which took place in January, 2000).

Distribution of shares by size of holding

Size of holding	No. of shares	Per cent	No. of shareholders
1–500	43,339,023	6.15	276,120
501–1,000	21,202,073	3.01	29,497
1,001–2,000	21,891,384	3.11	15,561
2,001–5,000	25,763,059	3.66	8,461
5,001–10,000	13,123,830	1.86	1,878
10,001–20,000	9,694,234	1.38	687
20,001–50,000	11,082,681	1.57	362
50,001–100,000	8,341,933	1.18	120
100,001–	550,119,463	78.08	303
	704,557,680	**100.00**	**332,989**

Shareholder structure

Percentage holdings of equity on 31 December 2002.



The majority of the Bank's approximately 330,000 shareholders are private individuals with small holdings.

The SEB share on the Stockholm Stock Exchange

	2002	2001	2000	1999	1998
Year-end market capitalisation, SEK M	**50,850**	66,900	73,120	60,592	50,128
Volume of shares traded, SEK M	**83,758**	75,424	57,049	51,054	55,831

The largest shareholders[1]

December 31, 2002	No. of shares	Of which Series C shares	Per cent of number of all shares	Per cent of number of all votes
Investor	139,686,251		19.8	20.9
Trygg-Foundation	65,677,962		9.3	9.8
Alecta Pension Insurance	18,403,097	4,819,260	2.6	2.1
AFA Insurance	13,606,699	883,180	1.9	1.9
SEB Funds	12,629,491	30,000	1.8	1.9
Wallenbergs Foundations	11,080,389	5,530,015	1.6	0.9
Skandia Liv	10,458,474	3,848,797	1.5	1.0
Andra AP-fonden	10,143,579	250,520	1.4	1.5
EB Foundation, Skandinaviska Enskilda	7,410,993	100,000	1.1	1.1
SHB Funds	7,287,806		1.0	1.1
Första AP-Fonden	6,534,193	67,847	0.9	1.0
Robur	6,134,557		0.9	0.9
AMF Pension	5,800,000		0.8	0.9
Tredje AP-Fonden	5,406,458	342,000	0.8	0.8
Foreign Shareholders	170,119,303	1,035,331	24.1	25.2

1) Excluding SEB as shareholder through repurchased shares to hedge employee stock option programme.

Nordic Retail & Private Banking

Result improved following important cost reductions.

Nordic Retail & Private Banking

In Sweden, the Nordic Retail & Private Banking division has 1.5 million private customers – of which 700,000 Internet customers – and 120,000 small and medium-sized corporate customers. To this should be added 600,000 card customers in the Nordic area and 15,000 international Private Banking customers. Half of the division's operating result originates from business with corporate customers and half from business with private customers.

The division's customers have access to SEB's total product offering, services and competence through branch offices, the Internet bank and the telephone bank.

Nordic Retail & Private Banking's business can be divided into three major business areas:

- Retail Banking consists of SEB's 200 Swedish branch offices, more than 500 ATMs, Internet banking services are used by almost every other private and corporate customer and a 24h-telephone bank. SEB's mortgage company SEB BoLån is also a part of this business area.
- Private Banking with SEB Enskilda Banken and its 20 branch offices in Sweden and International Private Banking with presence in nine countries including Luxembourg, UK, Switzerland and Norway among others. In Sweden, SEB Enskilda Banken is the largest asset manager for foundations and the leading financial advisor and asset manager for private customers (50,000 customers).
- SEB Kort is SEB's card business with some 2.5 million charge-, banking- and credit cards. SEB Kort has operations in Denmark, Finland, Norway and Sweden including the brands of Diners Club and Eurocard. In the Nordic countries, SEB has a market share of 30 to 50 per cent, and redemption agreements with 155,000 stores/shops.

	2002	2001
Percentage of SEB's total income	28	29
Percentage of SEB's operating result	35	31
Percentage of SEB's staff	26	26

Profit and loss account[1]

SEK M	2002	2001	Change, per cent
Net interest income	4,188	4,328	-3
Net commission income	3,160	3,645	-13
Net result of financial transactions	172	184	-7
Other operating income	209	202	3
Total income	**7,729**	**8,359**	**-8**
Staff costs	-2,873	-2,955	-3
Pension compensation	432	461	-6
Other operating costs	-2,449	-3,239	-24
Depreciation and write-downs	-47	-83	-43
Merger and restructuring costs	-65	-184	-65
Total costs	**-5,002**	**-6,000**	**-17**
Net credit losses etc[2]	-85	-69	23
Intra-group minority share	-53	-64	-17
Operating result	**2,589**	**2,226**	**16**

	2002	2001
Cost/Income ratio	0.65	0.72
Allocated capital, SEK M	7,200	7,000
Return on capital, %	25.9	22.9
Number of full time equivalents, average	4,859	5,033

1) The quarterly development is presented on www.seb.net
2) Including change in value of seized assets

Successful cost-reduction programme behind significantly improved result

The division's operating result improved by 16 per cent due to a significantly lower cost level, –17 per cent. This had a positive effect on both cost/income-ratio and profitability.

The decrease in total income, especially in net commission income, was mainly due to the falling stock markets. The last months of 2002, however, showed an upturn in net commissions as a result of the increase both in stock market values and business activity.

Net interest income remained stable throughout the year, with an increase in volume and a decrease in margins, mainly due to product mix changes.

The division's total lending volumes increased to SEK 153 billion (140), including mortgage volumes of SEK 104 billion (93). The mortgage business, in particular, grew strongly in 2002. As of December, SEB BoLån's total share of the private market was 13.4 per cent (13.1). The development is a result of improvements in mortgage products as well as of high activity in the branch office network. SEB's share of new sales of single family house mortgages increased to 14.3 from 12.8 per cent and the share of new sales of mortgages for co-operative flats increased to 20.0 from 17.5 per cent during 2002.

Credit losses increased, but remained at a low level.

SEB kept its leading position in the Swedish savings market. As of September, SEB had a 16 per cent share of the total Swedish household savings market. The new savings account, Specialkonto, launched in April with one of Sweden's highest interest rates, accounted for more than 29 per cent of deposits from private individuals by the end of the year. Total deposit volumes in December amounted to SEK 113 billion on a monthly average (105).

Improved customer satisfaction

During 2002, a number of efforts were made to further increase customer satisfaction. A decentralisation process started within the Swedish branch office network in order to transfer decision-power closer to customers by emphasising the branch offices' responsibility for their local markets.

As a result, customer satisfaction index improved from 60 to 65 for private customers and from 60 to 66 for corporate customers according to the external annual quality survey, Swedish Quality Index. According to the survey, SEB showed the highest improvement of all banks between 2001 and 2002.

Private Banking and SEB Kort retained their high level of customer satisfaction. SEB Kort, for instance, again received national service awards both in Denmark and Norway.

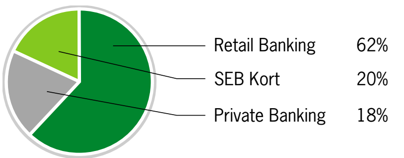
Retail Banking – significant profit increase

Retail Banking's result was SEK 1,600 M (1,266), an increase of 26 per cent, mainly due to a forceful cost reduction programme reducing costs by 18 per cent.

Mortgages, with a 21 per cent increase of sales compared to 2001, was one of Retail Banking's successful areas. Another effort that had a positive effect during the year was the decision to offer all university students SEB's Student Package free of charge, leading to an increase of student customers by almost 25 per cent.

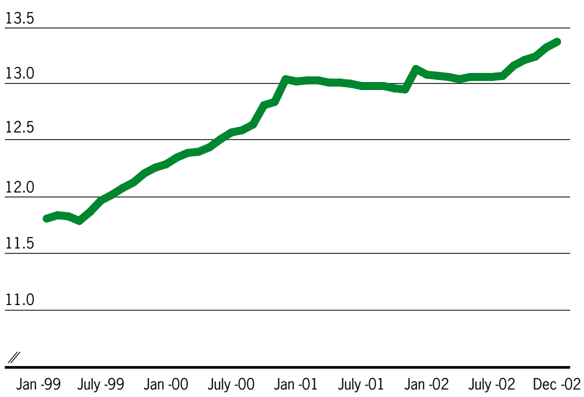
During the year, SEB's Internet services were again top ranked in a number of surveys. E-banking development included added services for small enterprises and a substantial update of the www.seb.se. The number of monthly log-ins reached a record level of 2 million both in November and December.

The business areas' percentage of the division's operating result



SEB's market share mortgages in Sweden

January 1999–December 2002, %



Private Banking – high profitability in spite of declining stock markets

Private Banking is the part of the division that is most strongly affected by the stock market decline. Net commission income suffered a decrease – for instance brokerage fees were down by 20 per cent compared to 2001. This development was somewhat balanced by a positive development of net interest income and by a significant decrease of costs (–18 per cent), leading to a total result of SEK 471 M (497), 5 per cent lower than in 2001. There were also signs of a positive change in net commission income during the last months of 2002.

During the year Enskilda Banken had a net inflow of 1,000 new customers. New volumes, net, amounted to SEK 8 billion. Private Banking's assets under management declined by 27 per cent to SEK 189 billion.

SEB Kort – strengthened position as Nordic leader

SEB Kort's result increased to SEK 518 M (463). An important contributing factor to the improved result was the decrease in total costs. Total turnover for SEB Kort including Euroline rose to SEK 134 billion (130) – in spite of the effects of the decline of the international travel market.

Late in December 2002, SEB Kort's acquisition of Europay Norge A/S was approved by the Norwegian authorities and finalised. Thus SEB Kort now has exclusive rights to the Eurocard brand in Norway. Together with Europay Norge's business with card issuing, acquiring and bank service, this acquisition further strengthened SEB Kort's position as the leading card business in the Nordic area. The result of Europay Norge A/S, is however not included in SEB Kort's figures for 2002.

In January 2003, SEB Kort purchased the Danish department store Magasin du Nord's card stock of more than 160,000 cardholders, thereby strengthening SEB's position in the Danish card market.

Corporate & Institutions

Merchant Banking's strong operating result kept up profit level.

Corporate & Institutions

The division is responsible for large corporations, financial institutions as well as for medium-sized companies. It comprises Merchant Banking and Enskilda Securities and operates in twelve countries.

	2002	2001
Percentage of SEB's total income	36	37
Percentage of SEB's operating result	57	65
Percentage of SEB's staff	17	17

Profit and loss account[1]

SEK M	2002	2001	Change, per cent
Net interest income	4,341	4,007	8
Net commission income	3,462	4,431	-22
Net result of financial transactions	1,879	2,165	-13
Other operating income	292	168	74
Total income	**9,974**	**10,771**	**-7**
Staff costs	-3,367	-3,762	-10
Pension compensation	203	218	-7
Other operating costs	-2,228	-2,450	-9
Amortisation of goodwill	-61	-56	9
Depreciation and write-downs	-128	-160	-20
Merger and restructuring costs	-98	-35	180
Total costs	**-5,679**	**-6,245**	**-9**
Net credit losses etc[2]	-82	149	-155
Operating result	**4,213**	**4,675**	**-10**

	2002	2001
Cost/Income ratio	0.57	0.58
Allocated capital, SEK M	15,000	15,500
Return on capital, %	20.2	21.7
Number of full time equivalents, average	3,168	3,322

1) The quarterly development is presented on www.seb.net
2) Including change in value of seized assets

A year of market turmoil

2002 was characterised by political tension, geopolitical uncertainty, credibility challenges for the stock market, record high US and German bankruptcy ratios and rising oil prices.

A combination of uncertainty about earnings and the rising risk for a war against Iraq pushed stock prices and bond yields lower. The dollar came under pressure and declined by around 10 per cent, due to both rising concerns about the financing of the current account deficit and to the political risk premium due to a possible war against Iraq. In Sweden, the interest rate and exchange rate developments were of course affected by the global developments, leading to volatility in interest rates as well as in stock prices.

Strong return and strengthened market positions

The division delivered a strong result in 2002 despite the rough financial climate. Merchant Banking reached a result before credit losses in line with last year. Enskilda Securities achieved a positive operating result despite the turmoil in the global equity markets. Both Merchant Banking and Enskilda Securities have strengthened their market positions during the year.

Net interest income remained stable over the quarters and increased compared to 2001. Net commission income was significantly lower than in 2001, mostly due to lower fees in Enskilda Securities and Securities Services. The result of financial transactions improved in the fourth quarter compared to the third. In particular, the comparison between the full year results was affected by the strong result in the first quarter of 2001.

The cost savings targets of the division were reached already in 2002. Total costs excluding performance-related remuneration and exchange rate effects were down by 4 per cent.

Merchant Banking – strong and stable operating result

The business area continues to work in line with the strategy laid out a couple of years ago:

- Investing in growth areas, mainly investment banking related activities, while improving efficiency within more mature areas such as cash management and custody services
- Increasing client-related earnings as a proportion of total earnings and focusing on risk and capital management.

This strategy has significantly reduced volatility in earnings and made it possible to keep operating profit close to the record level of 2000 despite deteriorating market conditions.

The result for Merchant Banking amounted to SEK 4,018 M (4,306). The result before credit losses was SEK 4,102 M and almost in par with 2001 (4,163). The difference between the 2002 and 2001 results was almost entirely due to net recoveries of SEK 143 M in 2001 and net credit losses of SEK 84 M in 2002.

Net interest income was stable in 2002 – all four quarters were almost identical. The lower net commission income mainly derived from lower fees within Securities Services and Cash Management. The net result of financial transactions improved in the fourth quarter compared to the third. The comparison between the full year results was affected particularly by the strong result in the first quarter of 2001. Costs continued to decrease in the fourth quarter. For the whole year costs were down by 3.5 per cent compared to 2001.

Merchant Banking

In addition to Sweden, Merchant Banking carries out activities in 11 countries. Its main areas of activity and responsibility are as follows:

- Trading in currencies, interest-bearing instruments, derivatives and futures
- Advisory services, brokerage and research within capital and debt markets
- Cash management- and payments services
- Project- and trade finance as well as corporate finance in connection with acquisitions
- Venture capital markets
- Securities related financing solutions
- Management of the group's cash and liquidity portfolio
- Overall responsibility for the Group's large and medium sized corporate customers, financial institutions, and international banks
- Custody services

	2002	2001
Percentage of SEB's total income	30	29
Percentage of SEB's operating result	54	60
Percentage of SEB's staff	14	14

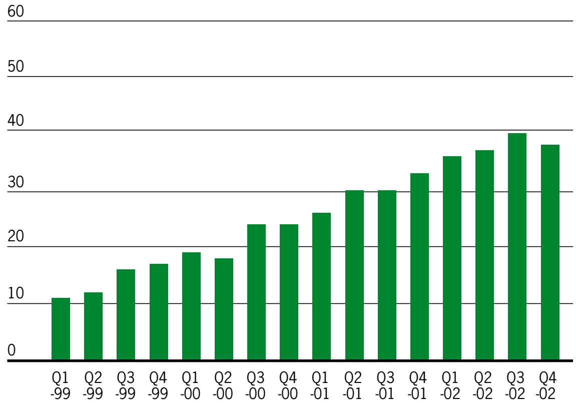
Profit and loss account

SEK M	2002	2001
Total income	**8,194**	**8,402**
Total costs	**-4,092**	**-4,239**
Net credit losses	-84	143
Operating result	**4,018**	**4,306**

Cost/Income ratio	0.50	0.50
Allocated capital at year-end, SEK M	13,900	14,400
Return on capital at year-end, %	20.8	21.5
Number of full time equivalents, average	2,611	2,714

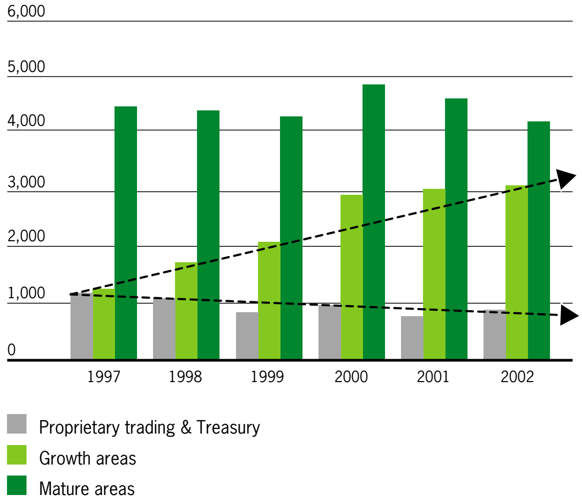
FX-transactions via Trading Station

Number of transactions via the Internet in per cent of total



Changed business mix

Operating income, SEK M



Customer satisfaction has always been highly prioritised and SEB's continuous efforts to advance its market positions have, once again, led leading market research companies to rank Merchant Banking as number one both with regards to quality and market share for large Swedish clients.

During the year, Trading Station, SEB's Internet-based system for currency and fixed income trading, was updated with prime brokerage functionality, accessibility for the corporate customers in Germany, foreign exchange for smaller clients and Straight Through Processing (STP) into clients' own financial systems. The extended functionality has contributed to an increased level of foreign exchange transactions processed through Trading Station. During 2002, approximately 40 per cent of SEB's FX transactions went via Trading Station.

Despite poor market conditions Trading & Capital Markets had good underlying customer flows. The long-term strategy to invest in TCM growth areas continues and has resulted in new customers and international recognition. In July, Euromoney ranked Merchant Banking No. 9 in terms of market share of the global FX market, while Risk Magazine rated SEB as leading bank within SEK and NOK derivatives on a global scale.

The syndicated loan market remains a strong and important source of funding for "blue chips" and larger medium-sized corporations. SEB arranged transactions for Assa Abloy, Observer, Alfa Laval, Sandvik, ABB, Haldex, Sardus, Hoist and Åkers, among others. The corporate bond market had a challenging year, largely due to the "Enron-effect" and the subsequent turmoil around corporate accounting practices. Also the general deterioration of corporate credit quality and ratings affected primary volumes adversely. SEB continued to be one of the larger arrangers of bonds for Nordic corporations and arranged bond issues for TDC, Scania, Investor and Finnvera, among others.

Competition within the cash management area was fierce, as customers are adapting to the euro and expecting lower transactions costs. Merchant Banking has been successful both in retaining old customers and acquiring new clients by becoming their main supplier of cash management solutions, in spite of tougher competition and lower interest rates.

The turmoil in global equity markets in combination with price pressure had a negative effect on Securities Services during 2002. The negative effects of decreasing values of assets under custody and price pressure were to some extent offset by the highest level of transactions ever. The recently established sites in Oslo, Helsinki and Copenhagen contributed positively during the year. SEB aims to reach an overall Nordic leading position in the securities services area.

For Mid Corporates' (incl. SEB Finans) 2002 was the first year as a part of Merchant Banking which enabled it to offer extensive and direct services to medium-sized corporations. The integration and the strong market position contributed to an increase in result for 2002 compared to 2001.

The acquisition finance business saw yet another successful year despite the slow market for structured financial solutions at the beginning of the year. The trade finance business also started out slowly, but picked up during the year. SEB was rated Best Trade Finance bank in Sweden by Global Finance Magazine in July 2002.

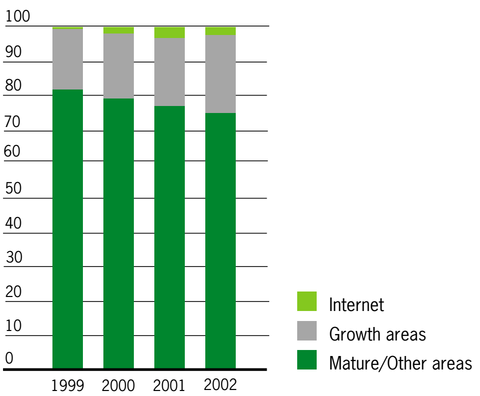
During 2001 Merchant Banking's German operation was merged with the division SEB Germany's corporate clients and trading operations into a new unit called Merchant Banking Germany. In late 2002, it was decided to integrate SEB Germany's business unit for institutional customers with Merchant Banking Germany from 2003.

Asset quality remained high and net credit losses were low. Risk awareness is important and the cautious view on risks combined with conservative structuring will continue to permeate business decisions.

While sticking to its strategy Merchant Banking will pay particular attention to the strengthening and consolidating of its presence in home markets outside Sweden, i.e. Norway, Finland, Denmark and Germany. Another top priority the next years will be to plan and manage the potential upcoming transition from Swedish kronor to euro, with the objective of creating new income and minimising potential negative effects.

Cost development – Merchant Banking

1999–2002, excluding bonus costs, %



Enskilda Securities

Enskilda Securities is SEB's investment bank, responsible for services in the area of financial advice, equity trading and equity research. With 494 employees working at offices in Stockholm, Oslo, Copenhagen, Helsinki, London, New York, Paris and Frankfurt, Enskilda Securities is the leading Nordic Investment bank.

	2002	2001
Percentage of SEB's total income	7	8
Percentage of SEB's operating result	3	5
Percentage of SEB's staff	3	3

Profit and loss account

SEK M	2002	2001
Total income	**1,780**	**2,369**
Total costs	**-1,587**	**-2,006**
Net credit losses	2	6
Operating result	**195**	**369**

Cost/Income ratio	0.89	0.85
Allocated capital at year-end	1,100	1,100
Return on capital at year-end, %	12.8	24.2
Number of full time equivalents, average	557	608

Enskilda Securities – strengthened position in tough market

During the difficult year Enskilda Securities strengthened its market position as market leader in the Nordic region. This position was confirmed through a number of national and international surveys. During 2002 Enskilda Securities was ranked Best Equity House in the Nordic region by Euromoney, Best Corporate Finance provider in Scandinavia by Global Finance and No 1 Stock Broker in Sweden, Denmark, Norway and Finland by Prospera.

In this environment, the focus has been on keeping and strengthening the position as market leader in the Nordic region. The San Francisco office was closed during the year. In December, it was decided that the Paris office will be closed in order to refocus resources. Enskilda Securities has reassessed the organisation and market focus further, which has resulted in additional cost reductions. A leaner and more flexible organisation with a clear and more focused strategy has been achieved.

The operating result for Enskilda Securities was SEK 195 M (369). Continuously weak equity markets have led to a decrease in revenues of 25 per cent compared with 2001. Total revenues for 2002 amounted to SEK 1,780 M (2,369). The ongoing cost reduction programme lowered costs by 20 per cent in 2001 and by 21 per cent in 2002. The number of employees has decreased by 99 since December 2001, to a total of 494 (593). Staff costs, affected by redundancy costs, were down by 26 per cent compared with 2001.

The fall in the Equities business unit's revenues of 30 per cent reflects the weak market conditions. Revenue declines were greatest for primary commission and trading, whereas secondary commission fell by less than 25 per cent, which means that Enskilda Securities successfully maintained and strengthened its market position in the Nordic region. Enskilda Securities remains the leading Nordic investment bank, with the highest market share on the Stockholm and Oslo Exchanges and with a leading institutional position in Denmark and Finland.

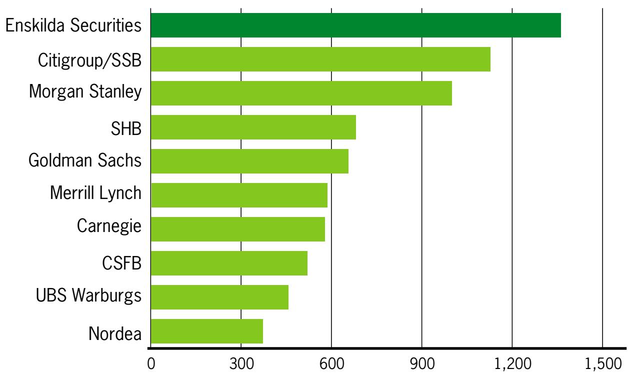
Revenues in the corporate finance area were down from last year. Enskilda Securities acted as advisor to some of the largest transactions in the Nordic market. Notably as financial advisor in the Ericsson rights issue, joint leader manager in the IPO of Intrum Justitia and joint global co-ordinator in the IPO of Alfa Laval.

Market share of Nordic stock exchanges

	Rankings 2002	Market share 2002
Stockholm	1	9.3%
Oslo	1	13.1%
Helsinki	7	5.2%
Copenhagen	4	8.0%

The market leader in Nordic equity offering 2002

USD million



Source: Thomson Financial Securities

2002 is the third year in a row that has been characterised by severe decline in the stock markets. Enskilda Securities has successfully maintained a market leader position in the Nordic region.

SEB AG Group

and the SEB Germany division

Increased sales and cost savings could not entirely offset the continued weak markets.

SEB AG Group

SEB's operations in Germany (SEB AG Group) consist of the following business units and major subsidiaries:

- Nordic Corporate Banking (Nordic related)
- Corporate Banking (other corporations)
- Institutional Banking
- Retail
- Real Estate
- Treasury
- Trading
- SEB Invest (mutual funds)
- SEB ImmoInvest (open-ended real estate funds)
- SEB Hypothekenbank (mortgage bank)

During the last two years the two corporate customer units and Trading have been included in the result of the Merchant Banking business area while the other units have constituted the SEB Germany division.

As from 2003, also the institutional customer segment will be included in Merchant Banking's operations in Germany, while SEB Invest, the mutual funds company, will be included in SEB Asset Management. The remaining units and subsidiaries – Retail, Real Estate, Treasury, SEB immoInvest and SEB Hypothekenbank – will constitute the **German Retail & Mortgage Banking division**.

Profit and loss account adapted to Swedish Accounting Principles[1)]

SEK M	2002	2001	Change, per cent
Net interest income	4,192	4,366	-4
Net commission income	1,631	1,567	4
Net result of financial transactions	222	143	55
Other operating income	298	586	-49
Total income	**6,343**	**6,662**	**-5**
Staff costs	-2,840	-2,851	
Other operating costs	-1,837	-2,043	-10
Depreciation and write-downs	-317	-377	-16
Total costs	**-4,994**	**-5,271**	**-5**
Net credit losses etc[2)]	-530	-483	10
Write-downs of financial fixed assets		-2	-100
Net result from associated companies	-9	75	
Operating result	**810**	**981**	**-17**
Average exchange rate SEK/EUR	9.16	9.25	
Cost/Income ratio	0.79	0.79	
Allocated capital, SEK M	11,200	12,100	
Return on capital, %	5.2	5.8	
Number of full time equivalents, average[3)]	3,968	4,146	

1) The quarterly development is presented on www.seb.net
2) Including change in value of seized assets
3) Excluding 67 (average Jan–Dec) temporary staff working with euro conversion during the beginning of 2002

Stagnation in the German economy

Germany's economic growth in 2002 was only 0.2 per cent compared with 0.8 per cent in the Eurozone. Above all, domestic demand lagged behind and was 1.3 per cent lower than in 2001. Major reasons for this development are found in lower consumption and a low level of investments across all major German industries. This led to the highest number of insolvencies among small and medium-sized companies for years. Customer confidence was weak and activity level low. In addition, several different tax increases for both corporations and private individuals have been proposed by the Government, which did neither improve customer confidence nor increase German industries' willingness to invest.

Besides the poor development in the German economy, a weak local stock market, and low market interest rates have affected the banking business in Germany negatively. The DAX index fell from 5,500 in the first quarter of 2002 to 2,900 at year-end. The transaction level in the private brokerage business decreased by 70 per cent on average. The performance of German banks in 2002 was poor due to large credit losses and weak income. As a result, most of the banks have initiated cost reduction programmes similar to the restructuring programme started by SEB AG as early as in 2000. The German banking industry is now facing the biggest staff reduction programme ever, involving more than 50,000 employees.

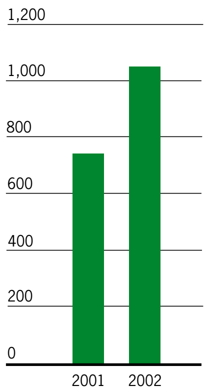
SEB AG Group – improved underlying profitability

SEB's total German operations (SEB AG Group) performed well compared to other German banks. Total result for SEB's German operations amounted to SEK 810 M (981). Excluding one-off items, operating result improved by 11 per cent. The 2001 results (for SEB AG Group as well as for the division SEB Germany) include the sale of Deutsche Börse (net gain of SEK 248 M).

Major restructuring activities proceed according to plan. The work-out of the non-target corporate customer relations continues. Overall, the usage of the restructuring reserves is in line with the plan and lower than in 2001. Reserves for redundancies and operational restructuring amounted to

SEB AG Group

Net sales mutual and special funds, EUR M



EUR 87 million. As a consequence of SEB's new provisioning rules the previous general reserve for credit losses has been reclassified to specific and collective reserves.

In 2002, SEB AG was ranked No. 1 in Germany regarding customer satisfaction for the sixth consecutive year.

SEB Germany Division – increased sales

The result for the division was SEK 662 M (895). This result does not reach SEB's ambitions, but compared to other German banks it can be regarded as satisfactory. The reduced result is mainly due to effects from one-off items during 2001 (see SEB AG Group above).

The division's new sales of mortgage loans, SEK 6,743 M, improved by 34 per cent compared to last year. Prolongation of mortgage loans rose by 7 per cent to SEK 3,859 M.

Net sales of funds, SEK 9.6 billion, increased by 40 per cent compared to 2001. Net sales of SEB ImmoInvest's No 1 ranked real estate fund, SEK 6.8 billion, has led to an increased market share, 4.6 per cent. Net sales of SEB Invest's mutual funds amounted to SEK 1.0 billion. Assets under management amounted to SEK 108 billion. Measured in euro, assets under management decreased by 1 per cent during 2002.

The customer segment Swedish private clients in Germany has been addressed with a specific and attractive product offering. In a similar way customised products for the members of the Social Democratic Party and the Christian Democratic Union, for employees of Atlas Copco and Gerling have also been successful. Through the introduction of a high yielding savings account in November, the division by year-end managed to attract 15,000 new customers with a total volume corresponding to SEK 5 billion. In addition, new volumes from existing customers amounted to SEK 3 billion. By year-end SEB Germany had 240,000 Internet banking customers. Initiatives to build strategic alliances and to improve the cross-selling potential will be reinforced in 2003.

The SEB Germany division

The division serves one million private customers as well as small and medium-sized companies and real estate companies all over Germany. Customers have access to the services via 177 branches, more than 2000 ATMs via Cash-pooling, Internet platform and telephone banking.

The purpose of the division is to be the long-term financial partner, which offers modern financial solutions with a high quality of service to the target customers in Germany. The focus is on high customer retention through highly motivated employees as well as by co-operating with stakeholders outside and within SEB Group.

The division is offering high performing products like mutual funds and real estate funds by their own product development companies, SEB Invest and SEB ImmoInvest. Performing third party products complete the product range of the division. Also strategic alliances with Gerling, VW Bank and DVAG help to keep and improve the power to compete in the future.

During 2002, the division has not comprised large corporate customers, trading operations and former Skandinaviska Enskilda Banken AG, which are all included within the business area Merchant Banking within the Corporate & Institutions division. As from January 2003, responsibility for institutional clients will be taken over by Merchant Banking, while mutual funds will be managed by SEB Asset Management. In connection with this change, the division has been renamed **German Retail & Mortgage Banking**.

The combined results for the German Retail & Mortgage Banking division and Merchant Banking Germany are reported as SEB AG Group.

	2002	2001
Percentage of SEB's total income, %	21	21
Percentage of SEB's operating result, %	9	13
Percentage of SEB's staff, %	20	20

Profit and loss account

SEK M	2002	2001	Change, procent
Net interest income	3,944	4,119	-4
Net commission income	1,417	1,365	4
Net result of financial transactions	122	101	21
Other operating income	295	551	-46
Total income	**5,778**	**6,136**	**-6**
Staff costs	-2,671	-2,651	1
Other operating costs	-1,593	-1,816	-12
Depreciation and write-downs	-314	-369	-15
Total costs	**-4,578**	**-4,836**	**-5**
Net credit losses etc[1]	-529	-478	11
Write-downs of financial fixed assets		-2	-100
Net result from associated companies	-9	75	
Operating result	**662**	**895**	**-26**
Average exchange rate SEK/EUR	9.16	9.25	

	2002	2001
Cost/Income ratio	0.79	0.79
Allocated capital, SEK M	10,200	10,800
Return on capital, %	4.7	6.0
Number of full time equivalents, average[2]	3,780	3,916

1) Including change in value of seized assets
2) Excluding 67 (average Jan–Dec) temporary staff working with euro conversion during the beginning of 2002

As a consequence of sales activities, net interest income of SEK 3,944 M was relatively stable compared to 2001. Net commission income improved by 4 per cent to SEK 1,417 M. Other income amounted to SEK 295 M and did not include any major one-off items compared to 2001.

Cost efficiency targets reached

The cost efficiency programme led to 5 per cent lower costs during 2002. Compared with 2001, staff costs were stable. Costs in 2002 were negatively affected by increased pension and social costs due to new legislation. Other costs were down by 12 per cent. The average number of full time equivalents was down by 136, to 3,780.

During 2002, major cost reductions have been achieved by moving the headquarters to new premises at considerably lower rents and through cost cuts within staff units. In the third quarter the whole mainframe computer operation was moved from Frankfurt to Stockholm. This will lead to cost reductions, mainly due to lower license and consultant costs. The successful move was a complicated and unique operation, which now attracts attention from a number of other banks considering similar consolidation measures. Further cost reduction activities within the IT area through organisational co-ordination within the SEB Group are under implementation. Further opportunities to use synergies within the SEB Group exist and will be carried out.

As of January 2003, Merchant Banking will take over the management responsibility for SEB Germany's institutional customers and SEB Asset Management will take responsibility for SEB Invest in Germany. These are two examples of the efforts to exploit synergies within the SEB Group.

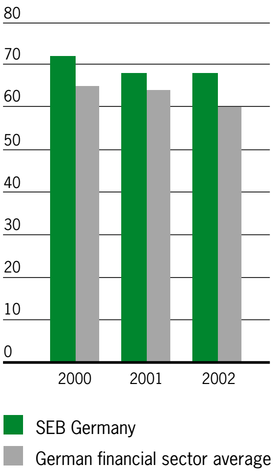
Overall the cost reduction programme is running ahead of plan and additional efforts are now made to achieve further cost reductions to compensate for the lower income side.

Moderate increase of credit losses

The total credit loss level in 2002 was 11 per cent higher than in 2001. This development was significantly less negative than that experienced by other German banks. This is the result of a three-year process to improve asset quality and credit approval processes within all business areas. Furthermore, SEB's credit portfolio differs from that of the average German bank with substantially less corporate exposure. The increase of credit losses during the third and fourth quarter, compared to the two previous quarters, is driven more by seasonal effects than by deteriorating market conditions in Germany. The composition of the credit portfolio, in combination with specific and collective reserves, provides a balanced risk exposure.

Retail Banking – customer retention

Per cent



SEB Asset Management

Despite falling income, SEB Asset Management managed to improve its cost/income ratio.

SEB Asset Management offers a full spectrum of investment management expertise and services to institutions, life insurance companies and retail clients. The product range includes equity and fixed income management, private equity and hedge funds. SEB Asset Management has offices in Copenhagen, Helsinki, Frankfurt, New York, Stamford and Stockholm. Around 100 portfolio managers and analysts work within the division, and total assets under management amounted to SEK 487 billion as of 31 December 2002.

SEB Asset Management aims to be the leading provider of asset management expertise and services in the Swedish and neighbouring markets in terms of performance, market position and profitability.

The division conducts its activities, which includes managing, packaging, and selling of mutual funds and institutional portfolios, in Sweden, Denmark, Finland and the USA. SEB Asset Management has a broad and strong distribution network mainly through the Group's branch offices, private banking entities but also through e-banking and call centres.

SEB Asset Management's investment philosophy is to achieve superior long-term results through active portfolio management and to provide a service level that exceeds our clients' expectations.

	2002	2001
Percentage of SEB's total income	5	6
Percentage of SEB's operating result	7	8
Percentage of SEB's staff	2	3

Profit and loss account[1)]

SEK M	2002	2001	Change, per cent
Net interest income	81	100	-19
Net commission income	1,199	1,506	-20
Net result of financial transactions	8	14	-43
Other operating income	6	11	-45
Total income	**1,294**	**1,631**	**-21**
Staff costs	-475	-567	-16
Pension compensation	39	46	-15
Other operating costs	-328	-432	-24
Amortisation of goodwill	-8	-8	
Depreciation and write-downs	-21	-23	-9
Merger and restructuring costs	-8	-54	-85
Total costs	**-801**	**-1 038**	**-23**
Operating result	**493**	**593**	**-17**

	2002	2001
Cost/Income ratio	0.62	0.64
Allocated capital, SEK M	1,700	1,700
Return on capital, %	20.9	25.1
Number of full time equivalents, average	405	512

1) The quarterly development is presented on www.seb.net

Improved cost/income ratio

In 2002, SEB Asset Management's operating result decreased by 17 per cent to SEK 493 M, while the global markets fell by 34 per cent and the Swedish SIX Portfolio Index by 36 per cent.

In spite of lower income SEB Asset Management continued to show strong profitability and actually improved its cost/income ratio from 0.64 to 0.62. This improvement was a result of cost reductions by 23 per cent, primarily due to staff and IT cost cuts. The result per employee increased by 5 per cent to SEK 1.2 M on a yearly basis. Since June 2001, total staff has been reduced by 151 full time equivalents, or by 29 per cent, which is above the target set in the SEB Change Programme.

Improved market shares of net sales in spite of tough market conditions

Weak stock markets had a continuous negative impact on sales within the whole industry globally. Total accumulated net sales were lower than in last year. Despite this, SEB Asset Management gained a number of new mandates, primarily in Denmark, Finland and the US. Institutional sales in Sweden remained weak during the whole year.

Net inflow to SEB's mutual funds totalled SEK 9.7 billion (7.0), of which SEK 6.7 billion (3.6) in Sweden. This does not include net sales of funds in Germany amounting to SEK 9.6 billion. The successful launch of the new product line corporate bond funds, the first of its kind in the Swedish market, has attracted a considerable amount of capital. SEB's mutual funds in Sweden had a net sales market share of 11.8 per cent (6.4) and 27.0 per cent (19.9) of the fixed income segment.

By year-end 2002, the division's total assets under management amounted to SEK 487 billion (567), a decrease of 14 per cent. The shift in the product mix has had a negative impact on the division's revenues in relation to assets under management. SEB's market share of mutual funds in Sweden was 17.3 per cent (18.4), totalling SEK 127 billion (167). Mutual funds totalled SEK 140 billion (181), representing 29 per cent (32) of the division's assets under management.

Improved performance and international top-rankings

During 2002, one of the most important ambitions has been to improve the division's investment management capabilities in order to enhance performance for all portfolios. This has mainly been made through concentration of the investment management activities and recruitment to the division's key competence areas.

SEB's performance is in line with its peers in the Swedish market. However, this is not a satisfactory position and the ambition is to improve performance further.

During the second half of 2002, the division received several acknowledgements by international press and institutes. SEB's bond funds were ranked top-ten by Wall Street Journal and SEB's pharmaceutical and technology funds reached top 20 in Business Weeks global survey. In Finland, Gyllenberg was ranked number one amongst the major players in the Finnish institutional market by Scandinavian Financial Research. In Denmark, the research institute Prospera ranked SEB Asset Management (DK) as the second best institutional asset manager in the Danish market.

Improved information

Information about the different funds and mandates are essential for investors. During 2002, the mutual fund business in Sweden held customer events in a number of places in Sweden, where more than 4,500 customers attended. The events were carried out in close co-operation with the division Nordic Retail & Private Banking. In addition, SEB Mutual Funds in Sweden launched a new web-site offering monthly fund comments and market views. The site also gives the customers easier access to clear and comprehensive fund information.

In order to strengthen customer offerings and improve efficiency, SEB Asset Management has streamlined and simplified the range of mutual funds in Sweden. Approximately 30 funds were merged or closed during the fourth quarter of 2002.

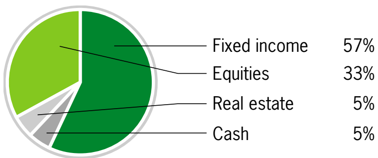
Clear priorities for the future

2002 has been a year of both transition and consolidation including major cost cuttings and changes in investment management activities. Moreover, SEB Asset Management has taken over the management responsibility for SEB Invest in Germany effective January 2003. These activities to integrate the organisation into one united business have given SEB Asset Management a solid foundation going forward.

Top priority will be given to continued improvement of performance, customer communication, cost efficiency as well as a customised product range. The measures taken and the priorities set will enhance the division's ability to compete as a leading asset manager in its home markets.

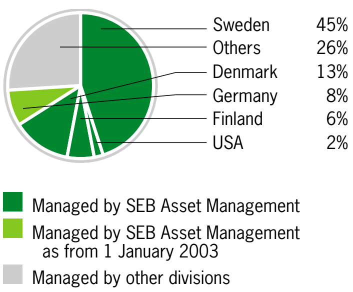
Assets under management per asset class – Division

Total amount SEK 487 billion



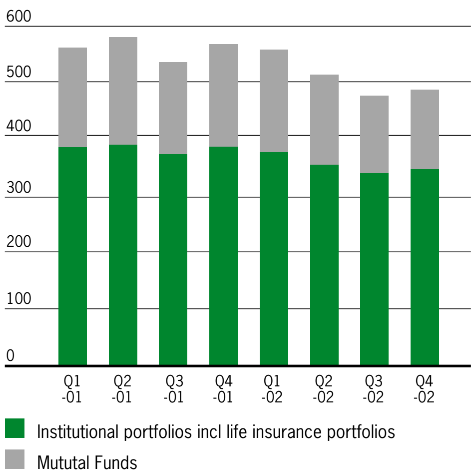
Assets under management per country – Group

Total amount SEK 742 billion



Assets under management per product type – Division

Total amount SEK 487 billion



SEB Baltic & Poland

The three Baltic banks reported continued good performance during 2002.

The SEB Baltic & Poland division comprises the three wholly owned Baltic banks Eesti Ühispank (Estonia), Latvijas Unibanka (Latvia) and Vilniaus Bankas (Lithuania). The Baltic banks together have 4,200 employees. The three banks serve more than 1.2 million individual customers and 140,000 corporations via a branch network that comprises some 200 branch offices, and via Internet banks. The total market share for the Baltic banks were 33 per cent for loans and 26 per cent for deposits. The listed Polish bank Bank Ochrony Środowiska, BOŚ, of which SEB owns 47 per cent, also forms part of the division.

BOŚ was established in 1991. It has a staff of 1,650 (not included in SEB's total number of staff) and 54 branch offices.

	2002	2001
Percentage of SEB's total income	8	7
Percentage of SEB's operating result	10	8
Percentage of SEB's staff	22	21

Profit and loss account[1)]

SEK M	2002	2001	Change, per cent
Net interest income	1,377	1,183	16
Net commission income	589	596	-1
Net result of financial transactions	231	197	17
Other operating income	66	135	-51
Total income	**2,263**	**2,111**	**7**
Staff costs	-706	-673	5
Pension compensation	2	2	
Other operating costs	-452	-451	
Amortisation of goodwill	-49	-49	
Depreciation and write-downs	-218	-217	
Total costs	**-1,423**	**-1,388**	**3**
Net credit losses etc[2)]	-138	-133	4
Write-downs of financial fixed assets	-7	-67	-90
Net result from associated companies	-11	2	
Operating result from insurance operations	28	22	27
Operating result	**712**	**547**	**30**

Cost/Income ratio	0.63	0.66
Allocated capital, SEK M	2,750	2,750
Return on capital, %	18.6	14.3
Number of full time equivalents, average	4,270	4,114

1) The quarterly development is presented on www.seb.net
2) Including change in value of seized assets

Continued economic growth

The economic growth of the Baltic region remained strong throughout the year. The region has experienced a three year-period of high growth rates and is expected to show a GDP growth of approximately 5 per cent or more, over the next few years. The economic instability and decrease in demand that a large part of the world now experiences, is offset by strong domestic demand in the Baltic States. However, the economic growth in Poland is still weak.

In 2002 the Baltic States and Poland got official invitations to join the EU and the plan is to enter during the spring 2004. The accession is expected to have a favourable impact on the economic climate in the Baltic countries and Poland.

The strong economy was reflected in the Baltic subsidiary banks. During the year, the number of customers increased by 16 per cent and the number of Internet customers rose by approximately 70 per cent, to 375,000. The loan portfolio increased by 21 per cent. The growth is relatively evenly spread between the three banks. A strong increase in demand for mortgage loans and leasing as well as strong domestic consumer demand in general are the main reasons behind this expansion. Deposits increased by 15 per cent. The market for savings products other than deposits is relatively immature but a strong increase in demand has been noticed, although the volumes are still relatively low. It is expected that this increase will continue. During 2002, the Baltic countries have launched pension reforms that will lead to an increase in fund savings. Assets under management in the division amounted to approximately SEK 2.3 billion, an increase of 63 per cent.

The market shares for the traditional banking products remain stable. The market shares for the three banks taken together were 33 per cent for loans and 26 per cent for deposits.

Continued profit improvement

The total result of the division increased by 30 per cent, to SEK 712 M (547). The growth of the banks has been well balanced. Income increased by 7 per cent, while costs increased by 2.5 per cent. The cost increase was primarily a result of expansion in volumes and products. Accordingly, the cost/income ratio improved from 0.66 to 0.63. Net credit losses were stable, at SEK 138 M. Return on allocated capital increased, from 14 per cent to 19 per cent.

A loss of SEK 11 M from BOŚ Bank is included in the division's result. This negative contribution was an effect from a loss in 2001 whereas 2002 showed positive results.

Continued cross-servicing and high client satisfaction

Intensive efforts have been made to improve cross-servicing and customer satisfaction within the Group.

The Baltic Banks can now offer Pan-Baltic customers, one-point-of-entry solutions. During 2002 a number of such agreements were made with corporate clients.

The ATM network has been expanded and three new branch offices have been established to meet the growing demand. During the first part of 2003, Latvijas Unibanka will launch a new Internet based banking system in order to improve the service towards the clients further.

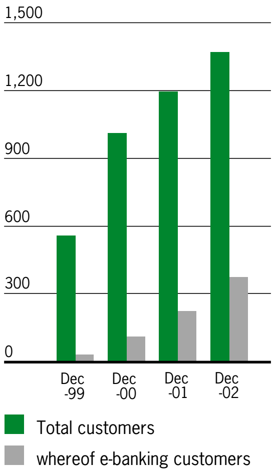
Credit as well as treasury and risk functions continue to become more integrated with the SEB Group and its policies and procedures. This has contributed to an upgraded rating for all three banks during the last months.

For the third year in a row, Vilniaus Bankas received the best bank award from Global Finance. The assessment was made on the basis of profitability, Internet banking, credit policy and service.

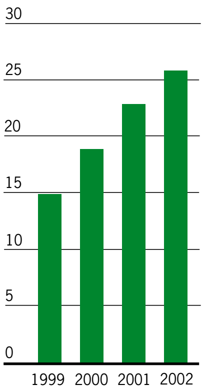
In Latvijas Unibanka cash collection and security services have been outsourced for increased efficiency. Similar activities are under way in Vilniaus Bankas.

BOŚ in Poland has an explicit strategy to increase its focus on small and medium sized companies as well as on private individuals in order to gain market shares within these segments. BOŚ furthermore endeavours to increase efficiency and competence in order to improve its net result and reduce risks.

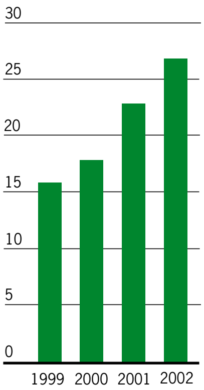
Customer growth, Baltic States
Number of customers, in thousands



Loans, Baltic States
Billion SEK



Deposits, Baltic States
Billion SEK



SEB Trygg Liv

SEB's life insurance company reported a good result, despite the weak stock market.

The business concept of SEB Trygg Liv is to offer customers security throughout life with the help of insurance and security solutions. It offers private individuals and companies a complete range of products in the field of social security such as pensions, occupational pensions, health insurance, nursing insurance and rehabilitation insurance. In addition, SEB Trygg Liv offers endowment insurance and is responsible for the IPS product (Individual Pension Savings) as well as for premium pension activities. As an added value customers are offered secure housing for senior citizens.

SEB Trygg Liv has a little over 1 million customers. Its activities are focused on the sale and administration of unit-linked insurance products and their equivalent for account of the traditional mutual life insurance companies Nya respectively Gamla Livförsäkringsaktiebolaget SEB Trygg Liv. These companies are not consolidated with the SEB Trygg Liv Holding Group, which only receives a fee for the administrative and sales services provided.

	2002	2001
Percentage of SEB's staff	4	4

Profit and loss account[1)]

SEK M	2002	2001	Change, per cent
Total income	**1,408**	**1,493**	**-6**
Total costs	**-1,354**	**-1,563**	**-13**
Result from associated companies	-14	-9	56
Operating result[2)]	**40**	**-79**	
Change in surplus values, net	1,303	1,241	5
Result from ongoing business*	**1,343**	**1,162**	**16**
Change i assumptions	-447	620	
Financial effects of short-term market fluctuations	-1,727	-1,199	44
Total result, net	**-831**	**583**	

	2002	2001
Allocated capital, SEK M	3,900	3,900
Return ongoing business, %	24.8	21.5
Number of full time equivalents, average	779	862

1) The quarterly development is presented on www.seb.net
2) In the SEB Group reporting, SEB Trygg Liv is accounted for according to the same principles as associated companies – one-line accounting. Accordingly, only the operating result is consolidated in the SEB Group's accounts. More detailed information about SEB Trygg Liv can be found in "Additional information", available on www.seb.net.

* 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.

Improved results

The result from on-going business, SEK 1,343 M, which includes the change in surplus values, improved as a consequence of the continued shift from single-premium to the regular-premium insurance, combined with lower costs. The surplus value has been calculated in order to show more clearly the value of the total insurance written to date. However, these values are not included in the SEB Group's consolidated income statement or balance sheet. Combined, surplus values amounted to SEK 4,746 M.

The operating result also improved due to the limited decline in revenues (administration agreements, insurance fees and net interest) and substantially reduced costs as a result of continued savings measures and lower distribution payments due to lower sales. Compared with the preceding year, the average number of full-time equivalents was reduced by 83. The number of full-time equivalents at the end of December was 752.

The continued downturn in the stock markets had of course a negative effect on the total result, net.

In addition to the operating result, life insurance operations generate revenues for the SEB Group, in the form of fund management fees, distribution payments and other purchased services, in an amount of about SEK 700 M per year. Most of these revenues are accounted for in Nordic Retail & Private Banking and SEB Asset Management.

Improved market position

In the declining market for life insurance, due to the downward trend in the stock market, SEB Trygg Liv improved its market position within the prioritised area of unit-linked insurance. For unit-linked insurance, the market share for new policies was 21.2 per cent (18.7). The improvement was due to an increased proportion of occupational pension business. Market share of total new insurance rose to 14.1 per cent (13.2).

Sales, measured as weighted volume, amounted to SEK 23,905 M (28,645), a decline of 17 per cent. During the fourth quarter, sales of unit-linked insurance rose 36 per cent compared with the third quarter, reflecting a significantly higher increase than the normal seasonal variation between the third and fourth quarters. The increase for traditional insurance during the same period was marginal. Unit-linked insurance accounted for 75 per cent (75) of sales in 2002.

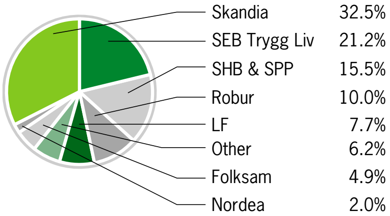
The proportion of company-paid insurance, primarily occupational pension, rose to 74 per cent (69). This was positive, since the objective has been to strengthen company-paid business in order to generate a more long-term and less cyclical mix of the total business. During the year, efforts focused on the large companies segment was intensified and a number of agreements were signed for occupational pension solutions with Vattenfall and Skanska, among other companies. Independent insurance brokers account for about 60 per cent of sales to companies. According to the survey conducted among life insurance brokers by Marknadsindikatorn AB, SEB Trygg Liv further improved its position in comparison with competitors and holds a top position in several of the areas surveyed. During the year, SEB Trygg Liv was also named Årets Mäklardisk Liv ("Life Broker Desk of the Year") by the Swedish Insurance Brokers Association.

During the year, extensive changes were made in the sales organisation. The objective was to establish the bank assurance distribution concept more firmly through a redeployment of areas to correspond more closely to the bank structure, and to adapt the organisation to the prevailing market conditions, namely lower overall sales and an increased proportion of company business. Premium income, that is, paid-in premiums, amounted to SEK 13,975 M (15,528), a decline of 10 per cent. Viewed separately, premium income in the fourth quarter was in line with the corresponding quarter of the preceding year, reflecting a break in the trend of declining premium income, compared with 2001. Unit-linked insurance accounts for two thirds and traditional insurance for one third of premium income. In addition to premium income, payments into Individual Pension Savings (IPS) totalled SEK 644 M (669). Premiums to premium pension savings totalled SEK 539 M (517).

Within unit-linked insurance, it has been possible to switch between both SEB and external funds. During the fourth quarter, it was decided to give unit-linked insurance customers with private pension savings the opportunity also to switch insurers during the first quarter of 2003.

Net inflow of premiums resulted in total assets managed declining by only 7 per cent during the year, from SEK 226.6 billion to SEK 210.5 billion. During the fourth quarter, managed assets increased by 7 per cent.

Market share, new business unit-linked



Volumes

SEK M	2002	2001
Sales volume insurance (weighted)[1]		
Total	**23,905**	**28,645**
Traditional life insurance	5,974	7,034
Unit-linked insurance	17,931	21,611
Premium income		
Total	**13,975**	**15,529**
Traditional life insurance	4,925	5,522
Unit-linked insurance	9,050	10,007
Assets under management		
Total	**210,500**	**226,600**
Traditional life insurance	165,400	168,400
Unit-linked insurance	45,100	58,200

1) 10 x regular premiums + single premiums.

Sales margin – new business

One way to analyse the result of sales efforts is to determine the sales margin for new business. The sales result, i.e. present value of new sales less actual selling expenses, is related to the weighted sales volume. The margin may vary depending on product mix and sales costs. The improvement of the margin is due to a higher share of regular premium business, as well as lower costs.

SEK M	2002	2001
Sales volumes weighted (regular + single/10)	2,391	2,865
Present value of new sales (9% discount rate)	1,181	1,347
Selling expenses	-801	-1,029
Profit – new business	**380**	**318**
Sales margin – new business	**15.9%**	**11.1%**

Gamla and Nya Livförsäkringsaktiebolaget SEB Trygg Liv

Both Gamla and Nya Livförsäkringsaktiebolaget SEB Trygg Liv are operated according to mutual principles, i.e. not paying a dividend, and are therefore not consolidated with SEB Trygg Liv's result.

Gamla Livförsäkringsaktiebolaget is closed for new business. Nya Livförsäkringsaktiebolaget was founded in 1997 and is open for new business. Nya Liv has grown strongly in recent years and its capital base was therefore expanded through an injection of SEK 300 M in share capital and SEK 230 M in subordinated debt during 2002.

The companies have been strongly affected by the downturn of the stock market in the last couple of years. Like all other insurance companies the assets of the insurance collective have decreased, which has affected the collective consolidation that governs policyholders' return.

The target for the collective consolidation ratio of the companies is 105–115 per cent. If the ratio goes below or above the interval, measures will be taken to reach the target within a period of 36 months. At year-end the consolidation ratio was 94 per cent in Nya Liv and 88 per cent in Gamla Liv.

Measures taken include lowered bonus rate and reduced portfolio risk. If this is insufficient, a reallocation, i.e. a depreciation of the value on the policy holders' allocated return might be necessary.

As per 31 December 2002	Gamla Liv	Nya Liv
Number of policyholders (the whole company)	546,000	60,000
Number of insured persons (the whole company)	616,000	113,000
Assets under management, SEK bn	157.3	8.1
Premium income, SEK M	3,314	1,611
Collective consolidation ratio[1], per cent	88	94
Bonus rate, per cent	1	1
Solvency ratio[2], per cent	149	108
Capital base, SEK M	46,126	711
Required solvency margin	4,044	411
Solvency quota[3]	11.4	1.7
Total return, per cent	-7.5	-1.9
Share of equities in investment portfolio, per cent	35	0
Share of fixed income, per cent	55	100
Share of real estate, per cent	10	0

1) The collective consolidation ratio shows the company's assets in relation to its commitments to policyholders. The commitments include both guaranteed and not-guaranteed values.

2) The company's net assets (incl. share capital and subordinated debts) in relation to the guaranteed commitments in the form of technical provisions.

3) Quota capital base/required solvency margin.

Sensitivity analysis

The calculation of surplus value is relatively sensitive to changes in assumptions. A change of the discount rate by +1 percentage point/–1 percentage point gives an effect of SEK –460/+550 M.

A higher or lower return/growth in fund units will result in positive or negative effects when the surplus value change of the period is calculated. A change in the growth assumption by +1 percentage point/–1 percentage point will give a change in surplus value of SEK +570/–500 M.

Information on changes in surplus values can be found on page 89.

Report of the directors

Financial Review of the Group

The negative trends in the financial markets 2000 and 2001 continued during 2002. However, despite all negative trends SEB's result improved as a consequence of its change programme, which was launched in the autumn of 2001.

This programme is called "3C", since it focuses upon Customer satisfaction, Cross-servicing (increased co-operation within the Group) and Cost efficiency. The overall purpose is to create long-term and sustainable profitability, based upon long-term customer relations.

The cost reduction programme that was launched in 2001 aimed at reducing the annual cost level from SEK 22.5 billion in the second quarter of 2001 to SEK 20 billion – including SEB Trygg Liv but excluding restructuring costs – in the first quarter of 2003. The cost target was reached by the end of 2002, one quarter earlier than planned.

The main activities within risk and capital management were focused upon the Basle Committee's amended rules concerning capital adequacy. The purpose of the new rules is that risk weighted asset and related regulatory capital should better reflect actual risk in the business.

No major organisational changes were made during 2002. The Group's activities are carried out through the following divisions:

Nordic Retail & Private Banking comprises the network of branch offices, telephone and Internet services, Private Banking (wealth management services) and SEB Kort.

Corporate & Institutions – through the Merchant Banking business area – is responsible for trading in currencies and interest-bearing instruments, cash management, export and project finance, custody services etc for large companies and institutions. The Enskilda Securities business area comprises financial advisory services, equity trading and equity research.

SEB Germany (renamed German Retail & Mortgage Banking as from January 2003) comprises the retail operations of the German subsidiary bank SEB AG. The largest corporate customers as well as institutions in Germany form part of Merchant Banking. As from January 2003, SEB Invest (mutual funds) in Germany forms part of SEB Asset Management.

SEB Asset Management is responsible for the sale and management of mutual funds and for institutional management.

SEB Baltic & Poland comprises three Baltic subsidiary banks – Eesti Ühispank, Latvijas Unibanka and Vilniaus Bankas – the Polish mutual fund company Fundusz and SEB's 47 per cent participation in the Polish Bank Ochrony Środowiska, BOŚ.

SEB Trygg Liv comprises life insurance- and pension services.

Through the acquisition of Trygg Hansa in 1997 SEB took over ownership of two minor insurance companies in Poland. In the summer of 2002, SEB decided to close these companies and to liquidate their business over time. Most of the employees will leave the companies in 2003.

At the end of September, SEB acquired another 12 per cent of the Danish Amagerbank, which gives SEB a total holding of 30.4 per cent of the capital.

In December, SEB Kort acquired 100 per cent of Europay Norge A/S (and thereby the Eurocard brand name in Norway). The acquisition will be fully integrated with SEB Kort's normal operations during 2003.

Result and profitability

SEB publishes both an operational and a statutory profit and loss account. The major difference between these is that pension compensation is accounted for, as a reduction of cost, in the operational profit and loss account. In the statutory accounts pension compensation is reported within appropriations. Profits before and after tax are the same.

Effective in 2002, the insurance business is reported on one line both in the statutory and operational profit and loss accounts.

Comparisons with the preceding year have been affected by capital gains, restructuring costs and currency translation differences.

Income

Group income decreased by 6 per cent during the year, to SEK 27,378 M (29,199). On a comparable basis, total income decreased by 4 per cent.

Net interest income rose by 5 per cent to SEK 13,719 M (13,011) compared to last year, mainly due to increased lending volumes and lower funding costs.

Net commission income decreased by 11 per cent, to SEK 9,975 M (11,186). The decline was mainly due to lower equity market-related commissions, which dropped by 15 per cent following the negative stock market development and lower activity in connection with IPO's.

The decline of assets under management also affected net commission income. Assets under management decreased from SEK 871 billion to SEK 742 billion. The change in value was SEK –147 billion while net inflow was SEK 18 billion. Commissions from credit and charge card operations and lending fees increased by 5 per cent.

Operational Profit and Loss Account, quarterly basis

SEK M	2002:4	2002:3	2002:2	2002:1	2001:4
Net interest income	3,543	3,405	3,430	3,341	3,498
Net commission income	2,459	2,333	2,601	2,582	2,901
Net result of financial transactions	654	449	652	654	691
Other operating income	273	220	311	471	328
Total income	**6,929**	**6,407**	**6,994**	**7,048**	**7,418**
Staff costs	-2,733	-2,800	-2,865	-2,899	-2,963
Pension compensation	189	192	273	294	236
Other operating costs	-1,778	-1,665	-1,733	-1,747	-2,176
Amortisation of goodwill	-137	-137	-135	-135	-150
Depreciation and write-downs	-232	-222	-246	-233	-262
Merger and restructuring costs			-109	-91	-358
Total costs	**-4,691**	**-4,632**	**-4,815**	**-4,811**	**-5,673**
Net credit losses etc[1]	-278	-181	-180	-189	-206
Write-downs of financial fixed assets	-20		-9		-20
Net result from associated companies	-75	-21		-8	-38
Operating result from insurance operations[2]	10	-22	-20	-24	-34
Operating result	**1,875**	**1,551**	**1,970**	**2,016**	**1,447**

1) Including change in value of seized assets
2) Result from SEB Trygg Liv, non-life and pertaining goodwill amortisation

A strong first quarter in 2001 and a downturn in the third quarter of 2002 led to a 19 per cent drop in the *net result of financial transactions*, to SEK 2,409 M (2,987). Of this amount, foreign exchange earnings accounted for SEK 1,410 M (1,536). With the exception of the third quarter, financial transactions remained very stable each quarter, with a quarterly income level of approximately SEK 650 M.

Other income amounted to SEK 1,275 M (2,015), a decrease of 37 per cent. In 2001, capital gains of SEK 760 M were included, of which capital gains of SEK 512 M emanated from the sale of shares in OM and SEK 248 M from the sale of shares in Deutsche Börse. On a comparable basis the item Other income decreased by 15 per cent.

Key figures

	2002	2001
Return on equity, %	12.0	11.9
Return on total assets, %	0.44	0.43
Return on risk-weighted assets, %	1.08	0.99
Earnings per share (weighted average number)[1], SEK	7.60	7.17
Cost/income ratio	0.69	0.73
Cost/income ratio excl amortisation of goodwill and merger and restructuring costs	0.66	0.69
Credit loss level, %	0.13	0.09
Provision ratio for doubtful loans, %	70.8	67.4 [2]
Level of doubtful loans, %	0.47	0.65 [2]
Total capital ratio, %	10.47	10.84
Core capital ratio, %	7.88	7.71
Number of full time equivalents, average	19,003	19,618
Number of e-banking customers, thousands	1,332	1,128
Assets under management, SEK billion	742	871
Risk-weighted assets, SEK billion	503	501

1) Issued number of shares 704,557,680 of which SEB has repurchased 7 million Series A shares for the employee stock option programme. Earnings per share after full dilution, calculated in accordance with the recommendations of the Swedish Financial Accounting Standards Council, give the same result.
2) Pro forma, see Note 48, page 79

Costs

Total costs during 2002 decreased by 11 per cent or SEK 2,425 M, to SEK 18,949 M (21,374). On a comparable basis, costs fell by 9 per cent. Total costs, including SEB Trygg Liv, amounted to SEK 19.9 billion, excluding restructuring costs. The SEK 20 billion cost target for the first quarter of 2003 has thus been met earlier than planned. All divisions have contributed to this achievement and will continue to work on improving cost efficiency.

Staff costs, gross, decreased by 4 per cent, to SEK 11,297 M (11,796). Lower performance-related compensation accounted for approximately SEK 280 M of the decrease. Staff costs, gross, do not comprise compensation for pension costs of SEK 948 M (1,002). Staff costs, net, were reduced by 4 per cent, to SEK 10,349 M (10,794).

The total assets of SEB's pension funds were SEK 12.9 billion at year-end, while the pension commitments totalled SEK 10.3 billion. Thus, the surplus value at year-end 2002 was SEK 2.6.

The average number of full time equivalents was 19,003 (19,618) during 2002. The number of full time equivalents in December 2002 was 18,385, a reduction by approximately 1,600 since June 2001, which was the starting point for SEB's cost reduction programme.

Other operating costs decreased by 16 per cent, to SEK 6,923 M (8,282). External IT-costs amounted to SEK 1,784 M (2,117). Total IT-costs (defined as a calculated cost for all IT-related activities including costs for own personnel) were reduced to SEK 3.5 billion (4.4). Costs for consultants and marketing were reduced to SEK 884 M (1,366).

Merger and restructuring costs

In 2002, the *restructuring costs* amounted to SEK 212 M (including SEB Trygg Liv). Total costs for merger and restructuring work within the SEB Group during 2001 amounted to SEK 716 M. Of this, costs for the planned and interrupted merger with FöreningsSparbanken and integration work in this connection totalled SEK 225 M. Restructuring costs amounted to SEK 491 M, of which SEK 358 M were provided for measures taken during 2002.

Credit losses

Net *credit losses* of the Group, including changes in value of assets taken over, amounted to SEK 828 M (547), of which SEK 530 M (483) was related to SEB AG. The credit loss level was 0.13 per cent (0.09).

During 2002 incurred losses and provisions for probable losses totalled SEK 2,085 M (2,455), while recoveries and withdrawals from reserves, including the reserve for political risks abroad, amounted to SEK 1,266 M (1,906).

Non-life insurance and run-off

In accordance with one-line accounting, the result of SEB's total insurance operations – non life and life including goodwill amortisation of SEK 147 M (147) – amounted to SEK –56 M (–36).

SEB Trygg Liv's operating result amounted to SEK 40 M (–79). The change in the surplus value in life insurance operations is reported as part of SEB Trygg Liv's total result but is not included in the SEB Group's operating result. The change in surplus values and its effects are described in the section on SEB Trygg Liv on pages 31–33.

The result from non-life insurance, mainly run-off activities, amounted to SEK 68 M (257). In 2001 capital gains of SEK 126 M from bond portfolio sales were included.

One-off effects

Costs of a non-recurring nature amounted to SEK 200 M in 2002 and are related to restructuring charges. The capital gains, totalling SEK 440 M, consisted of a number of minor transactions and are not regarded as one-off items.

Operating result

The *operating result* for 2002 increased by 4 per cent, to SEK 7,412 M (7,153). Adjusted for items affecting comparability, mainly the above one-off effects, the result improved by 6 per cent.

Tax costs

Total tax was SEK 2,057 M (2,058). Of this, SEK 1,133 M (1,161) represented taxes paid, SEK 842 M (829) deferred tax and SEK 82 M (68) taxes for previous years. The total tax rate was 27.8 per cent (28.8).

Net profit

Net profit for the year amounted to SEK 5,318 M (5,051) an increase of 5 per cent. Return on equity improved from 11.9 to 12.0 per cent. Earnings per share increased to 7.60 from 7.17 (weighted average number of shares).

Earnings per share and return on equity

SEK M	2002	2001
Operating result	6,464	6,151
Pension provision	948	1,002
Taxes and minority shares	-2,094	-2,102
Result after tax	**5,318**	**5,051**
Earnings per share		
(700,027,124 shares, weighted number)		
SEK	7.60	7.17
Return on equity, %	12.0	11.9
Average equity, SEK M	44,365	42,409

Financial structure

Assets

At year-end 2002, Group assets amounted to SEK 1,241 billion (1,163).

Lending

On 31 December 2002 SEB's outstanding loans, including leasing but excluding repos, totalled SEK 730 billion (718), i.e. 59 per cent of Group assets.

Credit Portfolio

Total credit exposure, including contingent liabilities and derivatives contracts, amounted to SEK 1,000 billion (955).

There has been a shift in the composition of the credit portfolio towards lower-risk segments during the year. Exposure on the German public administration sector has increased by approximately SEK 20 billion since year-end 2001, representing the largest volume increase in the credit portfolio. Swedish household mortgage lending showed a continued growth. The largest volume reduction was related to the German corporate sector, which declined by SEK 9 billion since year-end 2001. The three Baltic subsidiary banks' credit exposure continued to grow and totalled SEK 36 billion (30) at the year-end 2002.

Exposure on the telecom industry (operators and manufacturing companies) was approximately SEK 13 billion (15), corresponding to 1.3 per cent (1.5) of the total credit portfolio.

Geographical distribution

The geographical distribution of the credit portfolio remained unchanged with credit volumes concentrated on SEB's home markets: the Nordic area (44 per cent), Germany (33 per cent) and the Baltic countries (4 per cent). A large part of the credit exposure outside these core markets is mainly related to subsidiaries belonging to customers of the Group (in the home markets,) and international banks. Exposure on emerging markets was stable at SEK 9.8 billion (9.7), net, after deduction for provision for possible credit losses.

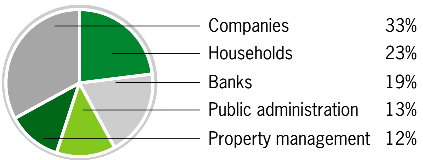
Credit exposure by industry, SEK billion
(before provisions for possible credit losses)

	Total				Loans and Leasing		Contingent Liabilities and Commitments		Derivatives[3]	
	2002	%	2001	%	2002	2001	2002	2001	2002	2001
Banks[1]	**194.8**	**19.4**	**181.8**	**19.1**	**118.4**	**131.2**	**35.5**	**18.6**	**40.9**	**32.0**
Companies	**326.7**	**32.7**	**334.0**	**34.9**	**179.4**	**188.9**	**134.7**	**127.0**	**12.6**	**18.1**
Finance and insurance	41.2	4.1	48.8	5.2	14.3	15.9	20.4	26.4	6.5	6.5
Trade, hotels and restaurants	35.9	3.6	37.3	3.9	22.7	24.3	12.9	12.6	0.3	0.4
Transportation	30.2	3.0	33.3	3.5	24.3	27.5	5.8	5.6	0.1	0.2
Other service sectors	42.8	4.3	42.4	4.4	25.0	25.0	16.1	16.9	1.7	0.5
Construction	11.0	1.1	10.9	1.1	5.6	6.0	5.1	4.7	0.3	0.2
Manufacturing	84.9	8.5	89.3	9.3	35.2	36.7	47.7	45.2	2.0	7.4
Other	80.7	8.1	72.0	7.5	52.3	53.5	26.7	15.6	1.7	2.9
Property management	**123.0**	**12.3**	**116.5**	**12.2**	**108.8**	**103.9**	**12.9**	**11.9**	**1.3**	**0.7**
Public administration	**127.3**	**12.7**	**106.5**	**11.2**	**114.8**	**97.7**	**11.1**	**8.4**	**1.4**	**0.4**
Households	**228.3**	**22.9**	**216.0**	**22.6**	**209.1**	**195.7**	**19.1**	**20.2**	**0.1**	**0.1**
Housing loans[2]	155.6	15.6	145.5	15.2	155.6	145.5	0.0	0.0	0.0	0.0
Other loans	72.7	7.3	70.5	7.4	53.5	50.2	19.1	20.2	0.1	0.1
Total credit portfolio	**1,000.1**	**100**	**954.8**	**100**	**730.5**	**717.4**	**213.3**	**186.1**	**56.3**	**51.3**
Repos	**108.8**		**105.1**							
Credit institutions	42.7		52.5							
General public	66.1		52.6							

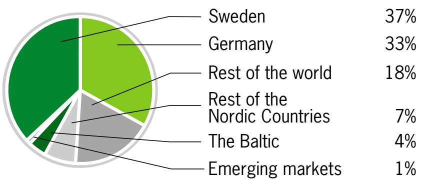
1) Including National Debt Office.
2) Excluding first mortgage loans through the Baltic subsidiaries of the Bank which are shown under Other loans.
3) Derivates are reported after netting agreements have been taken into account and according to the market value method (add on).

Credit portfolio 2002

Distribution by sector
SEK 1,000 billion



Geographical distribution
SEK 1,000 billion



Credit Exposure[1], Emerging Markets, SEK billion

Emerging Markets	2002	2001
Asia	**4.2**	**3.3**
China	1.2	0.6
South Korea	0.8	0.2
Latin America	**2.5**	**4.0**
Brazil	0.9	2.2
Mexico	0.7	0.7
Argentina	0.2	0.3
Eastern and Central Europe	**1.8**	**1.7**
Russia	0.4	0.7
Africa and Middle East	**2.5**	**2.7**
Iran	0.8	0.4
Turkey	0.4	0.8
Total – gross	**11.0**	**11.7**
Provision	1.2	2.0
Total – net	**9.8**	**9.7**

1) Exposure on the domestic market for the Baltic subsidiary banks has been excluded from the table.

Doubtful loans

SEB has for several years adopted a conservative provisioning practise and made specific provisions at a relatively early stage. During 2002, the Financial Supervisory Authority (FSA) altered the rules regarding valuation of loans including the introduction of collective reserves. As a consequence of the new FSA rules, SEB has reclassified approximately 20 per cent of the Group's reserves to collective reserves. The introduction of the new rules has had no effect on SEB's total credit loss reserves.

Specific provisions are made for loans that are more than 60 days past due or for loans where SEB has determined that the counter-party is unlikely to fulfil its contractual payments. Provisioning is made on the difference between the outstanding amount and the estimated recovery value of the loan, for example the market value of the collateral. The entire outstanding amount is reported as a doubtful loan, including the portion covered by collateral. (See further Note 48.)

Collective provisions are related to that part of the credit portfolio, that does not meet SEB's normal credit quality standards but is not classified as doubtful. The credit portfolio for which collective provisions are made is not included among doubtful loans.

The definition of doubtful loans has also been adapted to the new rules.[1)] On 31 December, doubtful loans, gross, amounted to SEK 11,002 M (12,646), of which SEK 8,862 M (9,976) were non-performing loans (loans where interest and amortisation are not paid) and SEK 2,140 M (2,670) were performing loans. The level of doubtful loans net, in relation to lending, was 0.47 per cent (0.65). The reserve ratio was 71 per cent (67). The volume of assets taken over amounted to SEK 130 M (265).

1) A pro forma statement can be found in Note 48 page 79.

Derivatives

At year-end 2002, the notional value of the Group's derivatives contracts totalled SEK 5,066 billion (5,217) (including exchange-traded derivatives contracts). The corresponding credit risk equivalent to this contract volume is built up of the positive closing gains that arise when outstanding contracts are valued at market. This amount represents the claim that SEB has on its counter-parties. The value may be reduced, since SEB enters into netting agreements with its counter-parties, which means that the Bank can offset liabilities, so-called negative closing values, against claims. Finally, a standard add-on is made, depending upon type of contract, currency and remaining maturity, which reflects the potential risk. On a net basis, the total credit risk equivalent at year-end amounted to SEK 56.3 billion (51.3). The counterparties are mainly Swedish and international banks of very high quality as well as central banks.

The bulk of the derivatives instruments form part of the trading book, which means that they are valued at market on a continuous basis. The remaining five per cent of the portfolio consists of interest swaps, which are subject to hedge accounting for the purpose of protecting the real value of the Bank's fixed-interest deposits and lending and, as a consequence, shareholders' equity from interest rate fluctuations. Since the underlying assets/liabilities shall not be valued at market, according to current accounting practice, the changes in value in the hedging derivatives are not reported either. These values are reported in Note 49. The efficiency of the hedge accounting is measured continuously within the framework of SEB's interest risk management.

The positive and negative closing gains are reported on a gross basis on the balance sheet under other assets and liabilities, disregarding any netting agreements.

The major portion of the Group's derivatives engagements is related to contracts with a short remaining maturity which, in turn, are dominated by interest- and currency-related forwards. A minor portion consists of so-called exchange-traded derivative contracts, where profits and losses are continuously settled on a cash basis.

Securities portfolios

At year-end 2002, the market value of the trading portfolios of the SEB Group was SEK 192.2 billion (148.9). The higher level was a result of normal business operations. Holdings in these portfolios, which are classified as financial fixed assets, are valued at market. The portfolios consist of immediately liquid securities in euro, U.S. dollars and other main foreign currencies.

The investment portfolio had a book value of SEK 3.8 billion (4.1) at year-end. It is classified as a fixed asset and valued at amortised acquisition value. The surplus value was SEK 8 M on 31 December, 2002.

Intangible fixed assets, including goodwill

At year-end 2002 intangible fixed assets totalled SEK 10.8 billion (10.3), of which the absolute majority consisted of acquisition goodwill.

The most important goodwill items were related to the following: the acquisition of the Trygg-Hansa group in 1997; the Group's build-up of banking activities in the Baltic countries and Poland during the period 1998-2001; the investment in Europay Norge during 2002. At year-end 2002, remaining goodwill in connection with the Trygg-Hansa acquisition was SEK 6.1 billion, the Baltic acquisitions SEK 3 billion and Europay Norge SEK 1.1 billion, to which goodwill in connection with other acquisitions of SEK 0.5 billion should be added.

Further information on intangible assets including goodwill is found in Note 29.

Liabilities and shareholders' equity

Deposits and borrowing

The financing of the Group consists of deposits from the general public (households, companies, etc.), loans from Swedish, German and other foreign financial institutions and issues of money market instruments, bonds and subordinated debt. The Group primarily funds itself on the Swedish and German capital markets together with deposits received from the Swedish and German public; this financing base is supplemented with activities on the international money market.

Deposits and borrowing from the public increased by SEK 34.3 billion, or by 7 per cent, to SEK 499.5 billion (465.2). The goal of the SEB Group is that maximum 30 per cent of non-liquid assets shall be financed with the help of short-term debt. On 31 December 2002, this percentage, internally called the core gap, was 6.7 per cent (7.4).

Securitisation

During 2000, SEB BoLån carried out a securitisation of single family house loans for a total of SEK 8 billion. These loans were sold to a special purpose company, Osprey Mortgage Securities (No.10) Limited and the sale was recognised as a true sale. The administration of the loans is handled by SEB in the same way as before the securitisation took place. However, SEB BoLån still has certain claims on the company that purchased the loans. These claims should be regarded as credit support of the special purpose company. When calculating the capital adequacy ratio, a deduction for the value of the credit support is made. At year-end 2002, the effect of the securitisation on the SEB Group's capital adequacy ratio was marginal.

Three Crowns Funding

SEB administers a special purpose company, Three Crowns Funding LLC, for the purpose of issuing certificates under an asset-backed commercial paper programme. Top-rated bonds have been purchased as collateral for these certificates. Any possible surplus generated goes to SEB, whereas the investors in Three Crowns Funding LLC take the risk in case the issuers of the bonds should go bankrupt. SEB has undertaken to guarantee Three Crowns Funding LLC some liquidity support. At year-end, the outstanding volume of certificates was approximately USD 1.9 billion and the programme is maximised to USD 2 billion.

Shareholders' equity

Shareholders' equity amounted to SEK 44.3 billion (41.6) at the opening of 2002, of which SEK 2,818 M (2,818) was used for dividend purposes in accordance with the resolution of the Annual General Meeting of April 2002. In addition, seven million repurchased shares relating to the employee stock option programme have been booked against shareholders' equity. At year-end 2002, shareholders' equity amounted to SEK 45.7 billion.

Capital adequacy

The SEB Group is a financial group that comprises companies engaged in banking, finance, securities and insurance operations. The capital adequacy rules are applicable to each individual company of the Group that has a licence to carry on banking, finance or securities operations. In addition, these rules shall be complied with by the financial group of undertakings, i.e. by all such companies within the Group at consolidated level. Companies engaged in insurance operations shall meet the solvency requirements, but are not subject to the capital adequacy rules.

Group objective

SEB's long-term goal is to maintain a minimum core capital ratio of 7 per cent and a minimum total capital ratio of 10.5 per cent. These goals have been set since the Bank is active in the international money and capital markets in which higher capital ratios than the statutory ones are required.

The new capital adequacy rules that are being developed are taken into account by the Group with respect to its long-term capital planning. See further page 40, Developments in 2002.

Composition of capital base

The capital base of the financial group of undertakings amounted to SEK 52.7 billion (54.4) at year-end 2002. Core capital was SEK 39.7 billion (38.7).

Core capital consists of shareholders' equity plus minority interests after deduction for acquisition goodwill and the dividend amount proposed by the Board of Directors. In addition, the Bank's so-called core capital contribution of EUR 200 M, or SEK 1.8 billion, has been included. Such contributions may be included up to maximum 15 per cent of core capital after deduction for goodwill and previously issued core capital contributions.

In addition to core capital, the capital base may include subordinated debt up to a maximum of 100 per cent of core capital. Deductions for investments, including goodwill, in companies that are not consolidated within the financial group of undertakings, including insurance companies, shall be made from the supplementary capital. For SEB the deduction of SEK 9.2 billion was mainly due to the acquisition of the Trygg-Hansa Group in 1997.

Risk-weighted assets

The combined risk-weighted volume of assets, off-balance-sheet commitments and market risk positions totalled SEK 503 billion at year-end 2002 (501). The increase of SEK 2 billion is due to the net effects of lending growth and the consolidation of Amagerbank for capital adequacy purposes, offset by the strengthening Swedish krona and effects from the capital rationalisation programme, especially within SEB AG.

In 2001, the Financial Supervisory Authority approved the Bank's internal Value-at-Risk model for calculation of risk weighted assets in the trading portfolio. At year-end 2002, the approval contributed to a reduction of risk weighted assets by a little over SEK 5 billion.

Capital adequacy ratio

By year-end 2002, the total capital ratio was 10.5 per cent (10.8) and the core capital ratio 7.9 per cent (7.7), which was in line with the Group's objectives. Considering that the lowest permissible total capital ratio and core capital ratio is 8 and 4 per cent, respectively, both requirements were met by a wide margin. SEB's own long-term goal is to maintain a total capital ratio of not less than 10.5 per cent and a core captial ratio of at least 7 per cent.

According to Swedish rules, deductions for investments, including goodwill, in insurance operations shall be made in full from the total capital base when calculating these ratios. A more restrictive treatment of this goodwill in line with other goodwill, i.e. with a full deduction from the core capital, would lead to a core capital ratio of 6.7 per cent and an unchanged total capital ratio. Some rating institutions and analysts prefer this way of calculation.

Further information about capital adequacy and capital base is found in Note 53.

Rating

SEB continuously focuses on improving the Group's rating. SEB's rating was unchanged during 2002. In January 2003, the Group's improved financial position as a result of the work related to risk and cost control together with the improved market position in the retail segment, resulted in the rating institute Moody's upgrading the rating for SEB to A1 from A2. Other ratings are unchanged.

The following table shows the current rating of SEB (February 2003).

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

The above table shows how the large rating agencies have rated SEB's short- and long-term borrowing. In January 2003 the rating institute Moody's upgraded the rating for SEB to A1 from A2.

Risk and capital management

Risk-taking and risk management form parts of the basic business concept in any financial group. SEB's profitability is directly dependant upon the Group's ability to evaluate, manage and price risks that occur as a result of customer business. Moreover, SEB supplies solutions and support to customers' own risk management. Thus, risks are a natural and essential part of SEB's business.

Credit risk, market risk, insurance risk, operational and business risk and liquidity risk are included in a financial group's total risk level.

Controlled risk-taking within limits together with an integrated risk and capital management contributes to increased profitability and shareholder value. At the same time, the capital limits the scope of the total level of risk. Thus, there is a strong connection between the Group's risk level, capital requirements and shareholder value. Due to increased competition, it is necessary to set prices in relation to risk and capital. Therefore, risk and capital management are areas of top priority for SEB. Risk-based capital is allocated to the divisions of the Group and each division is evaluated on the basis of the return on this capital.

The Group's risk and capital management shall be of high quality and aim at minimising volatility in financial outcome. It shall furthermore secure the survival of the Group through the maintenance of sufficient capital strength. This will create, and maintain, confidence in the business of the Group among regulators, customers and investors, thereby achieving a lasting increase in shareholder value.

The Group applies a portfolio view of risks, which makes it possible to manage both the total level of risk and each risk and division separately. The total level of risk and implied economic capital requirements are assessed against the available capital.

Developments in 2002

Risk and capital management activities during the past year have above all been focused on the new capital adequacy rules that are being prepared by the Basle Committee and the EU Commission. The purpose of the new rules is that the capital requirements for credit risks should mirror the actual risk better than the present rules. In addition, a capital requirement for operational risk will be introduced and the risk management of the banks will be subjected to stricter requirements by the regulatory authorities. The SEB Group's system for risk measurement and management, which has existed for years, facilitate the preparations for the new rules. However, the new rules will cause change in customer contacts and in system support, for example. Each division of the Group plans and carries out the necessary work itself, although all projects and activities are synchronised through central project management. The Group has enhanced its understanding of the new rules by participating in the third Quantitative Impact Study that the Basle Committee carried out in order to evaluate the effects of the new rules. As in previous years, the Group's existing and firmly established policy in the areas of risk, capital and liquidity has during the year been reviewed and updated within areas where it has been considered as necessary. A new system for, and methodic support of, liquidity risk management were installed during the year, offering the possibility to measure cash flows at different points in time in a flexible way. The liquidity policy and liquidity limits have been updated to reflect the new liquidity risk management.

The Board of Directors has during the year decided upon SEB's membership of CLS, Continuous Linked Settlement. CLS is a system for the settlement of foreign exchange transactions, which reduces the settlement risk and offers opportunities for an improved liquidity management and reduced costs. SEB will join CLS as a member in June 2003, at which point also the Scandinavian currencies will be connected.

Risk organisation and responsibility

The Board of Directors has the ultimate responsibility for the activities of the Group and for the maintenance of satisfactory internal control. *The President* manages the operative administration in accordance with the Group-wide risk policy of the Board of Directors.

Subordinated to the Board of Directors and the President there are committees, with various mandates to make decisions depending upon the type of risk. The Group Asset & Liability Committee (ALCO) deals with issues relating to the risk level of the Group and the various divisions, determines risk limits and risk-measuring methods, capital allocation, etc. Within the framework of the Group-wide risk policy of the Board, ALCO has established policy documents for risk management, which define the various types of risk of the Group, the relation between risk and capital, and establish responsibilities as regards the management and follow-up of risk. These rules thus form the basis for the planning, organisation and continuous improvement of the risk management of the Group, creating uniformity as regards definitions, measurement and follow-up. *The Treasury Committee* monitors the development of market and liquidity risks. *The Group Credit Committee (GCC)* is the highest credit-granting body of the Bank. The GCC makes decisions on individual credit matters and makes credit policy recommendations to the Credit Committee of the Board of Directors.

The risk management of the Group is based upon the principle that operative risk management is most effective if responsibility rests within the respective division. Each division and respective division head is thus fully responsible for making sure that the risks are managed and controlled in a satisfactory way on a daily basis, within established Group-wide guidelines. It is a fundamental principle that all control functions shall be independent of the business transactions.

The credit organisation has an independent position, as illustrated by the fact that the Group Credit Officer reports directly to the Group Chief Executive, and is a member of the Group Executive Committee, and that the Chairman of each credit committee has the right to veto credit decisions. In addition, the credit organisation is kept separate from the business units and consists of staff that handle credit matters exclusively. Any exception from the credit rules of the Group must be referred for decision to a higher level in the decision-making hierarchy.

Group Risk Control, which reports to ALCO chaired by the President, is in charge of the independent risk control function. The individual risk control functions of the divisions act in accordance with the instructions of the central risk control function, which also participates in the preparation of their business plans, budgets and compensation systems. The risk control functions of the divisions provide the divisional management and the central risk control function with relevant risk information which is then compiled for the Group. Other important functions in the risk organisation – existing both at central level and decentralised within the organisation – are accounting and financial control that perform analyses and reports of result and financial position independently from the business operations. *Internal Audit*, an independent unit reporting directly to the Board of Directors, reviews and evaluates the efficiency and integrity of the risk management referred to above.

Shareholders' equity, capital requirements and economic capital

Good risk management notwithstanding, it is in the nature of business that unexpected losses arise at times that require the Group to keep capital as a buffer.

The regulatory capital requirements serve as one measure of the necessary size of the buffer to meet the risks. Internally, SEB also works with so-called economic capital, which is a statistically based risk measurement. Both these measurements are continuously compared to the Group's shareholders' equity. The ratio between shareholders' equity and risk level gives an indication of the Group's ability to take on additional risks in new business transactions, alternatively its ability to reduce operations within low-priority areas.

Economic capital – CAR

Basically, the purpose of the control model of the Bank is to assess how much capital that is needed to carry on various business activities. The greater the risk, the more of a "risk buffer" is needed. This capital need, the economic capital, is called Capital at Risk ("CAR") within SEB. CAR is calculated for the types of risk to which the Group is exposed.

Average and reasonably expected losses are regarded as an operational expense that should be covered with the help of correct pricing of transactions and credit loss provisions. The quantification of risk capital requirements is focused on unexpected losses. The calculations are based upon statistical probability calculations for various types of risk on the basis of historical data. Given that it is impossible to provide protection against all possible risks, SEB has chosen a probability level of 99.97 per cent, which mirrors the capital requirements for a AA-rating. This level means that out of 10,000 possible losses during one year, the Group shall keep enough capital to cover all but three.

When all the risks of a large Group are combined, considerable so-called diversification or portfolio effects will arise, since it is highly improbable that all possible losses should occur at the same time. Due to the diversification effects between the risks of the various divisions, the Group's total CAR becomes considerably lower than if the divisions should be independent.

The risk level for each type of risk, without considering diversification between risk types, and the Group's total CAR are summarised in the following table:

SEK M	31 Dec 2002	31 Dec 2001
Market risk	5,000	5,000
Credit risk	32,000	34,000
Insurance risk	5,000	6,000
Operational and business risk	8,000	8,000
Diversification	-13,000	-14,000
Total CAR	**37,000**	**39,000**

From experience, we know that the total risk level of the Group remains stable at this level over time.

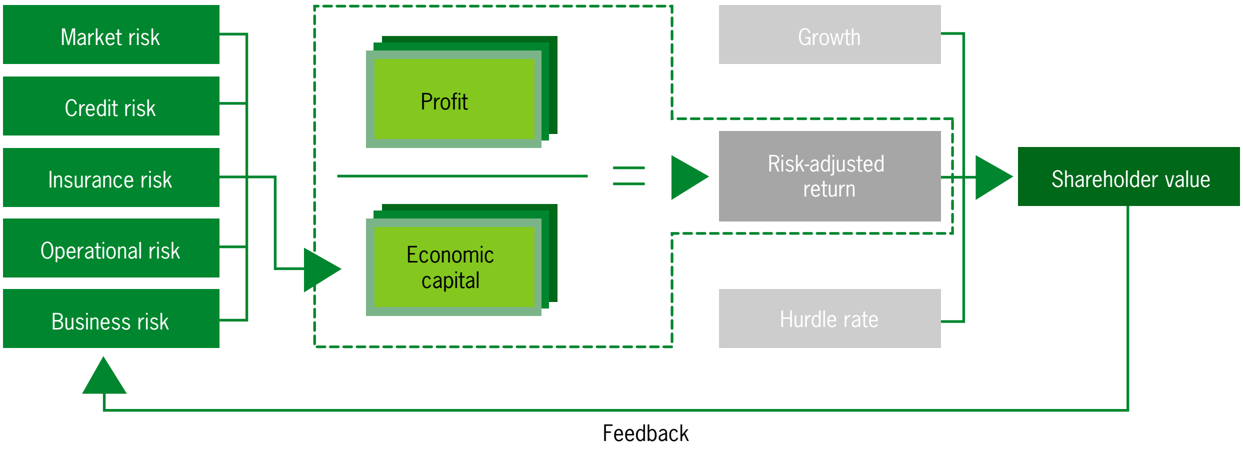
Risk-based management and control model

The Group's management and control model is based upon a compilation of the various risks in order to estimate the capital need both for the Group as a whole and its various divisions, considering the diversification effects within and between the risks.

CAR and the statutory capital requirements are important elements in the analysis used for allocating capital to each respective division. Profitability is measured by relating the reported result to the allocated capital. This makes it possible to make comparisons between the risk-adjusted return of the Group and its divisions. During the planning process return requirements are set for the allocated capital, which are then followed up during the year like the actual risk levels. Risk-adjusted measurements are also used as a basis for pricing certain transactions and services. The following table shows the capital allocated to each division for the year as well as risk-weighted assets at year-end.

	Allocated capital, SEK M	Risk-weighted assets, SEK billion
Nordic Retail and Private Banking	7,200	124
Corporate & Institutions	15,000	192
SEB Germany	10,200	142
SEB Asset Management	1,700	
SEB Baltic & Poland	2,750	39
SEB Trygg Liv	3,900	
Other	500	6
Total	**41,250**	**503**

The Group's risk-based control model



There is no individual measure, or individual model, that can measure all the various risks of the Group. Each risk is measured and controlled with the help of various methods and tools specially designed for each particular type of risk and its relative importance, after which the results are linked together in the management and control model.

Risks and risk management

Risk is generally defined by the SEB Group as the possibility of a negative deviation from an expected financial outcome. Risk management comprises all activities relating to risk analysis, risk-taking and risk control, i.e. the systems that the Group has at its disposal in order to identify, measure, analyse, report and control defined risks at an early stage. The foundation of risk management is the internal control system, which consists of rules, systems and routines, including the follow-up of compliance therewith in order to make sure that the business is carried out under safe, efficient and controlled forms.

Credit risk

Credit risk is the risk for a loss due to failure on the part of a counter-party to fulfil its obligations towards the Group.

Credit risk, which represents the single largest risk of the Group, refers to all claims on companies, banks, public institutions and private individuals. The claims consist mainly of loans, but also of contingent liabilities and such commitments as letters of credit, guarantees, securities loans, credit commitments as well as of counter-party risks arising via derivatives and foreign exchange contracts. Settlement risk, within foreign exchange trading for example, is also classified as a credit risk and is treated in the same way as other types of credit exposure.

The credit policy of the Group is based upon the principle that all lending shall be based upon credit analysis and be proportionate to the repayment capacity of the customer. In addition, the customer shall be known to the Group in order to make it possible to evaluate both the capacity and character of the customer.

The credit rules ensure compliance with the credit policy both before credit is granted and afterwards by following up existing credit risk.

In order to manage the credit risk on each individual customer or group of customers, a total limit is decided, which is subject to continuous review. The limit represents the maximum exposure that the Group accepts on one particular customer, based upon such customer's financial standing, existing business relations and amount of transactions. Limits are decided also for the total exposure on countries.

Depending upon factors such as the risk class of a counterparty and the nature and complexity of the transaction, collateral as well as netting agreements are used to varying extent. It is the responsibility of the account manager to monitor the credit quality of the counter-party on a continuous basis. All credit engagements are subject to at least one review per year by a credit committee. High-risk engagements are subject to more frequent reviews by a credit committee so that possible problem loans can be identified at an early stage. The sooner weaknesses can be identified, the greater the probability that constructive solutions can be found.

A review of the aggregated credit portfolio is also made on a regular basis. The credit portfolio is regularly analysed from different angles: by sector, geographically, per risk class, per product, in terms of size, etc. This facilitates an efficient analysis of possible warning signals and problems areas in the portfolio. In addition, various ad hoc analyses are made when market developments require a more careful examination of certain sectors (e.g. the real estate sector, telecom industry and emerging markets).

The Group has developed a statistical method for measuring and monitoring various risks, CAR, that supplements its traditional credit risk management. It is used for the purpose of evaluating the size of unexpected losses for which risk capital must be kept and represents yet another dimension of the follow-up of the portfolio. This method is based upon the following three components:

1. *Probability of default*. The counter-parties are classified according to a scale consisting of 15 risk classes. This scale has been calibrated against the scales of the international rating institutes.

2. *Size of exposure given default*. Exposure is measured both in nominal terms (e.g. in the case of loans, leasing, letters of credit and guarantees) or through estimated market values plus an increase for future, possible exposure (derivatives and foreign exchange contracts) and is applicable to both on- and off-balance-sheet items.

3. *Loss given default*. Evaluation of how much the Group could recover of an outstanding claim in case of default, considering collateral provided, etc. Evaluations are based upon internal and external historical experience and on facts concerning the transaction in question.

Calculations are made at both division and Group level, taking into account diversification effects when the credit risks are aggregated. The model is validated with the help of studies of actual outcome within selected parts of the portfolio as regards probability of default and loss given default.

Market risk

Market risk is the risk for a loss in Group operations following changes in interest rates, foreign exchange and equity prices, including price risk in connection with the sale of assets or closing of positions.

Market risk in the trading portfolio arises as a result of the fact that the Group is a market market maker for trading in the international foreign exchange, money and capital markets. Trading portfolio risks arise both in customer transactions and through conservative risk-taking. In addition, market risk arises due to structural differences in assets and liabilities, for instance as regards maturity or type of currency.

The Group's ALCO allocates the market risk mandate of the Board of Directors to each respective division which, in turn, allocates the limits obtained among those business units which possess special competence within the relevant area. Most of these market risk limits are followed up on a daily basis.

The Group uses a Value at Risk ("VaR") method to measure its overall market risk. This is a statistical method that expresses the maximum potential loss that can arise with certain probability during a certain period of time. The VaR model has the advantage of handling various types of market risks in a homogeneous way, which facilitates comparison, measurement and control. In addition, VaR reflects the diversification effects existing between different foreign exchange, equity and interest markets.

In the allocation and follow-up of market risk limits the Group has chosen a probability level of 99 per cent and a ten-day time horizon. The following table summarises ten-day trading VaR for SEB during the year.

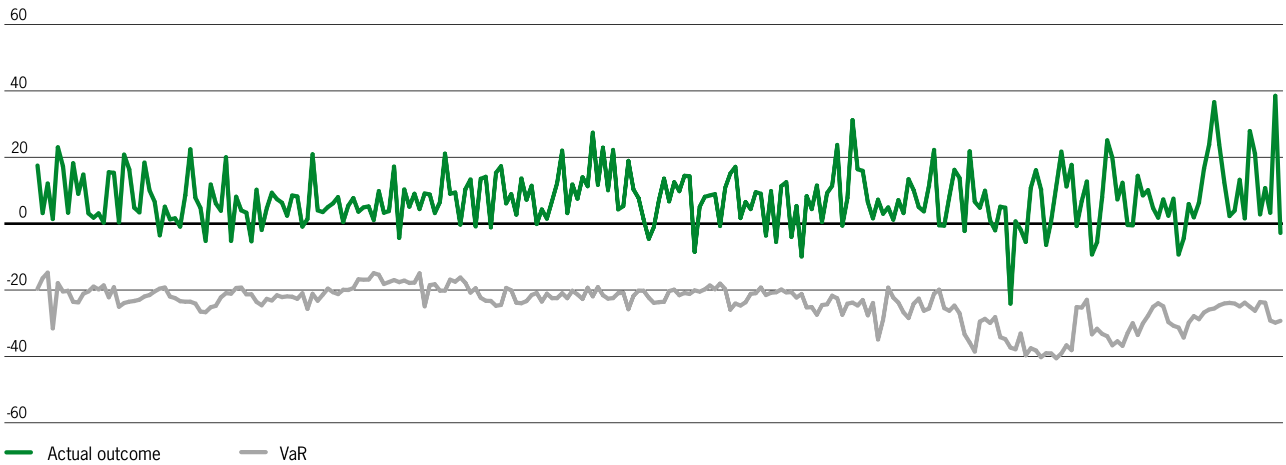
SEK M	Min	Max	31 Dec. 2002	2002 *average*	2001 *average*
Interest risk	41	186	74	91	126
Foreign exchange risk	3	93	33	24	26
Equity risk	2	65	4	16	15
Diversification			-58	-38	-34
Total	**40**	**221**	**53**	**93**	**133**

Average VaR has decreased since 2001 due to reduced interest positions and lower volatility.

The accuracy of the model is checked through so-called back-testing on a daily basis, where the actual outcome is compared with the forecasts according to the model. The following graph illustrates back-testing of VaR trading within the Merchant Banking business area during the year. In December 2001, the Financial Supervisory Authority gave the approval for the Group to use the internal VaR model for calculating capital requirements for a major part of the market risks, which implied a reduction by SEK 5 billion of risk-weighted assets at year-end.

The use of VaR is supplemented with above all a formal structure for communicating losses within the risk-taking, so-called "stop loss" limits, when all positions must be considered, alternatively, closed, depending upon the size of the actual loss. In the day-to-day operations, other risk and position measurements are also used such as interest rate sensitivity, foreign exchange exposure, contract limits and special sensitivity measurements for option activities. Various types of scenario analyses and stress tests are made on a regular basis. For example, existing positions are analysed in historical market crash scenarios as well as the risk level of the portfolio without diversification effects.

VaR
Backtestning 2002



Interest rate risk is the single most important market risk of the Group. It arises as a result of the fact that the fixed interest rate periods for assets, liabilities and derivatives differ in tenor. Interest rate risk is measured with the help of VaR, but positions are also analysed in terms of various types of shifts in the yield curve and scenario analyses for option portfolios. An increase in market rates by one per cent would have led to a SEK 2,500 M (SEK 2,200 M) decrease in value of the Group's interest-bearing assets and liabilities, including derivatives, at year-end. This measurement is relatively static and represents a limited view of the actual risk. VaR offers the advantage of better catching all types of movements in the interest curve, e.g. turning, rising/flattening. VaR is also more flexible as far as the scope of interest movements is concerned and takes into account that shifts in the interest curve look different in high- or low-interest markets.

Foreign exchange risk arises both through the Bank's foreign exchange trading in the various international marketplaces and as a result of the fact that the Group's international activities are carried out in various currencies. In addition to VaR-limits and measures, the risk measurements that the Financial Supervisory Authority has previously defined are used both for limits and follow-up. These measurements consist of the largest single position in one particular currency and the sum total of all short positions against SEK. A change by 5 per cent in the value of the Swedish krona against other currencies would have affected the Group result by SEK 20 M at year-end.

Equity risk arises mainly within the subsidiary Enskilda Securities' trading in equities and equity-related instruments. VaR is the most important risk and limit measurement for equity risks. In addition, equity risk measurements defined by the Swedish capital adequacy rules are used both for limits and follow-up. A change by 10 per cent in the price of the Group's equity positions would have affected the Group result by SEK 170 M at year-end.

Insurance risk

Life insurance risk is the risk of a loss due to the fact that estimated surplus values (i.e. present value of future gains from existing insurance contracts) cannot be realised due to slower than expected capital growth, cancellations, or unfavourable price/cost development.

Furthermore, life insurance operations are exposed to the risk of shifts in mortality rates: Lower rates lead to more long-term pension commitments, whereas higher rates result in higher death claims. However, these risks are only applicable to the Group as regards unit-linked insurance. The mutual character of traditional life insurance means that the risks are borne by the policyholders as a collective.

Life insurance risks are controlled with the help of a so-called actuarial analysis and stress tests of the existing insurance portfolio. Mortality and morbidity risks are reinsured against unexpectedly large individual claims or against several claims caused by the same event.

Operational and business risk

Operational risk is the risk of a loss due to both external events (natural catastrophes, external crime, etc) and internal factors (e.g. breakdown of IT systems, fraud, lacking compliance with law and internal directives, other deficiencies in the internal control, etc.).

The Group's functions for security and IT-related security supplement the central risk organisation and risk managers within the divisions as regards operational risk management. In addition to basic policy documents, instructions and emergency plans, which have been developed and implemented to minimise operational risks in the business processes, SEB has developed several techniques for identifying, analysing, reporting and reducing operational risks to an acceptable level. Group-wide techniques are used in a structured manner in order to identify, analyse, report and reduce operational risk. Key ratios serve as early warning signals about changes in the level of risk and business efficiency. Methods for registering and classifying incurred operational incidents have been developed. All this makes it possible to analyse and to take measures with respect to identified problem areas. The Group works continously on the further development of these techniques in order to minimise the operational risk. The divisions carry out their own evaluations of the operational risk environment on a regular basis.

SEB quantifies the operational risk capital that is needed with the help of statistical methods. The calculation is based upon operational losses of considerable size that have actually occurred in the financial sector on a global basis. The quality of the risk management of the divisions, which is based upon their own evaluation, has been taken into account. Effective operational risk management means less need for capital, whereas less effective risk management leads to a greater need for capital.

Operational risks furthermore include so-called legal risks, defined as the risk that legal factors have not been considered to a sufficient extent. The Group strives for reducing this type of risk, e.g. when establishing the terms and conditions that apply to various products and services. The Group handles its legal risks with the help of internal and external expertise.

In addition to specific types of risk the Group also measures a business risk, defined as the risk of lower revenues due to an unexpected shortfall in normal income usually due to reduced volumes in the business cycle, price pressure or competition. Business risk includes reputation risk, the risk that revenues are lowered due to external rumours, either about the Group or on the financial markets. This risk is measured on the basis of the degree of volatility in income/costs that are not directly attributable to other types of risk. Since the business risk mostly is caused by external and non-controllable factors, the best measure against it is good strategic planning.

Asset and liability management

The Group's risk management and risk quantification are also used to ensure a proactive analysis and management of the balance sheet of the Group, including the following:

- Analysis and measures to ensure liquidity and capital supply and to handle structural interest and foreign exchange risks in the balance sheet.
- Cost-effective funding of the balance sheet.
- Controlling that the Group complies with existing authority directives and rules

The capital base and liquidity are optimised through combinations of various financial instruments and techniques such as securitisation and credit derivatives as well as through issues of bonds and other securities and through a reduction or increase of balance sheet volumes.

Interest and foreign exchange exposure

Interest risk exists within practically all the operations of the Group. The risk arising outside of the various marketplaces of the Group is handled centrally by the Treasury department, which matches interest risk in term loans and deposits with the help of an internal pricing system. Thus, the risk arising when different interest bases ("basis risk") are used and in connection with interest rate adjustments in the loan portfolio can be centralised to, and managed by, the Treasury department.

In addition, the Treasury department handles the structural foreign exchange positions that arise on the balance sheet of the Group, for example as a result of equity investments in subsidiaries outside Sweden when the corresponding financing is not made in the currency of the share capital.

Liquidity risk and financing

Liquidity risk is the risk of a loss or the risk of considerably higher than expected costs due to inability on the part of the Group to meet its payment commitments on time.

The Group maintains such a level of liquidity that it can meet current payment obligations, while having payment capacity for unforeseen events. It is necessary to have a certain payment capacity due to the fact that assets and liabilities have different due dates.

Payment capacity is ensured through holding a sufficiently large volume of liquid assets, e.g. in the form of bonds that can be pledged in the Central Bank and thus transformed into liquid funds with immediate effect. As a complement, the Group has access to the international capital market through its bank relations and borrowing programmes of varying length, e.g. in the form of commercial paper and medium-term-note-programmes.

By setting targets for its medium- and long-term borrowing in relation to its fixed-term lending, the Group creates balance sheet stability. Here, the Group's traditionally stable deposit base in the retail business and the currency mix on the balance sheet are taken into account. In order to reduce the liquidity risk, the Group has diversified its financing by using various financial markets, instruments, currencies, geographical areas, etc. Liquidity management also includes an emergency plan, which ensures that even very strained liquidity situations can be handled in a satisfactory manner. The Group's presence in the international markets and its own international network play an important part for the emergency plan.

The Group strives to increase balance sheet liquidity and, if necessary and when advantageous for business reasons, engages in the securitisation of certain credit stocks.

Liquidity is measured and reported with the help of a number of different measurements. Import aspects are short-term pledging capacity, monitoring the maturity structure and the ratio between stable and less stable assets and liabilities. The Group also uses liquidity limits for its operational control.

Capital management

The objective of the Group's capital management is defined in its capital policy. Shareholders' return requirements shall be balanced against the capital requirements of the authorities, the demands of investors and other counter-parties as regards SEB's rating, as well as against the economic capital that represents the total risk of the Group. These aspects are gathered in the management and control model of the Group described earlier. Thus, capital management is directly dependent upon the business goals and the Group's rating. Capital is managed centrally, while meeting local requirements as regards statutory capital or legal capital. Dividends, securitisation, credit derivatives, investments, new issues, repurchases, etc. are important measures that affect the capital level and relevant ratios. The alternatives are evaluated on a regular basis.

Repricing periods

SEK M	<3m	3–6m	6–12m	1–3 yrs	3–5 yrs	>5 yrs	Total
Lending to credit institutions	135,625	5,532	4,574	3,050	1,066	533	**150,380**
Lending to the public	359,883	37,875	46,167	90,002	61,037	85,242	**680,206**
Interest-bearing securities	103,213	13,332	9,716	26,614	15,434	27,670	**195,979**
Other assets	94,915	41,126	19,175	32,472	12,859	14,000	**214,547**
Total assets	**693,636**	**97,865**	**79,632**	**152,138**	**90,396**	**127,445**	**1,241,112**
Liabilities to credit institutions	212,203	13,626	8,230	180	36	14	**234,289**
Deposits/borrowing from the public	425,228	16,743	26,475	18,131	5,454	7,511	**499,542**
Securities issued	75,555	27,864	6,867	45,343	22,287	27,240	**205,156**
Sub-ordinated liabilities	9,857	2,511	0	946	6,008	6,004	**25,326**
Other liabilities	20,300	36,237	14,781	51,952	40,911	66,922	**231,103**
Shareholders' equity						45,696	**45,696**
Total liabilities and shareholders' equity	**743,143**	**96,981**	**56,353**	**116,552**	**74,696**	**153,387**	**1,241,112**
Interest rate sensitivity, net	49,507	-884	-23,279	-35,586	-15,700	25,942	
Cumulative interest rate sensitivity	49,507	48,623	25,344	-10,242	-25,942		

Corporate Governance

A clear distribution of responsibility

For a financial institution like SEB, the ability to preserve confidence among customers, lenders and others is of decisive importance. A clear and effective structure for responsibility distribution and control plays an important part in this connection. The purpose of such structure is also to avoid conflicts of interest.

The Board of Directors has the overall responsibility for operations. The Board makes sure that the activities are organised in a functional way, lays down strategies for the operations and sets the overall financial targets. The Board is also responsible for the follow-up and control of the operations. In addition, the Board exercises its control and governance through a number of policies and instructions.

The President is responsible for the daily operations and this responsibility means that he, in turn, decides on specific policies and instructions. The support that the employees find in the policies and instructions plays an important role for confidence in the operations. One of the purposes of SEB's policies and instructions is to bring about the importance of an ethical approach throughout the whole Group. On matters of special importance or Group-wide interest the President will consult the Group Executive Committee (GEC), the members of which are appointed by the Board.

There is a special body for the risk control of the Group, which is independent of the business operations. The Internal Audit function of the Group reports directly to the Board. A special organisation ensures that the activities of the Group are in compliance with applicable laws and other rules.

Board of Directors

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

According to the articles of association of the Bank, the Board of Directors shall consist of not less than six and not more than twelve members, with a maximum of six deputies. In addition, there shall be directors appointed by the employees on the Board. During 2002, the Board of Directors had nine members and one deputy member, elected by the Annual General Meeting and two members and two deputies appointed by the employees. The President is the only Board member appointed by the Annual General Meeting who is an officer. The composition of the Board of Directors as from the Annual General Meeting in 2002 appears from the table on page 48. This composition guarantees that SEB has the kind of effective leadership and control that are required.

There is a special procedure for nominating the Board members. The nomination procedure was approved by the Annual General Meeting in 2000 and means that the Chairman of the Board will convene representatives of the major shareholders before any Annual Meeting at which Board elections shall take place in order to prepare a proposal for a new Board together with them.

The Board members are trained and guided as regards listed company directors' responsibilities. They are regularly offered the opportunity of discussing with the Chairman of the Board, the President and the Company Secretary. The work performed by the Board and its Directors is evaluated on a continuous basis.

The Board of Directors has adopted a work plan that regulates the role and working forms of the Board. During 2002, ten Board meetings were held. External audit representatives were present at the meetings that adopted the annual accounts and the semi-annual accounts.

Essential matters that have been discussed during the year included the following:

- Strategic orientation of Group activities
- Group organisation
- Overall financial targets
- Policies and instructions
- Business plans and budgets
- Capital, risk and financing, including risk limits
- Major investments and business acquisitions
- Interim reports and annual report
- Development of credit portfolio
- Follow-up of strategic and financial goals
- Follow-up of external and internal audit activities
- Follow-up of risks included in Group activities
- Risk control organisation

The Board appoints the Chairman and the President. It furthermore appoints the Executive Vice Presidents, the Chief Financial Officer, the Group Head of Credits, the Group Head of Audit and the members of the Group Executive Committee.

For many years, the Board has organised committees in order to distribute certain tasks among its members. At present, there are three committees within the Board of Directors: the Credit Committee, the Audit and Compliance Committee and the Compensation Committee. Minutes are kept of each committee meeting and the committees submit regular reports to the Board. Neither the President nor any other officer of the Bank are members of the Audit and Compliance or Compensation Committees of the Board. The President is a member of the Credit Committee of the Board. The work of the Board committees is regulated through instructions adopted by the Board.

The task of *the Credit Committee* of the Board is to monitor the credit process within the Bank and the Group on a continuous basis. This work also includes the issuance of credit policies and the adoption of minor changes in the Credit Instructions of the Board. The Credit Committee also makes decisions on certain credit matters such as credits to senior officers and credits of principal importance that have been brought to the attention of the Credit Committee by the Group Head of Credits.

The members of the Credit Committee are Urban Jansson, Chairman, Jacob Wallenberg, Deputy Chairman, Carl Wilhelm Ros, Lars H. Thunell and Gösta Wiking. The Group Head of Credits is the presenter of reports in the Credit Committee. The Credit Committee has held 13 meetings during the year.

The Audit and Compliance Committee of the Board keeps regular contact with the external and internal auditors of the Bank and makes sure that complaints and observations from the auditors are acted upon. It also deals with the accounts and interim reports and any changes in the accounting rules, assesses the external auditors' independence and prepares a proposal for new auditors prior to the election of auditor by the Annual General Meeting. The Committee furthermore fixes general audit plans for the internal audit function and general plans of activity for the compliance work. The internal audit activities and the compliance activities are monitored on a continuous basis.

The members of the Audit and Compliance Committee are Gösta Wiking, Chairman, Jacob Wallenberg and Carl Wilhelm Ros. The Group Head of Audit and the Group Compliance Officer present the reports of the Committee. The Audit and Compliance Committee has held four meetings during the year. The external auditors attended two of these meetings.

The Compensation Committee of the Board prepares a proposal for compensation to the President and Group Head of Audit, for decision by the Board of Directors, as well as a proposal for compensation principles applicable to certain other senior officers. The Committee also prepares matters regarding incentive programmes and pension plans. The Compensation Committee decides on issues concerning compensation to the Deputy Group Chief Executive and to other members of the Group Executive Committee according to the guidelines established by the Board of Directors. Personnel matters of strategic importance are also discussed by the Committee.

The members of the Compensation Committee are Jacob Wallenberg, Chairman, Penny Hughes and Gösta Wiking.

The President attends the meetings of the Committee and is the presenter of reports on all matters to which no challenge can be made. The Compensation Committee has held five meetings during 2002.

President

The President is responsible for the daily operations of the activities of the Group in accordance with the guidelines and established instructions of the Board of Directors. The Board has regulated the activities of the Group and decided how the divisions of the Group shall be governed and organised, with internal boards for divisions and certain business areas. The non-Swedish activities of the Group are run through branch offices or subsidiaries.

Lars H. Thunell is the President and Group Chief Executive. His Deputy during 2002 has been Lars Gustafsson, who is an Executive Vice President, a deputy Board member and a member of the Group Executive Committee.

On matters of particular importance or Group-wide interest the President consults with the *Group Executive Committee* (GEC) and its *IT-Committee*. GEC as well as the IT-Committee includes the following members – in addition to Lars H. Thunell as Chairman: Annika Bolin, Fleming Carlborg, Harry Klagsbrun, Lars Lundquist (also Chief Financial Officer) and Anders Mossberg, Division Managers, Lars Gustafsson, Deputy Group Chief Executive, Liselotte Hjorth, Group Credit Officer, and Anders Rydin, Senior Advisor, all of whom are Executive Vice Presidents. The GEC has held 36 meetings during the year.

In addition to the GEC and the GEC IT-Committee there are on this level two major committees of Group-wide importance.

Group Credit Committee (GCC) is – next to the Credit Committee of the Board – the highest credit-granting body of the Group. GCC also has the responsibility to regularly watch over developments in the rules for credit-granting and, when appropriate, make recommendations to changes for decision by the Credit Committee of the Board. The President is Chairman of GCC.

Asset and Liability Committee (ALCO) is the Group-wide body that has the responsibility for the long and short term financial stability of the Group and in which decisions are made concerning structure and governance of the Bank's balance sheet, co-ordination is made on risk-, capital- and liquidity matters and capital and risk is allocated. ALCO further prepares proposals to principle financial goals for the Group and the Group-wide risk policy for decision by the Board. The President is Chairman of ALCO.

The Management Advisory Group (MAG) is a special forum for information exchange at Group level, which consists of senior officers representing the whole Group. The members of MAG are appointed by the President, after consultations with GEC.

Internal audit, compliance and risk control

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

The Group Head of Audit reports regularly to the Audit and Compliance Committee of the Board and submits a quarterly account of the result of implemented auditing and of measures taken to the Board. The Group Head of Audit also informs the President and the GEC regularly.

The purpose of *the compliance activities of the Group* is to make sure that all the various operations of the Group are conducted in accordance both with external and internal applicable laws, rules and directives. The task of the Group Compliance Officer, who belongs to Group Legal, is to assist the Board and the President on compliance matters and to co-ordinate the administration of such matters within the Group. The Group Compliance Officer reports regularly to the President and the GEC and provides the Audit and Compliance Committee of the Board with information about major events within compliance concerning the whole Group.

Through the *risk control function of the Group* the risks of the Group, primarily credit risks, market risks, operational risks, business risks and liquidity risks, are controlled and monitored. (See further on page 40–45).

Board of Directors as from the Annual General Meeting 2002

Name	Elected	Position	Committees	Remuneration
Jacob Wallenberg	1997	Chairman	Credit Committee (Dep. Chairman) Audit and Compliance Committee Compensation Committee (Chairman)	1,300,000
Marcus Wallenberg	2002	Deputy Chairman		400,000
Gösta Wiking	1997	Deputy Chairman	Credit Committee Audit and Compliance Committee (Chairman) Compensation Committee	700,000
Penny Hughes	2000	Director	Compensation Committee	275,000
Urban Jansson	1996	Director	Credit Committee (Chairman)	625,000 [1]
Tuve Johannesson	1997	Director		275,000
Hans Joachim Körber	2000	Director		275,000
Carl Wilhelm Ros	1999	Director	Credit Committee. Audit and Compliance Committee	575,000
Lars H. Thunell	1997	Director, President and Group Chief Executive	Credit Committee	–
Lars Gustafsson	2002	Deputy Director, Deputy Group Chief Executive		
Ulf Jensen	1997	Director appointed by the employees		–
Inger Smedberg	1998	Director appointed by the employees		–
Göran Arrius[2]	2002	Deputy Director appointed by the employees		–
Ingrid Tegvald	2002	Deputy Director appointed by the employees		–

1) The special remuneration of SEK 250,000 that the Board of Director's Compensation Committee decided to pay to Urban Jansson for his work with the planned merger with FöreningsSparbanken is not included.

2) Replaced Erland Sandén as from 1 September 2002.

Total Employee Stock Option Programme

	No. of options issued	No. of options outstanding	A-share/ option	Redemption option price[2]	Validity	First date of exercise
1999	953,997	890,664	1.12[1]	82.40[1]	1999–2006	2002-02-15
2000	4,816,456	4,428,200	1	91.50	2000–2007	2003-03-01
2001	6,613,791	6,171,158	1	118.00	2001–2008	2004-03-05
2002	6,790,613	6,736,528	1	106.20	2002–2009	2005-03-07
Total	**19,174,857**	**18,226,550**				

1) After recalculation for SEB's rights issue in 1999.

2) Calculated as 110 per cent of the average latest price paid for SEB's Series A share on the Stockholm Stock Exchange during a period of ten banking days in connection with the decision and the publication of the Bank's annual accounts.

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

Board of Directors

The Annual General Meeting fixes a total compensation amount for the members of the Board, upon which the Board distributes the fees among those Board members who are not officers of the Bank. A higher director's fee is paid to the Chairman and to the Deputy Chairmen as well as to those members who form part of the Committees of the Board. No remuneration has been paid for the work on the Compensation Committe. The distribution of the directors' fees for 2002 appears from the table above. The total compensation for the members of the Board is paid running during the period which it is directed towards.

The President and the Group Executive Committee

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

The compensation to the President and the members of the Group Executive Committee is paid in the form of fixed and variable salary, employee stock options and other benefits such as company car. To this pension benefits should be added. The size of the variable salary is related to the fulfilment of certain quantitative and qualitative goals that have been set and is maximised either to a certain percentage of the fixed salary or to a certain sum. The variable salary of the President cannot be more than 50 per cent of his fixed annual salary.

The salaries and the other benefits of the President and the members of the Group Executive Committee appear from Note 9.

Employee stock option programme

During the years 1999-2002, the Board of Directors decided to launch an employee stock option programme for approximately 400 senior officers as part of the total incentive package offered to senior officers, key individuals and certain specialists (a total of 5 per cent of the employees) of the Group. The aim of the stock option programme is to stimulate a long term engagement in SEB, strengthen the view on SEB and deepen the sense of participation, stimulate the value increase in SEB and to offer the possibility to take part of SEB's long term success and value creation.

All programmes run according to similar conditions and principles. The programmes are running for a seven-year period and can only be used after an initial three-year waiting period, provided the relevant individual is still in the employ of the Bank. Allotment has presumed freezing or reduction of cash salary (fixed and/or flexible salary). The employee stock options are subject to special tax rules, which means that those who have been allotted stock options will not be subject to tax before they exercise their options. When exercised, the value of the employee stock options or the difference between exercise price and the market price when the option is exercised, is treated as the holder's earned income; the corresponding social security contributions will be paid by the Bank. The size of the programmes appears from the table on page 48 and the number of employee stock options allotted to the President and the Group Executive Committee appear from Note 9.

Employee stock options cannot be sold nor pledged which means that they do not have any market value. However, a theoretical value has been calculated according to an established option model (Black & Scholes). When calculating the theoretical value, the fact that the options cannot be exercised during the first three years has to be considered. The theoretical value at the time of allotment under each respective programme has varied between SEK 15 and SEK 17 per employee stock option.

Of the total number of employee stock options in the 2002 stock option programme the President and the Group Executive Committee were allotted approximately 16 per cent and other senior officers, key individuals and specialists approximately 84 per cent.

In February 2003, the Board decided to launch a new employee stock option programme, based upon maximum 6,200,000 employee stock options on conditions and principles similar to those applicable to the 2002 programme, to approximately 700 senior officers and key individuals. The employee stock option programme launched for 2003 meets with the already approved SEB employee stock option plan. At allotment, the Group Executive Committee is expected to receive about 1,100,000 employee stock options, of which the President would receive approximately 263,000 stock options, and senior officers and key individuals about 5,100,000 options. Each option entitles to the purchase of one Series A share at a price of the equivalent of 110 per cent of the average price paid at the closing of the Stock Exchange during the period from and including 13 February 2003 until and including 26 February 2003 (exercise price SEK 81.30 per option), alternatively, depending on the outcome of a matter regarding an advance ruling from the Supreme Administrative Court, the possibility to receive set off in cash. The employee stock options may be exercised during the period starting three years after allotment and ending seven years after allotment. The theoretical value for the 2003 programme has been calculated to SEK 15 per option or totally SEK 93 M.

Including the 2003 programme, the total number of employee stock options outstanding (1999–2003) comprised approximately 24,400,000 shares, which corresponds to approximately 3.4 per cent of the total number of SEB shares outstanding. A recurrent programme would amount to a total of approximately 5 per cent of the shares in SEB.

The price increase that may arise during the validity of the employee stock options and the associated social costs represent a risk to the Bank. As regards the 1999–2001 programmes, this risk has been hedged through swap agreements with third parties. The cost of this hedging arrangement is calculated as the difference between the dividend level of the SEB share and the running financing cost for the number of underlying shares. A market increase of the SEB share by SEK 10 would imply that the social costs would amount to approximately SEK 15 M. Due to the hedging arrangement, shareholders' equity will be fully compensated and remain intact.

The 2002 employee stock option programme has been hedged through a repurchase of own shares (see below). The social costs are still hedged through swap agreements. It is proposed to hedge also the 2003 employee stock option programme through a repurchase of own shares and the social costs through swap agreements.

Repurchase of own shares

The 2002 Annual General Meeting authorised the Board of Directors to decide to repurchase own shares in the stock market. On 7 May 2002, 7,000,000 A-shares (nominal value SEK 10) were purchased at the average price of SEK 103 (exercise price: SEK 106.20). The shares that had been repurchased replaced an existing hedging arrangement in the form of a swap agreement. The shares will be used for delivery to those employee stock option holders who exercise their stock options under the 2002 programme. Shares that are not used for that purpose may be sold in the stock market.

The number of own shares held by the Bank appears from the table below.

Repurchase of own shares

No. of shares	Price [1]	Date of purchase	Share of total number of shares in the Bank
7,000,000	103	7 May, 2002	About 1%

1) Average price at time of purchase

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

SEB's Board of Directors has decided to propose to the Annual General Meeting that it authorise the Board of Directors to decide to repurchase own shares in the stock market during the period up to the 2004 Annual General Meeting in order to hedge the Bank against the costs of the 2003 employee stock option programme. Such authorisation will comprise the purchase of maximum 6,200,000 Series A shares corresponding to approximately 1 per cent of all the shares in the Bank. It is proposed that the resolution of the Annual General Meeting should also allow the transfer of repurchased shares to the employee stock option holders under the 2003 programme according to the conditions of the programme. The Board of Directors should also be given a mandate to sell in the stock market, during the period up to the 2004 Annual General Meeting, both the shares which have been repurchased under the 2002 programme that are not used for delivery to the stock option holders and the shares under the 2003 programme that are not used for delivery to the stock option holders. Purchases and sales in the stock market may only be made at a price within the price interval registered on the Stockholm Stock Exchange at each time, which means the interval between the highest bid price and the lowest asked price.

As in previous years and according to Chapter 4, § 5 of the Act (1991:981) on Securities Business, the Board of Directors has decided to propose to the Annual General Meeting, in addition to the repurchase of own shares for employee stock options, to resolve that the Bank, during the period up to the next Annual General Meeting, may purchase own Series A shares and Series C shares on a continuous basis in its securities business up to such a number as at each time means that the holding of such shares does not exceed five per cent of all the shares in the Bank. The price of purchased shares shall equal the market price prevailing at each time.

Previously repurchased shares and the new proposed repurchases of own shares are accommodated within the maximum 10 per cent of the total volume of outstanding shares that are permitted under applicable law.

Accounting principles

This Annual Report has been prepared in accordance with the Act (1995:1559) on annual accounts of credit institutions and securities companies ("AACS"), the regulations of the Swedish Financial Supervisory Authority and the recommendations of the Swedish Financial Accounting Standards Council, which have become effective.

Consolidated accounts

The SEB Group includes Skandinaviska Enskilda Banken and each of those companies in which the Bank directly or indirectly holds more than 50 per cent of the voting power of the shares. The Bank does not consolidate companies it has taken over in connection with loan foreclosures, if they are engaged in deviating activities or if it is planned to sell them within the short term. Mutual life insurance companies are not included in the consolidated accounts.

Acquisition accounting is applied to the consolidated accounts of the Group. This means that the book values of shares in subsidiaries are eliminated against the equity existing within each subsidiary at the time of acquisition. Thus, each subsidiary's contribution to consolidated shareholders' equity consists only of the equity capital that has been created after the acquisition. Deferred tax liabilities have been recorded under Untaxed reserves, using 28 per cent for Swedish corporate acquisitions and the tax rate prevailing in each respective country for non-Swedish acquisitions.

The consolidated accounts include also associated companies, i.e. companies in which the Bank directly or indirectly holds more than 20 per cent of the voting power of the shares and where the ownership constitutes part of a lasting relationship between the Bank and the relevant company. Associated companies are consolidated in accordance with the equity method.

Untaxed reserves created in the subsidiary after the acquisition or in the parent company are divided into deferred taxes and restricted equity. Changes in deferred taxes due to changes in untaxed reserves are reported separately under "Deferred taxes" in the consolidated profit and loss account.

Surplus values arising in connection with the purchase of shares in subsidiaries are distributed among the assets of each respective company. The residue thereafter is recorded as goodwill. The depreciation period is adjusted to the estimated economic useful life of the goodwill, maximum 20 years, however. Undervalues arising in connection with the purchase of shares in subsidiaries are allocated to the established restructuring reserve or, if no such reserve has been identified, taken up as income according to a special plan.

The results of subsidiaries that have been sold or purchased during the year are consolidated only for the period that the SEB Group has owned, directly or indirectly, more than 50 per cent of the voting rights of the shares. The same applies to associated companies that have been sold or purchased during the year.

The profit and loss accounts and balance sheets of foreign subsidiaries, which have been prepared according to the accounting principles prevailing in each respective country, have been adjusted to the accounting principles of the parent company when consolidated with the SEB Group.

The current rate method is used for translating the financial statements of foreign subsidiaries to Swedish kronor. Since this means that various items in the profit and loss accounts and balance sheets are translated at different exchange rates, translation differences arise, which are not recorded in the consolidated profit and loss accounts but are instead recorded directly in shareholders' equity, distributed between statutory and free reserves. Exchange rate effects on subsidiaries' equity in foreign currency are also recorded as translation differences to such extent as it is exposed to currency risk.

Insurance companies whose assets do not exceed 20 per cent of Group assets are consolidated in a simplified manner. Briefly, this means that the assets and liabilities of the insurance company are recorded separately in the consolidated accounts and that the operating result is recorded net on one line in the consolidated profit and loss account. Due to the nature of line of business accounting, internal costs and income are not eliminated between bank and insurance companies.

Foreign currency valuation

Assets and liabilities in foreign currencies are valued at market (closing rate on balance sheet date).

The shareholdings of the parent company in foreign subsidiaries and associated companies are valued at the historical rate of exchange. The parent company's foreign currency liabilities that are related to the hedging of shares in subsidiaries are also valued at the historical rate of exchange. This is adjusted against the arising translation difference in the consolidated accounts (see above under Consolidated accounts).

Classification of financial assets

Loan claims and securities purported to be held until maturity or for the long term, according to documented intent and ability, are classified as financial fixed assets. Other financial claims, including assets taken over for the protection of claims, securities which are not intended to be held for the long term and derivatives instruments are classified as financial current assets.

Valuation rules

Normally, financial fixed assets are valued at acquisition value and current assets at the lower of cost or market.

However, transferable securities and derivatives, as current assets, may be valued at market. The SEB Group has chosen the market value principle for derivatives instruments and securities in the trading portfolios.

The classification and valuation of loans have been adjusted to the amended rules of the Financial Supervisory Authority, effective as from 2002.

Loans are reported on the balance sheet at acquisition value as long as they are not considered doubtful. Doubtful loans are reported net after deduction for incurred and probable credit losses, i.e. to the estimated recovery value of the loan.

Loans are classified as doubtful if it is probable that the contractual payments will not be fulfilled and the value of the collateral does not cover the credit amount. Such a situation exists if interest/principal is more than 60 days past due or the Bank has determined that the counterparty is unlikely to fulfil its contractual payments. Information about doubtful loans is provided in a Note.

For doubtful loans, specific provisions are made for probable credit losses. Provisioning is made on the difference between the outstanding amount and the estimated recovery value of the loan, which is arrived at by one of the following valuation methods:

- The total net present value of expected future cash flows
- Net realisable value of the collateral, if such exists and utilisation thereof is deemed probable
- Market value of the loan, if this is a reliable estimate of the loan's recovery value.

The entire outstanding amount of each loan specifically provided for is included in doubtful loans, i.e. including the portion covered by collateral.

When it is deemed probable that losses have occurred in groups of loans to be individually appraised, but which cannot yet be ascribed to individual loans, collective provisions are made. Collective provisions are related to the part of the credit portfolio that does not meet the Bank's normal credit quality standards but is not classified as doubtful. The Bank's internal risk classification system is one of the components that determine the size of the provision.

An incurred credit loss refers to a loan, or that part of a loan, which the Bank deems impossible to collect from the borrower or cannot be recovered from a sale of the collateral. In such a case, the loan is written off completely or written down to its recovery value. Simultaneously, any previously established specific reserve for probable credit losses is reversed.

Assets taken over, are valued as current assets at estimated market value at the time of the take-over, after which valuation is made at the lower of cost or market. External expertise is used for property valuations. If the asset is listed on the Stock Exchange, this value is normally used as market value. In other cases, e.g. in the case of unlisted shares taken over, analogue calculations have to be made. Assets taken over are reported according to the nature of the asset.

Interest-bearing securities that have been purchased at a premium or a discount are accounted for using accrual accounting over the life of the instrument. Thus, the effective rate of interest will be equal to such rate as makes the discounted present value of the future cash flow under the instrument equal to the historical cost, which means that the book acquisition value is altered on a continuous basis, representing a so-called accrued acquisition value.

Transferable securities (interest-bearing securities and others) included in the trading portfolio are valued at market.

The market value is equal to the public share price on the balance sheet date. Resulting unrealised gains, recorded in the profit and loss account, are transferred to the reserve for unrealised gains within restricted shareholders' equity, net of deferred tax, as these gains are not available for distribution.

The Bank's holding of its own shares as a result of the its dealings as market maker are reported as a deduction item from shareholders' equity. The result from sales of own shares is not reported in the profit and loss account but as a change in shareholders' equity.

The hedging of employee stock option programmes with the help of a so-called total return swap is reported in accordance with its economic implications so that when the daily price drops below the contract price, the difference is charged to unrestricted shareholders' equity. Dividends received through the swap are credited to shareholders' equity, while interest paid is charged to the profit and loss account. When the daily price exceeds the contract price, the profit and loss account is charged with the relevant social security contributions.

Derivatives contracts, which also include currency futures, are valued at market. Positive closing results are classified as other assets while negative closing results are classified as other liabilities.

Market values are obtained by using the same valuation methods as the market uses for each respective instrument in calculating the respective closing values. For linear instruments, this means that future flows under the instruments are discounted to the balance sheet date according to the relevant yield curve.

Hedge accounting of financial assets and liabilities implies that the hedge instrument is valued according to the same valuation principle as the hedged position.

Hedge accounting is subject to the following conditions: the position is exposed to an interest rate/equity price/commodity price or currency rate risk.

The hedged positions have been identified on an individual or collective basis.

Repurchase transactions

In the case of a real repurchase transaction, a so-called repo, the asset continues to be recorded on the selling party's balance sheet and the settlement received among other liabilities. The security that has been sold is reported as pledged assets under memorandum items. The buying party reports the settlement paid as a loan claim on the selling party. Accrual accounting is applied to the difference between the spot and forward payment over the life of the transaction as interest.

Security loans

Securities lent remain on the balance sheet as securities, reported as pledged assets under memorandum items. Valuations are made in the customary way. Borrowed securities are not reported as assets. In those cases where the borrowed securities are sold (short-sale), such amount as corresponds to the real value of the securities is reported as a liability.

Tangible fixed assets

Office equipment is reported at acquisition value and depreciated according to plan. The difference between scheduled depreciation and depreciation for tax purposes is reported as additional depreciation within legal entities.

Equipment leased to clients is reported at acquisition value and depreciation is made on an annuity basis, based on a conservatively estimated residual value at the end of the contract period. For leased equipment that cannot be sold under normal market conditions, the scheduled residual value is set at zero. Financial leasing is reclassified in the consolidated accounts as lending, which means that leasing income in this respect is reported as interest income and amortisation.

Intangible fixed assets

Development expenditures are capitalised only if it results in an identifiable and by the Group controlled asset, and if future economic benefits can be estimated reliably. The Group interprets these criteria very strict. Intangible fixed assets are valued at acquisition value after depreciation according to plan. When it is deemed probable that the value of an asset has decreased, the replacement value has been determined. If the book value exceeds the replacement value a write-down will take place.

Financial liabilities

Accrual accounting is applied to financing costs for financial liabilities. The calculation is based upon an original liability equal to the amount obtained net of essential costs attributable to the creation of the liability. Accrual accounting is then applied to the difference between this acquisition value and the redemption value, together with interest and any fees over the life of the liability by analogy with the method applicable to fixed-interest assets.

Deferred taxes

Differences between taxable and reported result and between written-down and book values of assets and liabilities lead to deferred tax claims and tax liabilities. The Group's deferred tax claim and tax liability have been calculated using a tax rate of 28 per cent in Sweden and the tax rates prevailing in each respective country for companies abroad. A deferred tax claim that cannot be offset against a deferred tax liability is reported under other assets. Deferred tax liabilities are reported under provisions.

Pension commitments

The pension commitments of the Group with respect to preferential pensions are covered by the pension funds of the Group, through insurance or through allocations on the balance sheet.

Profit and loss acount

Net result of financial transactions

Net result of financial transactions is defined as realised and unrealised effects on the result as regards financial current assets, excluding assets taken over for the protection of claims. The corresponding effects on the result on financial fixed assets are reported under other income or under write-down of financial fixed assets.

Commission payable

Commission payable is defined as costs for purchased services relating to commission receivable. Such costs must be associated with the corresponding income, without necessarily falling in the same accounting period, and be based upon transactions.

Pensions

Imputed pension costs are reported as staff costs in the profit and loss account in accordance with prevailing regulations for Swedish companies whose pension commitments are covered by pension funds. Such imputed pension costs are classified as appropriations.

Swedish companies that have pension funds compensate themselves for pension disbursements made, for pension-related social charges paid on behalf of the beneficiaries of each respective pension fund and for other pension fees from their pension funds, provided the financial position of the pension funds makes this possible. Pension disbursements and compensation from the pension funds are also reported among appropriations.

Taxes

Taxes payable or receivable with respect to the current year are reported in the profit and loss account as current tax. The change in deferred tax claim and tax liability during the year is reported as deferred tax. Taxes relating to previous years are reported separately. Property tax and a special payroll tax are reported among operating costs, whenever applicable.

Group contributions

Group contributions paid or received for the purpose of minimising the tax of the Group are reported for each respective legal person as a decrease/increase, respectively, in non-restricted equity, after adjustment for estimated tax.

Operational profit and loss account

Total result

The operational profit and loss account of the SEB Group shows its activities in the way in which the Group as a whole is recorded. The operational profit and loss account comprises the same legal companies and follows the same accounting principles as the legal one.

The operational profit and loss account ends up in an operating result which, in contrast to the legal one, includes pension compensation as a deduction from staff costs. Otherwise, the profit and loss accounts are identical. The operational profit and loss account is presented together with the legal one in the Report of the Directors.

Accounting per business area

The divisions and business areas of the SEB Group are reported in accordance with the current internal organisation, using the same accounting principles as those applied to the Group. The layout is that of the operational profit and loss account.

Definitions

Return on equity
Net profit for the year as a percentage of average equity, defined as the average of taxed shareholders' equity at the opening of the year and the close of March, June, September and December, respectively, adjusted for dividends paid during the year.

Return on allocated capital
Operating result reduced with 28 per cent tax divided by allocated caital.

Return on total assets
Net profit for the year as a percentage of average assets, defined as the average of total assets at the opening of the year and the close of March, June, September and December.

Return on risk-weighted assets
Net profit for the year as a percentage of average risk-weighted assets, defined as the average of risk-weighted assets at the opening of the year and the close of March, June, September and December.

Cost/Income-ratio
Total costs (Operational profit and loss account) divided by total income.

Earnings per share
Net profit for the year divided by the number of shares, taking any conversion and rights issue into account.

Adjusted shareholders' equity per share
Shareholders' equity as per the balance sheet plus the equity portion of any surplus values in the holdings of interest-bearing securities and surplus value in life insurance operations divided by the number of shares at year-end, taking any conversion and rights issue into account.

Risk-weighted volume
The book value of the assets as per the balance sheet and the off balance-sheet commitments are valued in accordance with the capital adequacy rules of the Swedish Banking Business Act.

Core capital ratio
Core capital as a percentage of the risk-weighted volume on and off the balance sheet. Core capital consists of shareholders' equity, adjusted according to the capital adequacy rules.

Total capital ratio
The Group's shareholders' equity adjusted according to the capital adequacy rules as a percentage of the risk-weighted volume. Total capital consists of core capital and supplementary capital minus holdings of shares in unconsolidated companies and proposed dividend. Supplementary capital includes subordinated debenture loans plus reserves and capital contributions, after approval by the Financial Supervisory Authority. Supplementary capital must not exceed the amount of core capital.

Lending loss level
The lending loss level is defined as lending losses and value changes in assets taken over divided by lending to the general public and credit institutions (excluding banks), assets taken over and loan guarantees at the opening of the year.

Reserve ratio for doubtful loans
Reserve for probable lending losses as a percentage of doubtful loans, gross.

Level of doubtful loans
Doubtful loans (net) divided by lending to the general public and credit institutions (excluding banks) and equipment leased to clients (net).

All figures within brackets refer to 2001, unless otherwise stated. Percentage changes refer to comparisons with 2001, unless otherwise stated. Re-classification of the figures for 2001 has been made in relation to the 2002 form of presentation.

Operational Profit and Loss Account

Group

SEK M	2002	2001	Change, %
Net interest income	13 719	13 011	5
Net commission income	9 975	11 186	-11
Net result of financial transactions	2 409	2 987	-19
Other operating income	1 275	2 015	-37
Total income	**27 378**	**29 199**	**-6**
Staff costs	-11 297	-11 796	-4
Pension compensation	948	1 002	-5
Other operating costs	-6 923	-8 282	-16
Amortisation of goodwill	-544	-553	-2
Depreciation and write-downs	-933	-1 084	-14
Merger and restructuring costs	-200	-661	-70
Total costs	**-18 949**	**-21 374**	**-11**
Net credit losses etc[1]	-828	-547	51
Write-downs of financial fixed assets	-29	-69	-58
Net result from associated companies	-104	-20	
Operating result from insurance operations[2]	-56	-36	56
Operating result	**7 412**	**7 153**	**4**
Taxes	-2 057	-2 058	0
Minority interests	-37	-44	-16
Net profit for the year	**5 318**	**5 051**	**5**

1) Including change in value of seized assets
2) Result from SEB Trygg Liv, non-life and pertaining goodwill amortisation

Operational Profit and Loss Account by division

Jan–dec 2002. SEK M	Nordic Retail & Private Banking	Corporate & Institutions	SEB Germany	SEB Asset Management	SEB Baltic & Poland	SEB Trygg Liv	Other ind. eliminations	**SEB Group**
Net interest income	4 188	4 341	3 944	81	1 377		-212	**13 719**
Net commission income	3 160	3 462	1 417	1 199	589		148	**9 975**
Net result of financial transactions	172	1 879	122	8	231		-3	**2 409**
Other operating income	209	292	295	6	66		407	**1 275**
Total income	**7 729**	**9 974**	**5 778**	**1 294**	**2 263**		**340**	**27 378**
Staff costs	-2 873	-3 367	-2 671	-475	-706		-1 205	**-11 297**
Pension compensation	432	203		39	2		272	**948**
Other operating costs	-2 449	-2 228	-1 593	-328	-452		127	**-6 923**
Amortisation of goodwill		-61		-8	-49		-426	**-544**
Depreciation and write-downs	-47	-128	-314	-21	-218		-205	**-933**
Merger and restructuring costs	-65	-98		-8			-29	**-200**
Total costs	**-5 002**	**-5 679**	**-4 578**	**-801**	**-1 423**		**-1 466**	**-18 949**
Net credit losses etc[1]	-85	-82	-529		-138		6	**-828**
Write-downs of financial fixed assets					-7		-22	**-29**
Net result from associated companies	-53		-9		-11		-31	**-104**
Operating result from insurance operations					28	40	-124	**-56**
Operating result	**2 589**	**4 213**	**662**	**493**	**712**	**40**[2]	**-1 297**	**7 412**

1) Including change in value of seized assets
2) Result from ongoing business in SEB Trygg Liv amounted to SEK 1 343 M (1 162).

Statutory Profit and Loss Accounts

		GROUP			PARENT COMPANY		
SEK M	Note	2002	2001	Change, %	2002	2001	Change, %
Income							
Interest income	1	49 094	53 616	-8	24 824	27 156	-9
Leasing income	2				658	595	11
Interest costs	3	-35 375	-40 605	-13	-19 738	-22 664	-13
Dividends received	4	86	95	-9	895	634	41
Commission income	5	11 775	13 039	-10	5 010	5 192	-4
Commission costs	6	-1 800	-1 853	-3	-868	-836	4
Net result of financial transactions	7	2 409	2 987	-19	1 734	2 341	-26
Other operating income	8	1 189	1 920	-38	655	1 504	-56
Income from banking operations		**27 378**	**29 199**	**-6**	**13 170**	**13 922**	**-5**
Costs							
Administrative costs	9	-18 220	-20 078	-9	-9 518	-10 836	-12
Depreciation and write-downs of tangible and intangible fixed assets	10	-1 477	-1 637	-10	-291	-311	-6
Integration and restructuring costs	11	-200	-661	-70	-109	-575	-81
Costs from banking operations		**-19 897**	**-22 376**	**-11**	**-9 918**	**-11 722**	**-15**
Profit from banking operations, before credit losses		**7 481**	**6 823**	**10**	**3 252**	**2 200**	**48**
Net credit losses	12	-819	-549	49	-88	191	
Change in value of seized assets	13	-9	2		5	-5	
Write-down of financial fixed assets	14	-29	-69	-58	-405	-750	-46
Net result from associated companies	15	-104	-20				
Operating profit from banking operations		**6 520**	**6 187**	**5**	**2 764**	**1 636**	**69**
Operating result from insurance operations	16	-56	-36	56			
Operating profit		**6 464**	**6 151**	**5**	**2 764**	**1 636**	**69**
Pension compensation	17	948	1 002	-5	745	849	-12
Profit before appropriations, tax and minority interests		**7 412**	**7 153**	**4**	**3 509**	**2 485**	**41**
Appropriations	17				-1 406	-1 600	-12
Tax for the year	18	-1 975	-1 990	-1	-358	-150	139
Other taxes	18	-82	-68	21	-118	-60	
Minority interests	19	-37	-44	-16			
Net profit for the year		**5 318**	**5 051**	**5**	**1 627**	**675**	**141**
Earnings per share, SEK		7.60	7.17				
Weighted number of shares, million		700	705				

Earnings per share after full dilution, calculated in accordance with the recommendations of the Swedish Financial Accounting Standards Council, give the same result.

Balance sheets

31 December

SEK M	Note	Group 2002	Group 2001	Group Change, %	Parent company 2002	Parent company 2001	Parent company Change, %
Assets							
Cash and deposits with central banks	20	13 469	11 633	16	6 460	5 701	13
Eligible Treasury Bills etc.	21	87 842	78 243	12	44 960	39 562	14
Lending to credit institutions	22	150 380	175 380	-14	226 682	227 364	0
Lending to the public	23	680 206	634 995	7	231 531	223 357	4
Bonds and other interest-bearing securities	24	108 137	74 790	45	111 992	73 793	52
Shares and participations	25	9 006	8 569	5	3 117	3 901	-20
Shares and participations in associated companies	26	1 642	1 658	-1	1 048	1 034	1
Shares and participations in Group companies	27				45 742	39 417	16
Assets in insurance operations	28	52 318	66 459	-21			
Intangible fixed assets	29	10 829	10 308	5			
Tangible assets	30	4 229	4 863	-13	11 989	10 150	18
Other assets	31	111 870	86 021	30	103 799	74 293	40
Prepaid expenses and accrued income	32	11 184	10 396	8	6 627	5 808	14
Total		**1 241 112**	**1 163 315**	**7**	**793 947**	**704 380**	**13**
Liabilities, provisions and shareholders' equity							
Liabilities to credit institutions	33	234 289	221 686	6	234 673	203 701	15
Deposits and borrowing from the public	34	499 542	465 243	7	295 057	271 738	9
Securities issued, etc.	35	205 156	194 682	5	48 985	54 364	-10
Liabilities in insurance operations	36	50 163	64 111	-22			
Other liabilities	37	159 084	118 745	34	149 098	103 943	43
Accrued expenses and prepaid income	38	13 197	14 978	-12	4 944	5 276	-6
Provisions	39	8 337	9 136	-9	433	465	-7
Total liabilities and provisions		**1 169 768**	**1 088 581**	**7**	**733 190**	**639 487**	**15**
Subordinated liabilities	40	**25 326**	**30 008**	**-16**	**22 245**	**26 832**	**-17**
Minority interests	41	**322**	**434**	**-26**			
Untaxed reserves	42				**11 897**	**10 491**	**13**
Share capital		7 046	7 046		7 046	7 046	
Other reserves		27 822	26 146	6	12 794	12 638	1
Retained earnings		5 510	6 049	-9	5 148	7 211	-29
Net profit for the year		5 318	5 051	5	1 627	675	141
Total shareholders' equity	43	**45 696**	**44 292**	**3**	**26 615**	**27 570**	**-3**
Total		**1 241 112**	**1 163 315**	**7**	**793 947**	**704 380**	**13**
Memorandum items							
Collateral and comparable security pledged for own liabilities	44	119 002	139 418	-15	91 689	117 379	-22
Other pledged assets and comparable collateral	45	69 498	70 896	-2	24 387	12 473	96
Contingent liabilities	46	43 646	50 334	-13	39 124	40 459	-3
Commitments	47	179 039	140 641	27	127 565	103 326	23

Cash flow analysis

	GROUP			PARENT COMPANY		
SEK M	2002	2001	Change, %	2002	2001	Change, %
Interest received	48 765	55 600	-12	25 310	30 292	-16
Interest paid	-36 185	-43 152	-16	-19 503	-25 342	-23
Commission received	12 027	12 808	-6	5 323	5 848	-9
Commission paid	-2 436	-1 957	24	-878	-898	-2
Net received from financial transactions[2) 3)]	13 020	-4 999		11 880	4 575	160
Other income[2)]	4 373	7 307	-40	6 783	-866	
Employee and other expenses	-19 570	-23 755	-18	-10 171	-10 649	-4
Taxes paid	-1 266	585		-1 019	-1 077	-5
Cash flow before changes in lending and deposits	18 728	2 437		17 725	1 883	
Increase(-)/decrease(+) in lending to the public	-60 042	-30 571	96	-15 171	-2 407	
Increase(+)/decrease(-) in deposits to the public	44 660	45 356	-2	28 859	37 088	-22
Cash flow, current operations	**3 346**	**17 222**	**-81**	**31 413**	**36 564**	**-14**
Sale of shares and bonds	106			1 512	402	
Sales of intangible and tangible fixed assets	473	161	194	43	14	
Dividends and Group contributions	26	28	-7	2 541	2 753	-8
Investments in subsidiaries				-6 731	2 140	
Investments in shares and bonds[3)]	-36 844	-7 630		-43 941	-12 252	
Investments in intangible and tangible assets	-2 013	-1 422	42	-2 182	-880	148
Cash flow, investment activities	**-38 252**	**-8 863**		**-48 758**	**-7 823**	
Issue of new shares						
Issue of securities and new borrowings	97 589	77 722	26	29 236	35 364	-17
Repayment of securities	-82 927	-86 225	-4	-31 924	-37 622	-15
Dividend paid	-2 818	-2 818		-2 818	-2 818	
Cash flow, financing activities	**11 844**	**-11 321**		**-5 506**	**-5 076**	**8**
Cash flow for the period	**-23 062**	**-2 962**		**-22 851**	**23 665**	**-197**
Liquid funds at beginning of year	43 570	46 532	-6	68 926	45 261	52
Exchange rate variance	-3 106			-2 646		
Cash flow for the period	-23 062	-2 962		-22 851	23 665	-197
Liquid funds at end of period [1)]	**17 402**	**43 570**	**-60**	**43 429**	**68 926**	**-37**

1) Liquid funds at end of period

Cash and deposits with central banks	13 469	11 633		6 460	5 701	
Eligible Treasury Bills etc.	87 842	78 243		44 960	39 562	
Lending to credit institutions	150 380	175 380		226 682	227 364	
Liabilities to credit institutions	-234 289	-221 686		-234 673	-203 701	
Total	**17 402**	**43 570**		**43 429**	**68 926**	

2) Cash flow from some settlement proceeds has been reclassified from Other income to Net received from financial transactions. For 2001 SEK 5,878 M has been moved for both the group and parent company.
3) Cash flow from bonds in the trading portfolio has been reclassified from Net received from financial transactions to Investments in shares and bonds. For 2001 SEK 6,662 M has been moved for the group and SEK 11,265 M for the parent company.

Notes to the financial statements

Currency codes

AUD	Australian dollars	EEK	Estonian kroon	ISK	Icelandic kronor	NOK	Norwegian kroner	THB	Thai baht
BRL	Brazilian reales	EUR	Euro	JPY	Japanese yen	PLN	Polish zloty	USD	U.S. dollars
CHF	Swiss francs	GBP	British pounds	LVL	Latvian lats	SEK	Swedish kronor		
DKK	Danish kroner	INR	Indian rupees	LTL	Lithuanian litas	SGD	Singapore dollars		

SEK M, unless otherwise stated.

1 Interest income

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Lending to credit institutions	6 066	6 959	8 436	8 400
Lending to the general public	35 727	38 140	11 086	12 655
Interest-bearing securities [1]	6 797	7 630	4 939	5 952
Other interest income	504	887	363	149
Total	**49 094**	**53 616**	**24 824**	**27 156**
1) of which, classified as current assets	6 643	7 503	4 761	5 616
Interest receivable from Group companies			5 266	5 588
Average rate of interest on lending to the general public	5.43%	6.06%	4.67%	5.25%

2 Leasing income[1]

	Parent company 2002	Parent company 2001
Leasing income	658	595
Leasing depreciation according to plan	-204	-182
Total	**454**	**413**

1) In the group leasing income is reclassified to Interest income. In the parent company leasing depreciation is shown under Depreciation and write-downs of tangible and intangible fixed assets.

3 Interest costs

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Liabilities to credit institutions	-8 336	-11 633	-7 663	-10 405
Deposits and borrowing from the general public	-15 376	-16 595	-8 090	-8 015
Interest-bearing securities	-8 523	-9 717	-1 497	-2 462
Subordinated liabilities	-1 512	-1 798	-1 310	-1 567
Other interest costs	-1 628	-862	-1 178	-215
Total	**-35 375**	**-40 605**	**-19 738**	**-22 664**
Interest payable relating to Group companies			-1 561	-1 952
Average rate of interest on deposits from the general public	3.34%	3.45%	3.16%	3.08%

Net interest earnings

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Interest receivable	49 094	53 616	24 824	27 156
Leasing income			658	595
Interest payable	-35 375	-40 605	-19 738	-22 664
Leasing depreciation according to plan			-204	-182
Total	**13 719**	**13 011**	**5 540**	**4 905**

4 Dividends received

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
On Shares/participations (Note 25)	56	71	5	28
On Shares/participations from associated companies (Note 26)[1)]	30	24	26	27
On Shares/participations from Group companies (Note 27)			864	579
Total	**86**	**95**	**895**	**634**

1) Refers to holdings in the Group not reported in accordance with the equity method.

5 Commission income

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Payment commissions	3 693	3 723	1 182	1 204
Lending commissions	796	632	480	383
Deposit commissions	123	111	66	66
Guarantee commissions	201	205	130	134
Securities commissions	5 279	6 454	2 361	2 740
Other commissions	1 683	1 914	791	665
Total	**11 775**	**13 039**	**5 010**	**5 192**

6 Commission costs

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Payment commissions	-1 065	-1 085	-509	-528
Securities commissions	-226	-302	-61	-71
Other commissions	-509	-466	-298	-237
Total	**-1 800**	**-1 853**	**-868**	**-836**

7 Net result of financial transactions

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Shares/participations	275	1 728	584	1 648
Interest-bearing securities	666	975	430	795
Other financial instruments	-200	-1 155	-598	-1 242
Realised result	**741**	**1 548**	**416**	**1 201**
Shares/participations	-97	411	3	-23
Interest-bearing securities	696	-322	616	-278
Other financial instruments	-567	-194	-435	169
Unrealised changes in value	**32**	**-105**	**184**	**-132**
Exchange rate fluctuations	**1 410**	**1 536**	**1 070**	**1 272**
Debt redemption	**226**	**8**	**64**	
Total	**2 409**	**2 987**	**1 734**	**2 341**

8 Other operating income

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Capital gains on fixed assets	444	1 024	93	592
Other income	745	896	562	912
Total	**1 189**	**1 920**	**655**	**1 504**

9 Administrative and operating costs

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Staff costs	-11 297	-11 796	-5 153	-5 408
Other costs	-6 923	-8 282	-4 365	-5 428
Total	**-18 220**	**-20 078**	**-9 518**	**-10 836**

Note 9 ctd. Administrative and operating costs

Staff costs	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Salaries and remuneration	-7 818	-8 008	-3 431	-3 503
Imputed pension costs	-309	-352	-262	-304
Pension premiums paid	-525	-481	-89	-143
Payroll overhead	-2 021	-2 103	-1 068	-1 055
Profit share	-117	-106	-75	-106
Other staff costs	-507	-746	-228	-297
Total	**-11 297**	**-11 796**	**-5 153**	**-5 408**

Pension costs in Skandinaviska Enskilda Banken have been calculated in accordance with the directives of the Financial Supervisory Authority, implying an actuarial calculation of imputed pension costs. Non-recurring costs of SEK 656 M (SEK 529 M) for early retirement have been charged to the pension funds of the Bank.

Salaries and remuneration	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Boards of Directors, Managing Directors and deputy CEO	-370	-223	-10	-16
Other employees in Sweden	-4 502	-4 636	-2 746	-2 733
Other employees outside Sweden	-3 290	-3 487	-675	-754
Charged to insurance operations	344	338		
Total	**-7 818**	**-8 008**	**-3 431**	**-3 503**

Other operating costs	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Costs for premises	-1 943	-1 813	-1 030	-989
Data costs	-1 784	-2 117	-1 689	-2 396
Stationery	-345	-334	-185	-99
Travel and entertainment	-349	-429	-181	-226
Postage and telecommunications	-456	-569	-196	-268
Consultants	-385	-761	-222	-484
Marketing	-499	-605	-234	-236
Information services	-250	-284	-137	-144
Other operating costs	-912	-1 370	-491	-586
Total	**-6 923**	**-8 282**	**-4 365**	**-5 428**

Fees and expense allowances to appointed auditors and audit firms [1) 2)]	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Pricewaterhouse Coopers	28	31	5	5
BDO[3)]/Deloitte & Touche	1	1	1	1
Audit assignements	**29**	**32**	**6**	**6**
Pricewaterhouse Coopers	15	49	4	20
Deloitte & Touche	37	7	5	
Other assignements	**52**	**56**	**9**	**20**

1) The audit has been performed in a mutual process with the internal audit team of SEB. The cost for internal audit in 2002 is SEK 107 M.
2) The parent company includes the foreign branches.
3) The auditor appointed by the Financial Supervisory Authority is employed by BDO since 1 December 2002.

Salaries, remuneration and benefits of the top management and the members of the Group Executive Committee

Salaries, remuneration and benefits to the top management (Chairman of the Board, other Board members who have received fees over and above decided remuneration, and the President) appear from the table below.

Compensation to the top management, carried as an expense	Fixed salary 2002	Fixed salary 2001	Variable salary 2002	Variable salary 2001	Other compensation 2002	Other compensation 2001	Benefits 2002	Benefits 2001
Chairman of the Board Jacob Wallenberg					1 300 000	1 300 000	85 975	74 374
Director Urban Jansson					879 000[1)]	625 000		
President Lars H Thunell	5 284 319	5 291 866	2 100 000	1 575 000			163 356	114 494
	5 284 319	**5 291 866**	**2 100 000**	**1 575 000**	**2 179 000**	**1 925 000**	**249 331**	**188 868**

1) The amount includes the special remuneration of SEK 250,000 that the Board of Director's Compensation Committee decided to pay to Urban Jansson for his work with the planned merger with FöreningsSparbanken. Information on this was given at the Annual General Meeting 2002.

Note 9 ctd. Administrative and operating costs

Under the pension agreement of the President, pension is payable from the age of 58. The pension plan is predefined and inviolable. The pension agreement is expected to yield 65 per cent of the pensionable income up to the age of 65 and 55 per cent thereafter. The size of the pension is maximised. Pensionable income consists of basic salary plus 50 per cent of the average of the variable salary during the last three years. Termination of employment by the Bank is subject to a 12-month period of notice and entitles to a severance pay of 12 months' salary. The Bank has the right to make deductions from such severance pay of any cash payments that the President may receive from another employer or through his own business.

To the other members of the Group Executive Committee (eight officers in addition to Lars H Thunell) the salaries and benefits specified in the table below have been paid in total.

Compensation to the Group Executive Committee, carried as an expense	Fixed salary		Variable salary		Benefits		**Total**	
	2002	2001[1]	2002	2001[1]	2002	2001[1]	**2002**	**2001[1]**
Group Executive Committee (eight persons excl. the President)	28 168 541	31 139 127	21 446 000	10 300 000	1 123 233	1 605 995	**50 737 774**	**43 045 122**

1) Constitutes partly a different circle of people compared with 2002, both in terms of numbers and persons.

As regards pension benefits and severance pay, the following is applicable to the members of the Group Executive Committee (excluding Lars H Thunell). Retirement pension is payable, varying, from the age of 56 at the rate of maximum 76 per cent of pensionable income up to the age of 65 and at 65 per cent thereafter. Pensionable income consists of basic salary plus 50 per cent of the average variable salary during the last three years. Termination of employment by the Bank is subject to a 12-month period of notice and entitles to a severance pay of 24 months' salary. The Bank has the right to make deductions from such severance pay of any cash payments that the relevant Executive may receive from another employer or through his/her own business.

The pension cost relating to the President, SEK 9,654,767, and the total pension costs relating to the rest of the Group Executive Committee, SEK 32,849 456, has been charged to staff costs. This amount has in all essentials been absorbed through a surplus in the pension funds.

Employee stock option programme

The first employee stock option programme of the Group was introduced in 1999 as part of an incentive package for senior officers and certain key individuals. After that, employee stock option programmes have also been decided for the years 2000–2003. These programmes are described in more detail on page 48–49.

The following table shows how many employee stock options of each respective programme that have been allotted to the President and the total number of stock options that have been allotted to the other members of the Group Executive Committee.

Employee Stock Options to the President and the Group Executive Committee	1999	2000	2001	2002	**Total**
President Lars H Thunell	158 333	262 500	231 618	231 618	**884 069**
Other members of the Group Executive Committee – 8 persons	424 999	604 165	583 078	860 191	**2 472 433**

Employee stock options cannot be sold nor pledged, which means that they do not have any market value. However, the theoretical value for the 2002 programme calculated according to the Black & Scholes' model at the time of allotment was SEK 17 per employee stock option. When calculating the theoretical value, the fact that the options cannot be exercised during the first three years has to be considered. The theoretical value of the stock options allotted to the President during 2002 amounted to SEK 3,937,506 and the corresponding theoretical value of the stock options allotted to the Group Executive Committee during 2002 amounted to SEK 14,623,247.

The social costs for the 2002 employee stock option programme totalled SEK 0.

	Group		Parent company	
Loans to Executives[1]	2002	2001	2002	2001
Managing Directors and Deputy Managing Directors	157	72	20	7
Boards of Directors	201	144	13	3
Total	**358**	**216**	**33**	**10**
Pension commitments to Executives[1]				
Pension disbursements made to former Executives	63	87	27	26
Change in commitments	69	49	51	43
Commitments at year-end	1 090	972	492	459

The above commitments are covered by the Bank's pension funds or through Bank-owned endowment assurance schemes.

1) Executives include members of the board of the parent bank and its subsidiaries, the President, the executive vice President and Managing Directors of the subsidiaries.

Note 9 ctd. Administrative and operating costs

Pension funds	Pension commitments 2002	2001	Market value of asset[1] 2002	2001
SB-stiftelsen, Skandinaviska Enskilda Bankens pensionsstiftelse	4 639	4 119	5 735	8 411
EB-stiftelsen, Skandinaviska Enskilda Bankens pensionsstiftelse	5 088	4 599	6 622	9 268
SEB Kort AB:s pensionsstiftelse	152	123	179	249
SEB IT Partner AB:s pensionsstiftelse	205	164	228	328
SEB IT Service AB:s pensionsstiftelse	175	137	169	269
Total	**10 259**	**9 142**	**12 933**	**18 525**

1) Deduction from the funds' assets have been made for the profit share that is charged to the companies' results and for which they have the right to compensate themselves next year.

Average number of full time equivalents	Group 2002	2001	Parent company 2002	2001
Parent company	6 973	7 219	6 973	7 219
Swedish subsidiaries	2 398	2 629		
Non-Swedish subsidiaries	9 632	9 770		
Total	**19 003**	**19 618**	**6 973**	**7 219**
Number of hours worked			12 004 020	12 101 760

Average number of employees 2002	Group Men	Women	Parent company Men	Women
Brazil	2	2	2	2
China		2		2
Denmark	212	174	49	41
Estonia	376	1 008		
Germany	2 128	2 215		
Great Britain	160	107	95	63
Finland	142	140	40	39
France	26	25	24	23
Ireland	10	7		
Latvia	365	811		
Lithuania	690	1 065		
Luxembourg	110	81		
Norway	164	201	61	75
Poland	62	52		
Switzerland	6	4		
Singapore	31	46	32	47
Spain	5	1		
Sweden	4 218	5 261	3 039	3 790
USA	53	32		
Total	**8 760**	**11 234**	**3 342**	**4 082**

Detailed information about the average number of employees, salaries and remuneration will be provided by the Bank upon request.

10 Depreciation and write-downs of tangible and intangible fixed assets

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Amortisation of goodwill [1]	-544	-534		
Write-down of goodwill		-19		
Other intangible fixed assets	-44	-45		-19
Office equipment	-832	-981	-87	-110
Equipment leased to clients			-204	-182
Properties	-57	-58		
Total	**-1 477**	**-1 637**	**-291**	**-311**

Office equipment is depreciated according to plan, which specifies that personal computers and similar equipment are written off over three years and other office equipment over five years. Properties are written off according to plan by the highest permissible capital allowance.

1) Amortisation of goodwill pertaining to non-life insurance business of SEK 147 M for 2001 has been reclassified to Operating profit from insurance operations.

11 Merger and restructuring costs

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Merger costs		-225		-222
Restructuring costs	-49	-128	-25	-70
Provision to restructuring reserve [1]	-151	-308	-84	-283
Total	**-200**	**-661**	**-109**	**-575**
1) Provision to restructuring reserve				
Salaries and remuneration	-82	-155	-42	-126
Costs for premises	-13	-94	-4	-94
Other costs	-56	-59	-38	-63
Total	**-151**	**-308**	**-84**	**-283**

12 Net credit losses

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Write-downs and provisions for loans				
to credit institutions		-153		
to the general public	-2 085	-2 302	-442	-529
Write-downs and provisions	**-2 085**	**-2 455**	**-442**	**-529**
Reversals and recoveries of loans				
to credit institutions		244		87
to the general public	1 266	1 662	354	633
Reversals and recoveries	**1 266**	**1 906**	**354**	**720**
Total	**-819**	**-549**	**-88**	**191**
Specific provision for individually appraised loans:				
Reported write-down, incurred losses	-1 845	-2 691	-501	-1 041
Reversal of previous provisions for probable losses, reported as incurred losses in current years accounts	1 155	2 014	427	959
Reported provision for probable losses	-1 240	-1 411	-343	-357
Recovered from losses incurred in previous years	415	573	134	297
Reversal of previous provisions for probable losses	564	949	137	316
Net cost	-951	-566	-146	174
Collective provision for individually appraised loans:				
Allocation to/withdrawal from reserve	-25		-25	
Provisions for homogenous groups of loans:				
Reported write-down, incurred losses	-130	-114		
Reported provision for possible losses		-22		
Recovered from losses incurred in previous years	36	28		
Withdrawal from reserve for lending losses	5			
Net cost	-89	-108		
Transfer risk reserve:				
Allocation to/withdrawal from reserve	161	74	83	-6
Contingent liabilities:				
Allocation to/withdrawal from reserve	85	51		23
Net credit losses	**-819**	**-549**	**-88**	**191**

13 Change in value of seized assets

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Properties taken over	3	15		
Other assets taken over	5	-13	5	-5
Realised change in value	**8**	**2**	**5**	**-5**
Properties taken over	-4			
Other assets taken over	-13			
Unrealised change in value	**-17**			
Total	**-9**	**2**	**5**	**-5**

14 Write-down of financial fixed assets

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Repono Holding AB			-353	-386
BD Ventures Ltd	-5		-5	
Knight Roundtable Europe Ltd	-6		-6	
SEB AB				-276
SEB Asset Management Fondsmaeglerselskab A/S			-16	
SEB Baltic Holding AB			-6	
SEB Fondholding AB			-9	
SEB TFI SA			-10	-15
SEB Investment Management AG				-10
Skandinaviska Enskilda Banken A/S				-63
Other	-18	-69		
Total	**-29**	**-69**	**-405**	**-750**

15 Net result from associated companies [1)]

	Group 2002	Group 2001
Bank Ochrony Środowiska (BOŚ)	-62	-54
VPC	19	22
Other	-61	12
Total	**-104**	**-20**

1) Net of goodwill amortisation.

16 Operating profit from insurance operations

	Group 2002	Group 2001
Non-life operations	68	257
Life operations [1)]	-124	-293
Total	**-56**	**-36**

1) Amortisation of goodwill pertaining to non-life insurance business of SEK 147 M for 2001 has been reclassified from Depreciation and write-downs. Profit and loss account – Insurance operations – drawn up in accordance with the AAIC is shown in note 56.

17 Appropriations incl pension compensation

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Recovery of imputed pension premiums	309	352	262	304
Compensation from pension funds, social charges and pension premiums	518	558	400	453
Compensation from pension funds, pension disbursements	897	732	897	732
Compensation from pension funds, profit sharing system	121	92	83	92
Pension disbursements	-897	-732	-897	-732
Pension compensation	948	1 002	745	849
Change of untaxed reserves			159	-218
Change of value adjustment account for lending			1	-1
Difference between book and scheduled depreciation			-1 566	-1 381
Appropriations			-1 406	-1 600
Total	**958**	**1 002**	**-661**	**-751**

18 Taxes

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Major components of tax costs:				
Current tax	-1 133	-1 161	-290	-236
Deferred tax	-842	-829	-68	86
Tax for the year	**-1 975**	**-1 990**	**-358**	**-150**
Tax regarding previous years	-82	-68	-118	-60
Other taxes	**-82**	**-68**	**-118**	**-60**
Relationship between tax costs and accounting profit before tax:				
Net profit for the year	5 318	5 051	1 627	675
Taxes and minority	2 094	2 102	476	210
Accounting profit before tax	**7 412**	**7 153**	**2 103**	**885**
Tax at the applicable rate of parent company	-2 075	-2 003	-589	-248
Tax effect of local tax rates for subsidiaries	-26	-151		
Tax effect of costs that are not tax deductible	-358	-395	-278	-336
Tax effect of revenue that are not taxable	484	559	509	434
Current tax	**-1 975**	**-1 990**	**-358**	**-150**
Disclosure of temporary differences [1]:				
Deferred tax liabilities [2]	5 832	5 292	275	217
Deferred tax assets [2]	1 712	1 877	42	52
Deferred tax liabilities, net	**4 120**	**3 415**	**233**	**165**

1) Temporary differences are differences between the carrying amount of an assets or liability in the balance sheet and its tax base. All taxable temporary differences give rise to deferred tax assets and liabilities.

2) See note 31 and 39

19 Minority interests

	Group 2002	Group 2001
GAMM Holding		-3
Eesti Ühispank		27
Latvijas Unibanka		-2
Vilniaus Bankas		-1
Minority shares in subsidiary groups result	-37	-65
Total	**-37**	**-44**

20 Cash and deposits with central banks

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Cash	4 800	5 324	1 788	2 050
Balances with foreign Central Banks	8 669	6 309	4 672	3 651
Total	**13 469**	**11 633**	**6 460**	**5 701**

21 Eligible Treasury Bills [1]

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Eligible Treasury Bills	67 107	53 017	44 210	38 950
Other eligible securities	20 735	25 226	750	612
Total	**87 842**	**78 243**	**44 960**	**39 562**
Remaining maturity				
– maximum 1 year	33 232	35 046	21 301	24 389
– 1– 5 years	33 518	28 261	10 808	9 145
– 5–10 years	18 739	12 750	11 802	5 024
– more than 10 years	2 353	2 186	1 049	1 004
Total	**87 842**	**78 243**	**44 960**	**39 562**
Average remaining maturity (years)	3.12	2.69	3.25	2.21
Positive difference between book values and nominal amounts	2 447	980	2 038	797
Negative difference between book values and nominal amounts	-317	-376	-199	-300

Note 21 ctd. Eligible Treasury Bills [1)]

Issuers	Group 2002 Accrued acquisition value	Group 2002 Book value	Group 2002 Market value	Group 2001 Accrued acquisition value	Group 2001 Book value	Group 2001 Market value
Swedish State						
Swedish municipalities	1	1	1	1	1	1
Foreign States						
Other foreign issuers	5	5	5	233	233	233
Fixed assets	**6**	**6**	**6**	**234**	**234**	**234**
Swedish State	13 555	13 132	13 132	9 258	9 105	9 105
Swedish municipalities	743	749	749	611	611	611
Foreign States	54 225	53 975	54 689	49 565	43 912	43 953
Other foreign issuers	20 048	19 980	19 959	24 435	24 381	24 433
Current assets	**88 571**	**87 836**	**88 529**	**83 869**	**78 009**	**78 102**
Total	**88 577**	**87 842**	**88 535**	**84 103**	**78 243**	**78 336**

Issuers	Parent company 2002 Accrued acquisition value	Parent company 2002 Book value	Parent company 2002 Market value	Parent company 2001 Accrued acquisition value	Parent company 2001 Book value	Parent company 2001 Market value
Swedish State						
Swedish municipalities	1	1	1	1	1	1
Foreign States						
Other foreign issuers						
Fixed assets	**1**	**1**	**1**	**1**	**1**	**1**
Swedish State	13 555	13 132	13 132	9 258	9 105	9 105
Swedish municipalities	743	749	749	611	611	611
Foreign States	31 336	31 078	31 078	29 858	29 845	29 845
Other foreign issuers						
Current assets	**45 634**	**44 959**	**44 959**	**39 727**	**39 561**	**39 561**
Total	**45 635**	**44 960**	**44 960**	**39 728**	**39 562**	**39 562**

1) Detailed information about the criteria used to classify these securities is provided under Accounting principles.

22 Lending to credit institutions

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Remaining maturity				
– payable on demand	102 232	81 498	101 278	126 490
– maximum 3 months	11 465	44 238	96 331	70 272
– 3 months – 1 year	5 519	13 815	12 341	15 694
– 1–5 years	23 328	25 346	11 618	10 771
– more than 5 years	7 836	10 483	5 114	4 137
Total	**150 380**	**175 380**	**226 682**	**227 364**
of which repos	42 685	52 512	51 987	54 480
Average remaining maturity (years)	1.02	1.11	0.47	0.41

23 Lending to the public

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Remaining maturity				
– payable on demand	63 562	59 632	44 257	44 087
– maximum 3 months	123 399	112 534	76 522	81 347
– 3 months – 1 year	93 382	85 014	33 570	31 606
– 1–5 years	212 012	197 626	54 438	46 329
– more than 5 years	187 851	180 189	22 744	19 988
Total	**680 206**	**634 995**	**231 531**	**223 357**
of which repos	66 131	52 552	66 071	52 524
Average remaining maturity (years)	3.81	3.88	1.70	1.55

24 Bonds and other interest-bearing securities [1)]

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Issued by public agencies				
Issued by other borrowers	108 137	74 790	111 992	73 793
Total	**108 137**	**74 790**	**111 992**	**73 793**
Listed securities	106 706	73 564	111 992	73 793
Unlisted securities	1 431	1 226		
Total	**108 137**	**74 790**	**111 992**	**73 793**
Maturity information				
– maximum 1 year	40 190	28 267	45 644	25 505
– 1–5 years	45 956	19 388	45 847	23 713
– 5–10 years	5 776	12 826	4 312	10 270
– more than 10 years	16 215	14 309	16 189	14 305
Total	**108 137**	**74 790**	**111 992**	**73 793**
Average remaining maturity (years)	3.61	4.65	3.75	4.93
Positive difference between book values and nominal amounts	1 037	392	975	194
Negative difference between book values and nominal amounts	-1 137	-431	-1 111	-361

	Group 2002			Group 2001		
Issuers	Accrued acquisition value	Book value	Market value	Accrued acquisition value	Book value	Market value
Swedish mortgage institutions	150	150	150	150	150	151
Other Swedish issuers						
– non-financial companies	4	4	4	6	6	5
– other financial companies	3	3	3	1 085	1 085	1 085
Other foreign issuers	3 566	3 596	3 604	2 606	2 619	2 640
Fixed assets	**3 723**	**3 753**	**3 761**	**3 847**	**3 860**	**3 881**
of which subordinated (debentures)	307	307	306	1 718	1 718	1 718
Swedish mortgage institutions	37 328	37 166	37 166	18 280	18 245	18 245
Other Swedish issuers						
– non-financial companies	1 589	1 582	1 582	2 366	2 394	2 394
– other financial companies	1 650	1 648	1 648	282	282	282
Foreign States	2 893	2 892	2 938	2 489	2 460	2 477
Other foreign issuers	61 075	61 096	61 092	47 533	47 549	47 560
Current assets	**104 535**	**104 384**	**104 426**	**70 950**	**70 930**	**70 958**
of which subordinated (debentures)	1 383	1 566	1 569	19	19	19
Total	**108 258**	**108 137**	**108 187**	**74 797**	**74 790**	**74 839**

	Parent company 2002			Parent company 2001		
Issuers	Accrued acquisition value	Book value	Market value	Accrued acquisition value	Book value	Market value
Swedish mortgage institutions	150	150	150	150	150	151
Other Swedish issuers						
– non-financial companies	4	4	4	6	6	5
– other financial companies	3	3	3	1 085	1 085	1 085
Other foreign issuers	397	397	397	1 217	1 217	1 217
Fixed assets	**554**	**554**	**554**	**2 458**	**2 458**	**2 458**
of which subordinated (debentures)	307	307	306	1 718	1 718	1 718
Swedish mortgage institutions	43 782	43 620	43 620	20 922	20 887	20 887
Other Swedish issuers						
– non-financial companies	1 465	1 457	1 457	2 346	2 374	2 374
– other financial companies	1 635	1 633	1 633	187	186	186
Other foreign issuers	64 772	64 728	64 728	47 882	47 888	47 888
Current assets	**111 654**	**111 438**	**111 438**	**71 337**	**71 335**	**71 335**
of which subordinated (debentures)	14	14	14	19	19	19
Total	**112 208**	**111 992**	**111 992**	**73 795**	**73 793**	**73 793**

1) Detailed information about criteria used to classify these securities is provided under Accounting principles.

25 Shares and participations [1)]

	Group		Parent company	
	2002	2001	2002	2001
Listed securities	6 487	6 851	1 913	2 820
Unlisted securities	2 519	1 718	1 204	1 081
Total	**9 006**	**8 569**	**3 117**	**3 901**
A. Trading portfolio/investment shares	7 932	7 389	2 314	2 943
B. Shares and participations taken over for protection of claims	80	178	44	163
C. Other shares and participations	994	1 002	759	795
Total	**9 006**	**8 569**	**3 117**	**3 901**

A. Trading portfolio/investment shares

	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Trading portfolio shares			1 610.2	0.2	
*Arexis AB, Mölndal	SEK	0.1	20.0		22
*Ascade AB	SEK		10.0		0
*Ben Rad AB, Stockholm	SEK	0.6	5.2		19
*Carmen Systems AB, Gothenburg	SEK		1.9		1
*Chinsay AB, Stockholm	SEK	0.3	11.4		20
*Cobolt AB, Stockholm	SEK		9.7		15
*Cresco TI Systems N.V. Curacao, Antilles	EUR	0.4	28.0		15
*Crossroad Loyalty Solutions AB, Gothenburg	SEK	0.1	13.0		29
EAC Investco Ltd, Guernsey	GBP		37.1	0.6	0
EQT Scandinavia Limited, Guernsey	GBP		3.9		5
*Frontville AB, Stockholm	SEK	0.3	14.1		15
*Fält Communications AB, Kalix	SEK	1.4	20.0		37
*HMS Networks AB, Halmstad	SEK	0.2	23.3		5
*IBX Integrated Business Exchange, Stockholm	SEK	3.0	53.4		21
*Information Mosaic Ltd, Dublin (Irland)	EUR	2.0	22.1		16
*InnKap 3 Sweden KB, Gothenburg	EUR		5.9		3
*Interpeak AB, Stockholm	SEK		13.2		19
*Kreatel Communication AB, Linköping	SEK	0.2	40.5		13
*KTH Seed Capital KB, Stockholm	SEK		0.8		0
*LightUp Technologies AB, Huddinge	SEK	0.1	16.0		25
*Lipocore Holding AB, Stockholm	SEK	1.3	20.0		36
*Mamma Mia Las Vegas Ltd Partnership	USD		7.3		0
*Medeikonos AB, Gothenburg	SEK		10.0		13
*Neoventa Medical AB, Gothenburg	SEK	0.3	34.2		10
*Novator AB, Stockholm	SEK	0.1	18.9		33
*Personal Chemistry AB, Uppsala	SEK	0.4	77.0		9
*Phaseln AB, Stockholm	SEK		5.0		21
*Prodacapo AB, Örnsköldsvik	SEK	0.1	23.3		15
*ProstaLund AB, Lund	SEK		29.5		8
*Robolux AB, Lidingö	SEK	1.9	13.9		45
*Spotfire Inc, Cambridge, USA	USD		1.0		0
*Sreg.com AB, Helsingborg	SEK	0.9	28.9		21
*Time Care AB, Stockholm	SEK	0.3	17.0		25
*Wavium AB, Stockholm	SEK	0.2	13.6		31
*WeSpot AB, Lund	SEK		10.9		11
*Vitrolife AB, Gothenburg	SEK	0.2	10.0		1
*XCounter AB, Danderyd	SEK	1.0	33.9		11
Parent company holdings			**2 314.1**	**0.8**	
Holdings of subsidiaries			**5 618.5**	**31.0**	
Group holdings			**7 932.6**	**31.8**	

* Investment shares according to §15 A in the Swedish Banking Business Act

Note 25 ctd. Shares and participations [1]

B. Shares and participations taken over for the protection of claims[1]

	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Birma Holding B.V. Amsterdam	EUR				100
Raffles Holding, Cayman Islands	GBP	1.0	14.1		
Boliden AB, Upplands Väsby	SEK	4.1	29.4		3
Forum SQL AB, Solna	SEK	2.4	0.6		2
Gamlestaden Intressenter AB, Gothenburg	SEK				17
IFA Ship AB, Stockholm	SEK	0.1	0.1		100
Parent company holdings			**44.2**		
Holdings of subsidiaries			**35.8**	**4.3**	
Group holdings			**80.0**	**4.3**	

1) Holdings in these companies have been reported as shares and participations taken over in connection with loan foreclosures, even when they amount to at least 20 per cent, since the holdings are not long term. Pledges taken over are valued at the lower of cost or market, which means that a consolidation, using the equity method, does not theoretically have any impact on the Group's shareholders' equity as long as there are no surplus values in the holdings.

C. Other shares and participations

	Currency	Nominal amount	Book value	Dividend	Voting rights, %
ABB Participation AB, Västerås	SEK				
Adacra AB, Stockholm	SEK	0.1	5.1		12
Adela Investment Company S. A. Luxembourg	USD	2.8			3
Amagerbanken A/S, Copenhagen	DKK	60.7	273.0	6.0	
Arcot Systems Inc, San Francisco	USD		37.9		4
Banco Finasa de Investimento SA, Sao Paulo	BRL	127.2		0.2	4
b-business partners b.v., Amsterdam	EUR	0.2	303.4		5
BD Ventures Ltd, Jersey	USD				7
Brf Centrum, Hofors	SEK				
Brf Falken, Malmö	SEK		11.2		
Brf Fältprästen 3, Stockholm	SEK		1.7		
Brf Karl den XV:s Port, Stockholm	SEK		0.3		
Brf Mellanheden, Malmö	SEK		0.1		
Brf Munklägret, Stockholm	SEK		1.2		
Brf Oxen Mindre, Stockholm	SEK		2.5		
Brf Riksbyggen Götenehus Nr 1	SEK		0.2		
Brf Räfsan 13, Stockholm	SEK		0.4		
Brf Sälgen 7, Stockholm	SEK		1.4		
Brf Tellusborg, Stockholm	SEK		0.4		
Brf Vedbäraren 19, Stockholm	SEK		4.6		
Chicago Metal Exchange	USD		38.2		
CLS Group Holdings AG, Zürich	CHF	3.4	38.3		1
DebiTech AB, Stockholm	SEK	1.1	10.7		18
EBA Clearing Company, Paris	EUR				0
Euroclear Clearance System S. C., Bryssel	USD				0
Euroclear plc, Zurich	EUR	0.1	5.7	3.8	4
Fastighets AB Inedal, Stockholm	SEK	0.8	1.7		6
GSTP Global Straight Through Processing AG, Zürich	CHF	0.8	4.3		1
Ind Credit & Investment Co of India (ICICI), Bombay	INR	0.6		0.1	0
Intercontinental Exchange Inc, Atlanta, USA	GBP		1.8		0
Knight Roundtable Europe Ltd, Jersey	USD				1
København Fondbörs	DKK	0.1	0.1		
London Clearing House Ltd	GBP	0.3	4.2		
Norsk Tillitsmann AS, Oslo	NOK	0.5	0.7		5
NRC Business Company Ltd, Bangkok	THB				12
OM Gruppen AB, Stockholm	SEK		0.2		0
S.W.I.F.T., Bryssel	EUR	0.1	0.9		1
SIFIDA, Luxembourg	USD	0.2		0.1	1
Tradeplex Ltd, London	GBP		8.3		19
Parent company holdings			**758.5**	**10.2**	
Holdings of subsidiaries			**235.4**	**10.2**	
Group holdings			**993.9**	**20.4**	

1) Detailed information about criteria used to classify these securities is provided under Accounting principles.
Detailed information will be provided by the Bank upon request.

26 Shares and participations in associated companies [1)]

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Listed securities	983	909	785	785
Unlisted securities	659	749	263	249
Total	**1 642**	**1 658**	**1 048**	**1 034**
of which, holdings in credit institutions	1 272	925	814	814

	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Bank Ochrony Środowiska SA, Warsaw	PLN	28.9	785.1		22
Bankgirocentralen BGC AB, Stockholm	SEK			4.4	33
Bankomatcentralen AB, Stockholm	SEK	0.1	0.2		22
BGC Holding AB, Stockholm	SEK		3.7		33
Haugerud Regnskap A/S, Honefoss	NOK	0.1	11.7		34
Privatgirot AB, Stockholm	SEK	0.2	0.1		24
Svensk Bostadsfinansiering AB, BOFAB, Stockholm	SEK	25.0	29.3		50
Upplysningscentralen UC AB, Stockholm	SEK	0.3	0.3		27
VPX matching AB, Stockholm	SEK	6.3	11.5		25
Värdepapperscentralen VPC AB, Stockholm	SEK	14.8	206.2	15.1	25
Parent company holdings			**1 048.1**	**19.5**	
Holdings of subsidiaries			**653.2**	**25.5**	
Group adjustment			-59.4	-15.1	
Group holdings			**1 641.9**	**29.9**	

1) Detailed information about criteria used to classify these securities is provided under Accounting principles.
Detailed information will be provided by the Bank upon request.

27 Shares and participations in Group companies [1)]

	Parent company 2002	Parent company 2001
A. Swedish subsidiaries	19 167	17 033
B. Foreign subsidiaries	26 575	22 384
Total	**45 742**	**39 417**
of which holdings in credit institutions	32 843	26 471

A. Swedish subsidiaries

	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Aktiv Placering AB, Stockholm	SEK	0.1	0.1		100
Enskilda Kapitalförvaltning SEB AB, Stockholm	SEK	0.3	0.3		100
Enskilda Securities Holding AB, Stockholm	SEK	50.1	373.9	127.5	100
Enskilda Securities Holding AB, Stockholm (debenture loan)	SEK	150.0	150.0		
Enskilda Securities Holding AB, Stockholm (debenture loan)	EUR	11.0	99.9		
Försäkringsaktiebolaget S E Captive, Stockholm	SEK	100.0	100.0		100
Repono Holding AB, Stockholm	SEK	695.1	7 225.3	4.2	100
Scandinavian Securities AB, Stockholm	SEK	0.1	2.0		100
SEB AB, Stockholm	SEK	1 176.5	2 535.8		100
SEB Baltic Holding AB, Stockholm	SEK	14.0	8.3		100
SEB BoLån AB, Stockholm	SEK	200.0	4 281.0		100
SEB BoLån AB, Stockholm (debenture loan)	SEK	1 925.0	1 925.0		
SEB Fastighetsservice AB, Stockholm	SEK	0.1	0.1		100
SEB Finans Holding AB, Stockholm	SEK	2.5	2.5	49.5	100
SEB Fondholding AB, Stockholm	SEK	21.0	672.8		100
SEB Förvaltnings AB, Stockholm	SEK	5.0	5.0		100
SEB Internal Supplier AB	SEK	50.0	12.0		100
SEB Invest AB, Stockholm	SEK		1.3		100
SEB IT AB, Stockholm	SEK	8.0	10.0		100
SEB Kort AB, Stockholm	SEK	50.0	1 660.0	116.5	100
SEB Kort AB, Stockholm (debenture loan)	SEK	100.0	100.0		
SEB Strategic Investments AB, Stockholm	SEK	1.0	1.2		100
Skandinaviska Kreditaktiebolaget, Stockholm	SEK	0.1	0.1		100
Team SEB AB, Stockholm	SEK	0.5	0.5		100
Total			**19 167.1**	**297.7**	

Note 27 ctd. Shares and participations in Group companies[1)]

B. Foreign subsidiaries

	Currency	Nominal amount	Book value	Dividend	Voting rights, %
Ane Gyllenberg AB, Helsingfors	EUR	0.5	386.7	68.5	100
Eesti Ühispank, Tallin	EEK	665.6	1 365.3		100
Eesti Ühispank, Tallin (debenture loan)	EUR	17.0	155.5		
FinansSkandic Leasing (SEA) Pte Ltd, Singapore	SGD	0.1	0.4	1.3	100
Interscan Servicos de Consultoria Ltda, Sao Paulo	BRL	2.3			100
Latvijas Unibanka, Riga	LVL	37.1	946.4		100
Latvijas Unibanka, Riga (convertibel debenture loan)	USD	16.0	140.2		
Oy GAMM Holding Ab, Helsingfors	EUR	0.1	78.8	3.3	100
Rosenkrantz Investment Management A/S, Oslo	NOK	5.0	0.5		100
Scandinavian Finance BV, Amsterdam	EUR	1.0	8.4		100
SEB AG, Frankfurt	EUR	775.2	18 041.1		100
SEB Asset Management America Inc, Stamford	USD		95.9	12.5	100
SEB Hong Kong Trade Services Ltd, Hong Kong	HKD				99
SEB Asset Management Fondmaeglerselskab A/S, Copenhagen	DKK	8.7	119.0		99
SEB Investment Management AG, Zürich	CHF	0.1	2.3		100
SEB NET S.L., Barcelona	EUR				100
SEB Private Bank S.A., Luxembourg	EUR		1 198.7	481.1	100
SEB Private Bank S.A., Luxembourg (debenture loan)	EUR	8.0	72.7		
SEB TFI SA, Warszawa (Towarzystwo Funduszy Inwestycyjnych)	PLN	34.9	17.1		100
Skandinaviska Ensk Banken South East Asia Ltd, Singapore	SGD	40.0	191.3		100
Skandinaviska Enskilda Banken A/S, Köpenhamn	DKK	500.0	707.9		100
Skandinaviska Enskilda Banken AG, Frankfurt (debenture loan)	EUR	25.6	232.2		
Skandinaviska Enskilda Banken Corporation, New York	USD	10.0	140.1		100
Skandinaviska Enskilda Banken e-invest B.V. Amsterdam	EUR		27.9		100
Skandinaviska Enskilda Banken Funding Inc, Delaware	USD		0.1		100
Skandinaviska Enskilda Ltd, London	GBP	49.3	880.4		100
Skandinaviska Enskilda Reinsurance, Luxembourg	EUR	1.2	8.2		100
Vilniaus Bankas, Vilnius	LTL	154.4	1 620.6		100
Vilniaus Bankas, Vilnius (debenture loan)	EUR	15.0	137.2		
Total			**26 574.9**	**566.7**	
Parent company holdings			**45 742.0**	**864.4**	

Information about the corporate registration numbers of the subsidiaries is available upon request.

1) Detailed information about criteria used to classify these securities is provided under Accounting principles.

28 Assets in insurance operations

	Group	
	2002	2001
Investments	3 001	4 630
Investments for account of policyholders	45 477	58 625
Other claims and assets	3 840	3 204
Total	**52 318**	**66 459**

29 Intangible fixed assets

	Group	
	2002	2001
Goodwill	10 699	10 251
Other intangible fixed assets	130	57
Total	**10 829**	**10 308**

Note 29 ctd. Intangible fixed assets

Goodwill	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Opening balance	13 579	13 283		
Acquisitions during the year	1 193	22		
Sales during the year		-18		
Exchange differencies	-57	292		
Acquisition value	**14 715**	**13 579**		
Opening balance	-3 328	-2 631		
Current year's depreciations [1]	-691	-681		
Current year's write-off		-19		
Accumulated depreciations on current year's sales		18		
Exchange differencies	3	-15		
Accumulated depreciations	**-4 016**	**-3 328**		
1) Of which reported as Operating result from insurance operations	-147	-147		
Book value	**10 699**	**10 251**		

Other intangible assets	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Opening balance	214	167	87	87
Acquisitions during the year	49	29		
Group adjustment	94	11		
Sales during the year		-2		
Exchange differencies	-1	9		
Acquisition value	**356**	**214**	**87**	**87**
Opening balance	-157	-98	-87	-55
Current year's depreciations	-57	-45		-19
Group adjustment	-13	-11		-14
Accumulated depreciations on current year's sales		2		
Exchange differencies	1	-5		1
Accumulated depreciations	**-226**	**-157**	**-87**	**-87**
Book value	**130**	**57**		

30 Tangible assets

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Office equipment	2 337	2 707	154	226
Equipment leased to clients [1]			11 828	9 917
Properties for own operations	1 842	2 069	6	6
Properties taken over for protection of claims	50	87	1	1
Total	**4 229**	**4 863**	**11 989**	**10 150**

1) Equipment leased to clients are reclassified to lending in the Group

Office equipment	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Opening balance	8 125	7 793	2 077	2 004
Acquisitions during the year	728	996	11	87
Group adjustment	121	-199		
Sales during the year	-1 092	-759	-43	-14
Exchange differencies	-115	294		
Acquisition value	**7 767**	**8 125**	**2 045**	**2 077**
Opening balance	-5 418	-5 203	-1 851	-1 753
Current year's depreciations [1]	-892	-780	-87	-110
Current year's write-offs	-9			
Group adjustment	-121	156		
Accumulated depreciations on current year's sales	941	598	47	12
Exchange differencies	69	-189		
Accumulated depreciations	**-5 430**	**-5 418**	**-1 891**	**-1 851**
[1] Of which reported against reserve	-69	-60		
Book value	**2 337**	**2 707**	**154**	**226**

Note 30 ctd. Tangible assets

	Group		Parent company	
Equipment leased to clients	2002	2001	2002	2001
Opening balance			10 485	9 691
Acquisitions during the year			2 115	794
Acquisition value			**12 600**	**10 485**
Opening balance			-568	-386
Current year's depreciations			-204	-182
Accumulated depreciations			**-772**	**-568**
Book value			**11 828**	**9 917**

1) Equipment leased to clients is depreciated in annuities, based on a conservatively estimated residual value at the end of the contract period. For leased equipment that cannot be sold in a functioning market, the scheduled residual value is zero at the end of the contract period. Any surplus resulting from the sale of leased equipment is reported under Other income.

Properties for own operations				
Opening balance	2 868	2 974	6	6
Acquisitions during the year	147	319		
Group adjustment				
Sales during the year	-480	-615		
Exchange differencies	-53	190		
Acquisition value	**2 482**	**2 868**	**6**	**6**
Opening balance	-799	-695		
Current year's depreciations	-48	-58		
Current year's write-offs	-9			
Group adjustment				
Accumulated depreciations on current year's sales	202			
Exchange differencies	14	-46		
Accumulated depreciations	**-640**	**-799**		
Book value	**1 842**	**2 069**	**6**	**6**
Tax value, real properties	588	302	4	4
of which, buildings	527	287	3	3

Properties taken over for protection of claims				
Opening balance	87	104	1	1
Acquisitions during the year	6	132		
Group adjustment				
Sales during the year	-43	-151		
Exchange differencies		2		
Acquisition value	**50**	**87**	**1**	**1**
Book value	**50**	**87**	**1**	**1**

Net operating earnings from properties taken over for protection of claims				
External income	1	2		
Operating costs	-1	-2		
Total	**0**	**0**		

Assets taken over for protection of claims				
Buildings and land	50	87	1	1
Shares and participations	80	178	44	163
Total	**130**	**265**	**45**	**164**

31 Other assets

	Group		Parent company	
	2002	2001	2002	2001
Current tax assets	615	317	337	110
Deferred tax assets[1)]	1 712	1 877		
Claims on securities settlement proceeds	10 234	22 017	9 734	20 259
Market value, derivatives	97 186	53 461	90 649	48 367
Other	2 123	8 349	3 079	5 557
Total	**111 870**	**86 021**	**103 799**	**74 293**

1) Deferred tax assets comprise nearly SEK 1.5 billion of calculated deferred tax in SEB AG. The expected development of taxable income, the foreseeable future and uncertainty regarding German tax laws has then been considered. Maximum amount is SEK 2 billion.

32 Prepaid expenses and accrued income

	Group		Parent company	
	2002	2001	2002	2001
Accrued interest	8 193	8 063	4 813	4 753
Prepaid expenses/accrued other income	2 991	2 333	1 814	1 055
Total	**11 184**	**10 396**	**6 627**	**5 808**

33 Liabilities to credit institutions

	Group		Parent company	
	2002	2001	2002	2001
Remaining maturity				
– on demand	105 704	94 425	90 008	89 622
– maximum 3 months	93 778	89 787	119 610	92 189
– 3 months – 1 year	21 300	17 643	23 294	21 115
– 1–5 years	4 231	8 328	382	302
– more than 5 years	9 276	11 503	1 379	473
Total	**234 289**	**221 686**	**234 673**	**203 701**
of which repos	38 596	50 068	37 390	45 471
Average remaining maturity (years)	0.56	0.73	0.19	0.15

34 Deposits and borrowing from the public

	Group		Parent company	
	2002	2001	2002	2001
Remaining maturity				
– repayable on demand	330 925	300 018	240 729	222 173
– maximum 3 months	57 601	55 879		
– 3 months – 1 year	10 245	8 500		
– 1–5 years	26 648	25 045		
– more than 5 years	24 576	30 402		
Deposits [1)]	**449 995**	**419 844**	**240 729**	**222 173**
Average remaining maturity (years)	0.75	0.93		
Remaining maturity				
– repayable on demand	7 034	9 012	11 539	13 632
– maximum 3 months	26 093	20 488	26 582	20 608
– 3 months – 1 year	5 590	5 793	5 731	5 820
– 1–5 years	2 953	3 352	2 631	3 053
– more than 5 years	7 877	6 754	7 845	6 452
Borrowing	**49 547**	**45 399**	**54 328**	**49 565**
of which repos	37 547	16 370	37 537	16 370
Average remaining maturity (years)	1.90	1.85	1.72	1.61
Total	**499 542**	**465 243**	**295 057**	**271 738**

1) Only account balances covered by the Deposit Guarantee are reported as deposits. The amount refers to the total account balance without considering the limitation in terms of amount that is applicable to the Deposit Guarantee and fee bases.

35 Securities issued, etc

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Bond loans	152 895	150 571	13 795	17 159
Certificates of deposit	52 261	44 111	35 190	37 205
Total	**205 156**	**194 682**	**48 985**	**54 364**
Remaining maturity				
– maximum 1 year	57 586	37 051	6 106	7 046
– 1–5 years	86 771	98 972	6 392	9 285
– 5–10 years	6 778	13 280	589	488
– more than 10 years	1 760	1 268	708	340
Bond loans	**152 895**	**150 571**	**13 795**	**17 159**
Average remaining maturity (years)	2.00	2.46	1.65	1.47
Remaining maturity				
– on demand	2 360	11 160	2 360	4 349
– maximum 3 months	43 485	22 112	27 873	22 118
– 3 months – 1 year	5 331	10 317	3 953	10 216
– 1–5 years	1 085	106	1 004	106
– more than 5 years		416		416
Other debt instruments issued	**52 261**	**44 111**	**35 190**	**37 205**
Average remaining maturity (years)	0.25	0.30	0.28	0.35
Total	**205 156**	**194 682**	**48 985**	**54 364**

36 Liabilities in insurance

	Group 2002	Group 2001
Technical provisions	3 350	3 689
Provisions for account of policyholders	45 294	58 458
Other provisions and liabilities	1 519	1 964
Total	**50 163**	**64 111**

37 Other liabilities

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Current tax liabilities	861	557	2	27
Securities settlement proceeds, liabilities	35 729	26 432	35 281	26 182
Market value, derivatives	100 075	51 486	92 850	46 185
Other liabilities	22 419	40 270	20 965	31 549
Total	**159 084**	**118 745**	**149 098**	**103 943**

38 Accrued expenses and prepaid income

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Accrued interest	9 380	10 378	3 899	3 762
Prepaid income/accrued other expense	3 817	4 600	1 045	1 514
Total	**13 197**	**14 978**	**4 944**	**5 276**

39 Provisions

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Deferred tax liabilites	5 832	5 292	233	165
Reserve for off-balance-sheet items	396	576	8	9
Restructuring reserve	1 664	2 501	192	291
Other provisions	445	767		
Total	**8 337**	**9 136**	**433**	**465**

40 Subordinated liabilities

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Debenture loans	13 042	10 368	9 961	7 192
Debenture loans, zero-coupon		956		956
Debenture loans, perpetual	12 284	18 684	12 284	18 684
Total	**25 326**	**30 008**	**22 245**	**26 832**

Parent company

Debenture loans	Valuta	Ursprungligt nominellt belopp	Bokfört värde	Räntesats. %
1994/2009	USD	200.0	1 725.0	6.875
2000/2010	EUR	345.0	3 156.3	1)
2000/2010	SGD	100.0	505.2	4.600
2002/2012	EUR	500.0	4 574.3	5.625
Total			**9 960.8**	
Debenture loans, zero-coupons				
1992/2002	SEK	1 000.0		
Total				
Debenture loans, perpetual				
1990	EUR	52.2	477.1	1)
1990	USD	100.0	525.8	1)
1995	JPY	10 000.0	739.0	4.400
1996	GBP	100.0	1 406.1	9.040
1996	JPY	5 000.0	369.2	1)
1996	USD	150.0	1 156.7	1)
1996	USD	150.0	951.7	8.125
1996	USD	50.0	216.9	1)
1997	JPY	15 000.0	1 108.4	5.000
1997	USD	150.0	975.1	7.500
1998	USD	500.0	2 511.3	6.500
1999	EUR	200.0	1 829.7	6.750
2000	USD	100.0	17.5	0.380
Total			**12 284.5**	
Debenture loans issued by the parent company			**22 245.3**	
Debenture loans issued by SEB AG			2 957.7	
Debenture loans issued by SEB BoLån AB			1 925.0	
Debenture loans issued by other subsidiaries			1 207.0	
Intra-group holdings			-3 009.0	
Total			**25 326.0**	

1) FRN, Floating Rate Note

41 Minority interests

	Group 2002	Group 2001
GAMM Holding		8
Eesti Ühispank		14
Latvijas Unibanka		13
SEB Asset Management Fondsmaeglerselskab		2
Vilniaus Bankas		23
Subsidiaries minority interests	322	374
Total	**322**	**434**

42 Untaxed reserves [1]

	Parent company	
	2002	2001
Accrual fund	4 217	4 376
Excess depreciation of office equipment/leased assets	7 675	6 109
Other untaxed reserves	5	6
Total	**11 897**	**10 491**

1) In the balance sheet of the Group untaxed reserves are reclassified partly as deferred tax liability and partly as restricted equity.

The change in untaxed reserves in the parent company during the year is shown in the following table:

Parent company

	Accrual fund	Excess depreciation	Other untaxed reserves	**Total**
Opening balance	4 158	4 728	5	**8 891**
Appropriations	218	1 381	1	**1 600**
Reversals				
Exchange rate difference				
Closing balance 2001	**4 376**	**6 109**	**6**	**10 491**
Appropriations		1 566		**1 566**
Reversals	-159		-1	**-160**
Exchange rate difference				
Closing balance 2002	**4 217**	**7 675**	**5**	**11 897**

43 Shareholders' equity

	Group		Parent company	
	2002	2001	2002	2001
Share capital	7 046	7 046	7 046	7 046
673 784 123 Series A shares, nom value SEK 10 each				
30 773 557 Series C shares, nom. value SEK 10 each				
Reserve fund and other restricted reserves	26 145	24 471	12 086	12 086
Equity fund [1]	15			
Translation difference	766	822		
Reserve for unrealised gains	896	853	708	552
Restricted equity	**34 868**	**33 192**	**19 840**	**19 684**
Group contributions [2]			1 656	2 145
Tax on Group contributions [2]			-463	-601
Result holding of own shares	6			
Swap hedging of employee stock option programme [3]	-277		-277	
Eliminations of repurchased shares [4]	-659		-659	
Translation difference	166	568	-24	-3
Retained earnings	6 274	5 481	4 915	5 670
Net profit for the year	5 318	5 051	1 627	675
Non-restricted equity	**10 828**	**11 100**	**6 775**	**7 886**
Total	**45 696**	**44 292**	**26 615**	**27 570**

1) Non-distributed profit share in associated companies is accounted for as restricted equity, as it, from the Group's point of view, is not available for dividend distribution.
2) In accordance with the opinion of the emergency group of the Swedish Financial Accounting Standards Council, Group contributions are reported in the parent company directly under Shareholders' equity.
3) Including dividends received.
4) SEB has repurchad 7 million Series A shares for the employee stock option programme as decided at the Annual General Meeting. These shares are booked at zero but the market value as of 31 December 2002 was SEK 508 M.

Reserve for unrealised gains

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Shares and participations	188	239		
Interest-bearing securities	307	4	307	
Other	401	610	401	552
Total	**896**	**853**	**708**	**552**

Note 43 ctd. Shareholders' equity

Change in shareholders' equity	Group		Parent company	
	Restricted equityl	Non-restricted equity	Restricted equity	Non-restricted equity
Opening balance	31 415	10 194	19 778	8 392
Dividend to shareholders		-2 818		-2 818
Equity fund	-17	17		
Reserve for unrealised gains	-9	9	-94	94
Group contributions				2 145
Tax on Group contributions				-601
Result, holding of own shares		-1		-1
Transfer, non-restricted/restricted equity	1 834	-1 834		
Translation difference	-31	482		
Net profit for the year		5 051		675
Closing balance 2001	**33 192**	**11 100**	**19 684**	**7 886**
Dividend to shareholders		-2 818		-2 818
Equity fund	15			
Reserve for unrealised gains	43		156	-156
Group contributions				1 656
Tax on Group contributions				-463
Result, holding of own shares		6		
Swap hedging of employee stock option programme		-277		-277
Eliminations of repurchased shares		-659		-659
Transfer, non-restricted/restricted equity	1 674	-1 674		
Translation difference	-56	-168		-21
Net profit for the year		5 318		1 627
Closing balance 2002	**34 868**	**10 828**	**19 840**	**6 775**

44 Collaterals pledged for own liabilities

	Group		Parent company	
	2002	2001	2002	2001
Lending [1]	8 532	7 116	8 532	7 116
Bonds	35 540	70 280	8 227	48 423
Repos	74 930	61 840	74 930	61 840
Mortgages		7		
Other		175		
Total	**119 002**	**139 418**	**91 689**	**117 379**

1) The item Lending in the parent company refers to the pledging of SEK 273 M (SEK 477 M) in promissory notes for the benefit of the Swedish Export Credit Corporation.

45 Other pledged collaterals

	Group		Parent company	
	2002	2001	2002	2001
Shares in insurance premium funds	45 108	58 211		
Securities loans	24 390	12 685	24 387	12 473
Total	**69 498**	**70 896**	**24 387**	**12 473**

46 Contingent liabilities

	Group		Parent company	
	2002	2001	2002	2001
Guarantee commitments, credits	8 342	14 859	10 388	11 344
Guarantee commitments, other	27 194	28 457	21 613	22 835
Own acceptances	375	713	374	707
Subscription guarantees	15	80	15	15
Total	**35 926**	**44 109**	**32 390**	**34 901**
Approved, but unutilised letters of credit	**7 720**	**6 225**	**6 734**	**5 558**
Total	**43 646**	**50 334**	**39 124**	**40 459**

Other contingent liabilities

The parent company has pledged to the Monetary Authority of Singapore to ensure that its subsidiary bank in Singapore is able to fulfil its commitments. The parent company has pledged to keep the share capital of Diners Club Nordic AB intact at all times.

The parent company has issued a deposit guarantee for SEB AG in Germany to the Bundesverband deutscher Banken e.V. The parent company has issued a loss guarantee on behalf of SEB AG.

47 Commitments

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Forward securities contracts	360	386		
Deposits in other banks	6 999	754		
Commitments for future payments	**7 359**	**1 140**		
Granted, but non-disbursed loans	101 541	68 218	66 462	36 010
Unutilised part of approved overdraft facilities	29 391	48 446	28 184	47 727
Securities loans	34 076	19 776	32 919	19 589
Other	6 672	3 061		
Other commitments	**171 680**	**139 501**	**127 565**	**103 326**
Total	**179 039**	**140 641**	**127 565**	**103 326**

48 Lending and lending loss reserves

	Group 2002	Group Pro forma 2001[1)]	Group 2001	Parent company 2002	Parent company 2001
Lending to credit institutions	150 380	175 380	175 380	226 682	227 364
Lending to the public	680 206	634 995	634 995	231 531	223 357
Total	**830 586**	**810 375**	**810 375**	**458 213**	**450 721**
Loans					
Normal loans	828 275	807 438	803 125	458 496	450 185
Non-performing doubtful loans	8 862	9 976	8 161	1 390	1 930
Performing doubtful loans	2 140	2 670	7 661	195	1 108
Loans prior to reserves	**839 277**	**820 084**	**818 947**	**460 081**	**453 223**
Specific reserves for individually appraised loans	-5 593	-6 382	-6 936	-1 013	-1 833
Collective reserves for individually appraised loans	-2 052	-2 027		-655	
Reserves for homogenous groups of loans	-144	-113	-113		
Transfer risk reserves	-902	-1 187	-1 523	-200	-669
Reserves	**-8 691**	**-9 709**	**-8 572**	**-1 868**	**-2 502**
Total	**830 586**	**810 375**	**810 375**	**458 213**	**450 721**

1) Pro forma, see page 37

Loans by category of borrower, Group 2002	Credit institutions	Corporates	Property management	Public administration	Households	**Total**
Normal loans	151 198	249 967	104 950	114 718	207 442	**828 275**
Non-performing doubtful loans	215	4 018	3 078	25	1 526	**8 862**
Performing doubtful loans	62	1 185	739	32	122	**2 140**
Loans prior to reserves	**151 475**	**255 170**	**108 767**	**114 775**	**209 090**	**839 277**
Specific reserves for individually appraised loans	-203	-3 065	-1 660	-3	-662	**-5 593**
Collective reserves for individually appraised loans						**-2 052**
Reserves for homogenous groups of loans		-45			-99	**-144**
Transfer risk reserves	-892	-10				**-902**
Reserves	**-1 095**	**-3 120**	**-1 660**	**-3**	**-761**	**-8 691**
Total	**150 380**	**252 050**	**107 107**	**114 772**	**208 329**	**830 586**

Note 48 ctd. Lending and lending loss reserves

Loans by category of borrower, Parent company 2002	Credit institutions	Corporates	Property management	Public administration	Households	**Total**
Normal loans	226 853	152 275	22 387	33 812	23 169	**458 496**
Non-performing doubtful loans	73	939	169		209	**1 390**
Performing doubtful loans	55	93	29		18	**195**
Loans prior to reserves	**226 981**	**153 307**	**22 585**	**33 812**	**23 396**	**460 081**
Specific reserves for individually appraised loans	-99	-695	-170		-49	**-1 013**
Collective reserves for individually appraised loans						**-655**
Transfer risk reserves	-200					**-200**
Reserves	**-299**	**-695**	**-170**		**-49**	**-1 868**
Total	**226 682**	**152 612**	**22 415**	**33 812**	**23 347**	**458 213**

Loans by geographical region[1], Group 2002	The Nordic region	Germany	The Baltic region	Other	**Total**
Normal loans	414 146	301 961	28 171	83 997	**828 275**
Non-performing doubtful loans	1 463	6 411	680	308	**8 862**
Performing doubtful loans	338	1 149	532	121	**2 140**
Loans prior to reserves	**415 947**	**309 521**	**29 383**	**84 426**	**839 277**
Specific reserves for individually appraised loans	-955	-3 939	-461	-238	**-5 593**
Collective reserves for individually appraised loans					**-2 052**
Reserves for homogenous groups of loans	-144				**-144**
Transfer risk reserves	-200	-702			**-902**
Reserves	**-1 299**	**-4 641**	**-461**	**-238**	**-8 691**
Total	**414 648**	**304 880**	**28 922**	**84 188**	**830 586**

1) Breakdown based on where the Group's business is carried out.

Loans by geographical region[1], Parent company 2002	The Nordic region	Germany	The Baltic region	Other	**Total**
Normal loans	375 900			82 596	**458 496**
Non-performing doubtful loans	1 120			270	**1 390**
Performing doubtful loans	130			65	**195**
Loans prior to reserves	**377 150**			**82 931**	**460 081**
Specific reserves for individually appraised loans	-774			-239	**-1 013**
Collective reserves for individually appraised loans					**-655**
Transfer risk reserves				-200	**-200**
Reserves	**-774**			**-439**	**-1 868**
Total	**376 376**			**82 492**	**458 213**

1) Breakdown based on where the Parent company's business is carried out.

Loans against collateral, Parent company 2002	
Mortgage, real property	24 083
Securities and deposits	68 325
State, central bank or municipality[1]	39 591
Credit institutions[1]	85 748
Unsecured loans	57 511
Other[2]	66 765
Loans prior to reserves	**342 023**
Repos	118 058
Reserves	-1 868
Loans, net	458 213

1) Including guarantees from and loans to
2) Including floating charges, factoring, leasing, guarantees etc

Note 48 ctd. Lending and lending loss reserves

	Group				Parent company	
Loans with transfer risks	2002	Pro forma 2001[1)]	2001		2002	2001
Loans covered by the transfer risk reserve	1 199	1 491	1 911		364	1 265
Specific reserves for individually appraised loans						
Collective reserves for individually appraised loans						
Reserves for homogenous groups of loans						
Book value of loans covered by the transfer risk reserve prior to transfer risk provision	**1 199**	**1 491**	**1 911**		**364**	**1 265**
Transfer risk reserve	**-902**	**-1 187**	**-1 523**		**-200**	**-669**

1) Pro forma, see page 37

Restructured loans current year						
Book value of loans prior to restructuring	175				112	
Book value of loans after restructuring	175				112	
Reclassified loans current year						
Book value of doubtful loans which have regained normal status	1 264	1 264	1 846		790	128
Doubtful loans						
Non-performing doubtful loans	8 862	9 976	8 161		1 390	1 930
Performing doubtful loans	2 140	2 670	7 661		195	1 108
Doubtful loans gross	**11 002**	**12 646**	**15 822**		**1 585**	**3 038**
Specific reserves for probable lending losses	-5 737	-6 495	-7 049		-1 013	-1 833
of which reserves for non-performing loans	-4 620	-5 175	-4 464		-843	
of which reserves for performing loans	-1 117	-1 320	-2 585		-170	
Collective reserves for individually appraised loans	-2 052	-2 027	0		-655	0
Doubtful loans net	**3 213**	**4 124**	**8 773**	**0**	**-83**	**1 205**
Reserves not included in the above:						
General reserves for SEB AG and The Baltics			-1 004			
Reserves for transfer risks	-902	-1 187	-1 523		-200	-669
Reserves for off-balance sheet items	-396	-443	-576		8	9
Total reserves	**-9 087**	**-10 152**	**-10 152**	**0**	**-1 876**	**-2 511**
Level of doubtful loans	0.47%	0.65%	1.37%		0.04%	0.54%
Reserve ratio for doubtful loans	70.8	67.4	44.6		105.2	60.3
Non-performing loans on which interest is reported as income	185	55	55			

49 Derivative instruments

	Group		Parent company	
	2002	2001	2002	2001
Interest-related	28 984	18 114	24 053	14 596
Currency-related	65 313	33 570	64 662	32 931
Equity-related	2 889	1 771	1 934	834
Other		6		6
Positive closing values or nil value	**97 186**	**53 461**	**90 649**	**48 367**
Interest-related	30 519	18 152	24 308	13 940
Currency-related	67 294	32 007	66 608	31 405
Equity-related	2 262	1 321	1 934	834
Other		6		6
Negative closing values	**100 075**	**51 486**	**92 850**	**46 185**

	Positive closing values or nil value			Negative closing values	
Group, 2002	Nom. amount	Book value	Market value	Book value	Market value
Options	93 930	783	783	694	694
Futures	1 094 566	1 717	1 717	1 696	1 696
Swaps	1 513 845	26 484	27 175	28 129	28 466
Interest-related	**2 702 341**	**28 984**	**29 675**	**30 519**	**30 856**
of which, cleared	20 039	2	2	14	14
Options	713 140	4 961	4 961	3 966	3 966
Futures	1 289 764	38 727	38 727	42 922	42 922
Swaps	327 136	21 625	21 998	20 406	20 447
Currency-related	**2 330 040**	**65 313**	**65 686**	**67 294**	**67 335**
of which, cleared					
Options	23 183	1 381	1 381	1 248	1 248
Futures	5 737	610	610	116	116
Swaps	4 377	898	898	898	898
Equity-related	**33 297**	**2 889**	**2 889**	**2 262**	**2 262**
of which, cleared	5 235	342	342	193	193
Total	**5 065 678**	**97 186**	**98 250**	**100 075**	**100 453**
of which, cleared	25 274	344	344	207	207
Group, 2001					
Options	122 848	764	764	499	499
Futures	1 305 439	984	984	885	885
Swaps	1 173 366	16 366	18 038	16 768	19 566
Interest-related	**2 601 653**	**18 114**	**19 786**	**18 152**	**20 950**
of which, cleared	7 994	4	4	4	4
Options	250 766	4 467	4 467	3 435	3 435
Futures	1 517 322	20 947	20 947	17 008	17 008
Swaps	810 686	8 156	8 854	11 564	11 613
Currency-related	**2 578 774**	**33 570**	**34 268**	**32 007**	**32 056**
of which, cleared					
Options	32 222	1 418	1 418	1 014	1 014
Futures	1 491	184	184	138	138
Swaps	3 265	169	169	169	169
Equity-related	**36 978**	**1 771**	**1 771**	**1 321**	**1 321**
of which, cleared	11 871	946	946	478	478
Futures	46	6	6	6	6
Other	**46**	**6**	**6**	**6**	**6**
of which, cleared	46	6	6	6	6
Total	**5 217 451**	**53 461**	**55 831**	**51 486**	**54 333**
of which, cleared	19 911	956	956	488	488

Note 49 ctd. Derivative instruments

	Positive closing values or nil value			Negative closing values	
Parent company 2002	Nom. amount	Book value	Market value	Book value	Market value
Options	67 589	311	311	241	241
Futures	1 092 119	1 710	1 710	1 677	1 677
Swaps	1 416 015	22 032	22 723	22 390	22 727
Interest-related	**2 575 723**	**24 053**	**24 744**	**24 308**	**24 645**
of which, cleared	18 507				
Options	713 140	4 961	4 961	3 966	3 966
Futures	1 273 874	38 361	38 361	42 494	42 494
Swaps	321 727	21 340	21 713	20 148	20 189
Currency-related	**2 308 741**	**64 662**	**65 035**	**66 608**	**66 649**
of which, cleared					
Options	17 217	1 036	1 036	1 036	1 036
Swaps	4 377	898	898	898	898
Equity-related	**21 594**	**1 934**	**1 934**	**1 934**	**1 934**
of which, cleared					
Total	**4 906 058**	**90 649**	**91 713**	**92 850**	**93 228**
of which, cleared	18 507				
Parent company 2001					
Options	54 943	275	275		
Futures	1 279 933	971	971	883	883
Swaps	1 002 815	13 350	15 022	13 057	15 855
Interest-related	**2 337 691**	**14 596**	**16 268**	**13 940**	**16 738**
of which, cleared	3 444	2	2		
Options	250 344	4 436	4 436	3 403	3 403
Futures	1 504 046	20 722	20 722	16 788	16 788
Swaps	800 635	7 773	8 471	11 214	11 263
Currency-related	**2 555 025**	**32 931**	**33 629**	**31 405**	**31 454**
of which, cleared					
Options	12 946	665	665	665	665
Swaps	3 264	169	169	169	169
Equity-related	**16 210**	**834**	**834**	**834**	**834**
of which, cleared	1 222	78	78	78	78
Futures	46	6	6	6	6
Other	**46**	**6**	**6**	**6**	**6**
of which, cleared	46	6	6	6	6
Total	**4 908 972**	**48 367**	**50 737**	**46 185**	**49 032**
of which, cleared	4 712	86	86	84	84

50 Fair value information

	Group 2002		Group 2001	
	Book value	Fair value	Book value	Fair value
Current assets				
Cash and Central Bank balances	4 800	4 800	5 324	5 324
Eligible Treasury Bills etc.	87 836	88 529	78 009	78 102
Bonds and other interest-bearing securities	104 384	104 426	70 930	70 958
Shares and participations	8 012	8 012	7 567	7 567
Assets in insurance operations	6 841	6 841	7 834	7 834
Tangible assets	50	50	87	87
Other assets	111 870	112 993	86 021	88 391
Prepaid expenses and accrued income	11 184	11 184	10 396	10 396
Total	**334 977**	**336 775**	**266 168**	**268 659**

Note 50 ctd. Fair value information

	Group 2002 Book value	Fair value	Group 2001 Book value	Fair value
Fixed assets				
Cash and Central Bank balances	8 669	8 669	6 309	6 309
Eligible Treasury Bills etc.	6	6	234	234
Lending to credit institutions	150 380	150 961	175 380	176 532
Lending to the general public	680 206	685 871	634 995	638 506
Bonds and other interest-bearing securities	3 753	3 762	3 860	3 881
Shares and participations	994	868	1 002	1 002
Shares and participations in associated companies	1 642	2 075	1 658	1 971
Assets in insurance operations	45 477	45 480	58 625	58 625
Intangible fixed assets	10 829	10 829	10 308	10 308
Tangible assets	4 179	4 111	4 776	4 712
Total	**906 135**	**912 632**	**897 147**	**902 080**
Assets	**1 241 112**	**1 249 407**	**1 163 315**	**1 170 739**
Liabilities and provisions				
Liabilities to credit institutions	234 289	234 854	221 686	222 481
Deposits and borrowings from the general public	499 542	500 758	465 243	466 288
Securities issued, etc.	205 156	209 553	194 682	197 518
Liabilities, insurance operations	50 163	50 163	64 111	64 111
Other liabilities	159 084	159 462	118 745	121 592
Accrued expenses and prepaid income	13 197	13 197	14 978	14 978
Provisions	8 337	8 337	9 136	9 136
Subordinated liabilities	25 326	25 451	30 008	29 838
Total	**1 195 094**	**1 201 775**	**1 118 589**	**1 125 942**

The above calculation comprises balance sheet items at fixed rates of interest during fixed periods. This means that all items subject to variable rates of interest, i.e. deposit/lending volumes for which interest terms are market-related, have not been recalculated; the nominal amount is considered to equal a fair value.

When calculating fair values for fixed-interest rate lending, future interest income is discounted with the help of a market interest curve, which has been adjusted for applicable margins on new lending. Correspondingly, fixed-interest rate-related deposits/lending are discounted with the help of the market interest curve, adjusted for relevant margins.

In addition to fixed-rate deposits/lending, adjustments have also been made for surplus values in properties and certain shareholdings.

One effect of this calculation method is that the fair values arrived at in times of falling margins on new lending will be higher than book values, while the opposite is true in times of rising margins. It should furthermore be noted that this calculation does not represent a market valuation of the Group as a company.

51 The Parent company's receivables and liabilities towards Group and associated companies

	Parent company 2002 Group companies	Associated companies	Totalt	Parent company 2001 Group-companies	Associated companies	Totalt
Lending to credit institutions	130 724	4	**130 728**	120 372	4	**120 376**
Lending to the general public	2 142		**2 142**	6 625		**6 625**
Bonds and other interest-bearing securities	12 893	117	**13 010**	8 938		**8 938**
Total	**145 759**	**121**	**145 880**	**135 935**	**4**	**135 939**
Liabilities to credit institutions	51 022	6	**51 028**	33 333	12	**33 345**
Deposits and borrowings from the general public	5 094	31	**5 125**	6 002	26	**6 028**
Securities issued etc.	17		**17**	6		**6**
Total	**56 133**	**37**	**56 170**	**39 341**	**38**	**39 379**

52 Information regarding rental contracts for premises

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
2002		1 258		652
2003	1 114	1 004	531	489
2004	1 021	879	453	435
2005	876	756	387	357
2006	765	678	317	307
2007	734	2 680	315	1 814
2008 and later	2 392		1 481	
Total	**6 902**	**7 255**	**3 484**	**4 054**

53 Capital adequacy

Calculation of capital base	Financial group of undertakings[1] 2002	2001	Parent company 2002	2001
Shareholders equity in the balance sheet	45 696	44 292	27 550	27 570
Proposed dividend to be decided by the Annual General Meeting	-2 818	-2 818	-2 818	-2 818
Deductions from the financial group of undertakings [2]	-1 277	-1 140		
Shareholders equity in the capital adequacy	**41 601**	**40 334**	**24 732**	**24 752**
Core capital contribution	1 830	1 861	9 456	9 410
Minority interest [3]	1 843	1 239		
Goodwill [3,4]	-5 587	-4 775		
Core capital (tier 1)	**39 687**	**38 659**	**34 188**	**34 162**
Dated subordinated debts	13 231	11 145	9 961	8 148
Deductions for remaining maturity	-1 451	-3 150		-2 287
Perpetual subordinated debt	10 504	16 869	10 455	18 684
Supplementary capital (tier 2)	**22 284**	**24 864**	**20 416**	**24 545**
Deductions for investments in insurance companies [4]	-8 788	-8 610	-7 334	-7 687
Deductions for other investments outside the financial group of undertakings	-459	-543	-206	-299
Capital	**52 724**	**54 370**	**47 064**	**50 721**
Calculation of capital requirement for different credit risks				
Balance sheet items				
Group A (0%)	212 644	182 887	236 093	215 349
Group B (20%)	114 077	153 893	35 577	69 686
Group C (50%)	196 713	184 102	12 199	10 051
Group D (100%)	297 864	304 515	108 621	123 191
Total investments	**821 298**	**825 397**	**392 490**	**418 277**
Group A (0%)				
Group B (20%)	22 815	30 779	7 115	13 937
Group C (50%)	98 356	92 051	6 099	5 026
Group D (100%)	297 865	304 515	108 621	123 191
Risk-weighted amount	**419 036**	**427 345**	**121 835**	**142 154**
Off-balance-sheet items				
Grupp A (0%)	81 567	68 219	58 425	56 468
Grupp B (20%)	237 458	246 948	101 244	132 821
Grupp C (50%)	19 172	13 757	5 843	6 569
Grupp D (100%)	76 575	70 108	31 921	54 613
Nominal amount	**414 772**	**399 032**	**197 433**	**250 471**
Group A (0%)	5 555	11 465	3 219	8 565
Group B (20%)	13 567	12 454	7 955	7 981
Group C (50%)	1 641	1 559	4 975	5 631
Group D (100%)	39 640	36 364	31 921	30 488
Recalculated amount	**60 403**	**61 842**	**48 070**	**52 665**
Group A (0%)				
Group B (20%)	2 713	2 491	1 591	1 596
Group C (50%)	821	779	2 488	2 816
Group D (100%)	39 640	36 364	31 921	30 488
Risk-weighted amount	**43 174**	**39 634**	**36 000**	**34 900**
Total risk-weighted amount for credit risks	**462 210**	**466 979**	**157 835**	**177 054**
Calculation of capital requirements for market risks				
Risk-weighted amount for interest rate risks	20 330	15 307	18 172	13 401
of which, for specific risks	15 175	10 990	13 912	9 993
of which, for general risks	5 155	4 317	4 260	3 408
Risk-weighted amount for equity-price risks	374	666	187	84
of which, for specific risks	131	268	62	28
of which, for general risks	243	398	125	56
Risk-weighted amount for liquidation risks	103	618		
Risk-weighted amount for counterparty risks and other risks	13 723	14 120	11 435	12 116
Risk-weighted amount for currency-related risks	6 668	3 758	6 569	3 523
Total risk-weighted amount for market risks	**41 198**	**34 469**	**36 363**	**29 124**

Note 53 ctd. Capital adequacy

Calculation of total capital ratio	Financial group of undertakings [1] 2002	2001	Parent company 2002	2001
Total capital base	52 724	54 370	47 064	50 721
Total risk-weighted amount for credit and market risks	503 408	501 448	194 198	206 178
Total capital ratio %	**10.47**	**10.84**	**24.23**	**24.60**

1) The Capital adequacy analysis comprise the financial group of undertakings which include non-consolidated associated companies and exclude insurance companies.

2) The deduction 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.

3) The minority interest and goodwill that is includeed 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.

4) Goodwill 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.

54 Geographical distribution of income

	Group 2002	2001	Parent company 2002	2001
Sweden	19 847	19 509	16 244	16 648
Rest of Nordic region	5 264	5 786	4 730	4 992
Rest of Europe	22 808	25 857	2 701	3 124
Rest of world	1 175	2 464	1 149	2 392
Interest receivable	**49 094**	**53 616**	**24 824**	**27 156**
Sweden			586	538
Rest of Nordic region				
Rest of Europe			72	57
Rest of world				
Leasing income			**658**	**595**
Sweden	16	40	895	634
Rest of Nordic region	8	9		
Rest of Europe	61	46		
Rest of world	1			
Dividends received	**86**	**95**	**895**	**634**
Sweden	5 886	7 183	4 449	4 621
Rest of Nordic region	1 805	1 361	207	181
Rest of Europe	3 715	4 063	186	259
Rest of world	369	432	168	131
Commissions receivable	**11 775**	**13 039**	**5 010**	**5 192**
Sweden	1 159	1 691	1 148	1 522
Rest of Nordic region	308	286	287	259
Rest of Europe	851	836	207	390
Rest of world	91	174	92	170
Net result of financial transactions	**2 409**	**2 987**	**1 734**	**2 341**
Sweden	642	1 034	507	1 317
Rest of Nordic region	43	33	25	18
Rest of Europe	464	819	109	124
Rest of world	40	34	14	45
Other operating income	**1 189**	**1 920**	**655**	**1 504**
Sweden	27 550	29 457	23 829	25 280
Rest of Nordic region	7 428	7 475	5 249	5 450
Rest of Europe	27 899	31 621	3 275	3 954
Rest of world	1 676	3 104	1 423	2 738
Total	**64 553**	**71 657**	**33 776**	**37 422**

55 Information regarding distribution of assets and liabilities in main currencies

	Group 2002	2001	Parent company 2002	2001
SEK	21 670	41 351	93 029	121 827
EUR	46 661	69 065	43 533	27 962
USD	36 799	47 604	37 988	52 464
GBP	1 491	1 711	4 825	5 343
DKK	26 043	10 475	26 103	10 795
NOK	8 927	897	10 632	670
Other currencies	8 789	4 277	10 572	8 303
Lending to credit institutions	**150 380**	**175 380**	**226 682**	**227 364**

Note 55 ctd. Information regarding distribution of assets and liabilities in main currencies

	Group		Parent company	
	2002	2001	2002	2001
SEK	291 034	270 914	136 892	128 164
EUR	289 173	257 127	24 039	19 852
USD	33 742	44 765	26 222	32 948
GBP	9 114	11 292	5 052	6 342
DKK	28 584	22 793	27 009	21 486
NOK	9 274	7 910	6 843	8 660
Other currencies	19 285	20 194	5 474	5 905
Lending to the general public	**680 206**	**634 995**	**231 531**	**223 357**
SEK	38 867	22 223	33 510	24 866
EUR	94 556	64 472	46 223	26 914
USD	29 844	29 685	14 460	29 240
GBP	559	647	559	647
DKK	22 682	27 568	14 611	25 584
NOK	3 039	3 669	2 543	3 669
Other currencies	6 432	4 769	86	2 435
Bonds and other interest-bearing securities	**195 979**	**153 033**	**111 992**	**113 355**
SEK	82 838	89 625	72 107	51 152
EUR	29 885	26 850	36 983	21 644
USD	45 440	30 278	59 362	28 732
GBP	7 205	10 788	1 943	2 709
DKK	9 445	18 670	15 785	18 896
NOK	29 888	14 133	27 867	11 437
Other currencies	9 846	9 563	9 695	5 734
Other assets	**214 547**	**199 907**	**223 742**	**140 304**
SEK	434 409	424 113	335 538	326 009
EUR	460 275	417 514	150 778	96 372
USD	145 825	152 332	138 032	143 384
GBP	18 369	24 438	12 379	15 041
DKK	86 754	79 506	83 508	76 761
NOK	51 128	26 609	47 885	24 436
Other currencies	44 352	38 803	25 827	22 377
Total assets	**1 241 112**	**1 163 315**	**793 947**	**704 380**
Liabilities, provisions and shareholders' equity				
SEK	38 061	57 439	49 506	63 905
EUR	83 301	55 978	78 185	30 327
USD	61 954	55 709	62 065	58 877
GBP	10 674	7 827	11 063	7 750
DKK	23 407	32 531	22 886	32 305
NOK	5 396	3 469	4 654	4 873
Other currencies	11 496	8 733	6 314	5 664
Liabilities to credit institutions	**234 289**	**221 686**	**234 673**	**203 701**
SEK	196 737	177 533	196 986	179 025
EUR	203 121	193 123	27 573	24 988
USD	32 379	38 438	24 291	28 877
GBP	6 683	8 741	6 707	8 595
DKK	18 819	12 835	16 757	11 458
NOK	17 098	14 091	16 041	12 966
Other currencies	24 705	20 482	6 702	5 829
Deposits and borrowing from the general public	**499 542**	**465 243**	**295 057**	**271 738**
SEK	71 451	54 802	7 382	6 868
EUR	94 956	100 294	3 510	8 191
USD	14 138	13 942	14 116	13 942
GBP	21 295	22 346	21 295	22 345
DKK				
NOK	1 524	1 211	1 524	1 212
Other currencies	1 792	2 087	1 158	1 806
Securities issued, etc.	**205 156**	**194 682**	**48 985**	**54 364**

Note 55 ctd. Information regarding distribution of assets and liabilities in main currencies

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
SEK	97 100	102 581	49 242	41 427
EUR	25 131	27 008	8 876	5 774
USD	55 014	29 377	52 051	26 335
GBP	7 528	10 390	1 400	1 619
DKK	21 524	28 079	21 080	27 492
NOK	22 409	8 618	20 716	7 132
Other currencies	2 397	1 351	1 110	- 95
Other liabilities	**231 103**	**207 404**	**154 475**	**109 684**
SEK		1 002		956
EUR	13 067	8 661	10 037	5 556
USD	8 082	14 598	8 080	14 598
GBP	1 406	1 527	1 406	1 527
DKK				
NOK	49			
Other currencies	2 722	4 220	2 722	4 195
Subordinated liabilities	**25 326**	**30 008**	**22 245**	**26 832**
SEK	45 696	44 292	37 703	37 794
EUR			457	13
USD			84	79
GBP				
DKK				
NOK			268	175
Other currencies				
Shareholders' equity and untaxed reserves	**45 696**	**44 292**	**38 512**	**38 061**
SEK	449 045	437 649	340 819	329 975
EUR	419 576	385 064	128 638	74 849
USD	171 567	152 064	160 687	142 708
GBP	47 586	50 831	41 871	41 836
DKK	63 750	73 445	60 723	71 255
NOK	46 476	27 389	43 203	26 358
Other currencies	43 112	36 873	18 006	17 399
Total liabilities, provisions and shareholders' equity	**1 241 112**	**1 163 315**	**793 947**	**704 380**

56 Profit and loss account – Insurance operations – drawn up in accordance with the AAIC (Annual Accounts Act for Insurance Companies)

	Life insurance operations 2002	Life insurance operations 2001	Non-life insurance operations 2002	Non-life insurance operations 2001
Technical account - Non-life insurance operations				
Premiums earned, net of reinsurance			132	287
Allocated investment return, transferred from the non-technical account			114	169
Other technical provisions, net of reinsurance				-5
Claims incurred, net of reinsurance			-179	-231
Operating expenses			-45	-55
Other technical provisions, net of reinsurance				-103
Balance on technical account, Non-life insurance operations			**22**	**62**
Technical account - Life insurance operations				
Premiums earned, net of reinsurance	9 150	10 068		
Investment return [1]	1 564	1 366		
Unrealised gains on investment assets [1]	12	20		
Other technical provisions, net of reinsurance	459	549		
Claims incurred, net of reinsurance	-3 668	-4 126		
Change in Life insurance provisions, net of reinsurance	12 509	3 352		
Change in other technical provisions	-11	28		
Operating expenses	-834	-972		
Unrealised losses on investments [1]	-18 544	-9 589		
Other technical provisions, net of reinsurance	-16	-15		
Tax expense fee	-601	-655		
Balance on technical account - Life insurance operations	**20**	**26**		

Note 56 ctd. Profit and loss accounts - Insurance information - drawn up in accordance with the AAIC (Annual Accounts Act for Insurance Companies)

	Life insurance operations		Non-life insurance operations	
	2002	2001	2002	2001
Non-technical account				
Balance on technical account, Non-life insurance operations			**22**	**62**
Balance on technical account, Life insurance operations	**20**	**26**		
Investment return				
Investment income	68	43	263	500
Unrealised gains on investments	17		-22	16
Investment charges	-32	-4	-55	-97
Unrealised losses on investments		-18	-8	-35
Allocated investment return transferred to Non-life technical account			-114	-169
Investment return	**53**	**21**	**64**	**215**
Other income and expenses	-50	-193	-18	-20
Operating result in legal entities	**23**	**-146**	**68**	**257**
Amortisation of goodwill	-147	-147		
Result from insurance operations	**-124**	**-293**	**68**	**257**

The above table shows the result from the Group's insurance companies, which include the Non-life and Life insurance companies except for the mutual companies which are not consolidated.

1) Refers to investments for which the risk is borne by the policyholders.

Additional information

Change in surplus values in life insurance operations

	Group	
	2002	2001
Calculation of surplus values [1]		
Present value of current year's new premiums and extra premiums under existing contracts	1 181	1 222
Return on contracts made in previous years	552	621
Realised surplus value on contracts made in previous years	-673	-713
Actual outcome compared with operational assumptions [2]	346	342
Change in operations during the year	**1 406**	**1 472**
Change in operational assumptions	-447	620
Return on capital deviating from assumptions [2]	-1 727	-1 199
Total change in surplus values before deduction for deferred acquisition costs	**-768**	**893**
Current year's capitalisation of acquisition costs	-510	-615
Current year's depreciation of deferred acquisition costs	407	384
Total reported change in surplus values [3]	**-871**	**662**

1) The calculation of surplus values in life insurance operations is based upon assumptions concerning the future development of written insurance contracts and a risk-adjusted discount rate. The most important assumptions are:

	2002	2001
Discount rate	9%	9%
Surrender of endowment insurance contracts	5%	5%
Cancellations of current premiums	8–10%	8%
Growth in fund units	6%	6%
Inflation	2%	2%
Death rates	Trade experience	Trade experience

2) The current period's actual development of written insurance contracts can be put in relation to the operational assumptions that were made; the value of deviations can thus be assessed. The most important components are extensions of terms and cancellations. On the other hand, the actual outcome of income and administrative expenses is included in full in the operating result.

3) Prepaid acquisition costs are capitalised in the accounts and depreciated according to plan. Reported changes in surplus values are therefore adjusted with thet net of the period's capitalisation and depreciation.

SEB-group

Profit and Loss Accounts

SEK M	2002	2001	2000	1999	1998
Net interest income	13 719	13 011	11 556	6 825	6 707
Net commission income	9 975	11 186	13 463	8 075	6 619
Net result of financial transactions	2 409	2 987	3 544	2 025	1 757
Other operating income	1 275	2 015	3 085	1 873	2 445
Income from banking operations	**27 378**	**29 199**	**31 648**	**18 798**	**17 528**
Administrative expenses	-18 220	-20 078	-20 579	-13 369	-11 900
Depreciation and write-downs	-1 477	-1 637	-1 556	-973	-926
Merger and restructuring costs	-200	-661			
Costs from banking operating	**-19 897**	**-22 376**	**-22 135**	**-14 342**	**-12 826**
Profit from baning operations, before credit losses	**7 481**	**6 823**	**9 513**	**4 456**	**4 702**
Lending losses and changes in value	-828	-547	-815	318	-2 247
Write-downs of financial fixed assets	-29	-69	-75	-29	-4
Net result from associated companies	-104	-20	104	116	
Operating profit from banking operations	**6 520**	**6 187**	**8 727**	**4 861**	**2 451**
Operating profit from insurance operations	-56	-36	73	261	2 350
Operating profit	**6 464**	**6 151**	**8 800**	**5 122**	**4 801**
Pension provision	948	1 002	943	873	531
Taxes	-2 057	-2 058	-2 856	-1 355	-1 000
Minority interests	-37	-44	-245	-56	-6
Net profit for the year	**5 318**	**5 051**	**6 642**	**4 584**	**4 326**

Balance sheets

SEK M	2002	2001	2000	1999	1998
Lending to credit institutions	150 380	175 380	165 395	103 521	84 710
Lending to the public	680 206	634 995	605 759	342 907	324 433
Interest-bearing securities	195 979	153 033	158 047	93 532	110 718
Shares and participations	10 648	10 227	8 688	8 128	41 040
Assets in insurance operations	52 318	66 459	71 749	67 146	73 354
Other assets	151 581	123 221	113 172	95 021	55 402
Total assets	**1 241 112**	**1 163 315**	**1 122 810**	**710 255**	**689 657**
Liabilities to credit institutions	234 289	221 686	217 364	117 774	149 659
Deposits and borrowing from the public	499 542	465 243	419 887	229 534	187 901
Securities issued, etc.	205 156	194 682	201 783	122 143	133 052
Liabilities in insurance operations	50 163	64 111	66 932	63 198	56 464
Other liabilities	180 940	143 293	143 825	118 718	108 137
Subordinated liabilities	25 326	30 008	31 410	25 882	24 010
Shareholders' equity	45 696	44 292	41 609	33 006	30 434
Total liabilities, provisions and shareholders' equity	**1 241 112**	**1 163 315**	**1 122 810**	**710 255**	**689 657**

Key ratios

	2002	2001	2000	1999	1998
Return on equity, per cent	12.0	11.9	16.9	14.6	14.8
Result for the year per share, SEK	7.60	7.17	9.43	6.96	6.58
Cost/Income ratio	0.69	0.73	0.67	0.72	0.70
Cost/Income ratio, banking operations	0.73	0.77	0.70	0.76	0.73
Lending loss level, per cent	0.13	0.09	0.12	- 0.09	0.65
Level of doubtful loans, per cent	0.47	0.65	1.37	0.82	1.08
Total capital ratio, per cent	10.5	10.8	10.8	14.6	10.9
Core capital ratio, per cent	7.9	7.7	7.4	10.8	8.1

Skandinaviska Enskilda Banken

Profit and Loss Accounts

SEK M	2002	2001	2000	1999	1998
Net interest income	5 744	5 087	4 830	5 029	4 893
Net commission income	4 142	4 356	5 958	4 765	4 847
Net result of financial transactions	1 734	2 341	2 298	1 343	1 752
Other income	1 550	2 138	4 147	5 782	5 191
Total operating income	**13 170**	**13 922**	**17 233**	**16 919**	**16 683**
Administrative expenses	-9 518	-10 836	-11 737	-11 746	-10 224
Depreciation and write-downs	-291	-311	-317	-266	-201
Merger- and restructuring costs	-109	-575			
Total operating costs	**-9 918**	**-11 722**	**-12 054**	**-12 012**	**-10 425**
Profit before credit losses	**3 252**	**2 200**	**5 179**	**4 907**	**6 258**
Lending losses and changes in value	-83	186	136	405	-2 132
Write-downs of financial fixed assets	-405	-750	-658	-3 057	-3 330
Operating profit	**2 764**	**1 636**	**4 657**	**2 255**	**796**
Appropriations including pension compensation	-661	-751	-1 364	-990	-614
Taxes	-476	-210	-472	-68	819
Net profit for the year	**1 627**	**675**	**2 821**	**1 197**	**1 001**

Balance sheets

SEK M	2002	2001	2000	1999	1998
Lending to credit institutions	226 682	227 364	185 570	163 647	130 683
Lending to the public	231 531	223 357	220 493	189 248	199 123
Interest-bearing securities	156 952	113 355	118 418	87 422	105 236
Shares and participations	49 907	44 352	44 485	28 692	24 162
Other assets	128 875	95 952	93 391	93 566	98 958
Total assets	**793 947**	**704 380**	**662 357**	**562 575**	**558 162**
Liabilities to credit institutions	234 673	203 701	198 618	121 601	153 876
Deposits and borrowing from the public	295 057	271 738	234 650	218 727	185 805
Securities issued, etc.	48 985	54 364	55 247	60 364	67 647
Other liabilities	154 475	109 684	108 574	107 452	101 020
Subordinated liabilities	22 245	26 832	28 207	25 560	23 058
Shareholders' equity and untaxed reserves	38 512	38 061	37 061	28 871	26 756
Total liabilities, provisions and shareholders' equity	**793 947**	**704 380**	**662 357**	**562 575**	**558 162**

Proposal for the distribution of profit

The non-restricted funds of the SEB Group amount to SEK 10,828 M. Standing at the disposal of the Annual General Meeting in accordance with the balance sheet of Skandinaviska Enskilda Banken, SEK 6,774,951,719.

	SEK M
Retained profits	5,148
Result for the year	1,627
Non-restricted equity	6,775

The Board proposes that, following approval of the balance sheet of Skandinaviska Enskilda Banken for the financial year 2002, the Annual General Meeting should distribute the above-mentioned unappropriated funds as follows:

	SEK
declare a dividend of	
SEK 4.00 per Series A share	2,695,136,492
SEK 4.00 per Series C share	123,094,228
and bring forward to next year	3,956,720,999

Stockholm 13 February, 2003

Jacob Wallenberg
Chairman

Marcus Wallenberg

Gösta Wiking

Penny Hughes

Urban Jansson

Ulf Jensen

Tuve Johannesson

Hans-Joachim Körber

Carl Wilhelm Ros

Inger Smedberg

Lars H Thunell
President

Auditors' report

To the Annual General Meeting of Shareholders of Skandinaviska Enskilda Banken AB (publ); Corporate registration number 502032-9081

We have examined the Annual Report, consolidated financial statements, book-keeping and the administration of the Board of Directors and President of Skandinaviska Enskilda Banken AB (publ) for the financial year 2002. The responsibility for the financial statements and administration rests with the Board of Directors and President. It is our responsibility to express our opinion on the Annual Report, consolidated financial statements and administration on the basis of our audit.

Our examination was performed in accordance with generally accepted auditing standards in Sweden, which means that we have planned and implemented our audit in order to make sure as far as reasonable that the Annual Report and the consolidated financial statements do not contain any material errors. An audit implies that a selected number of documents forming the basis of amounts and other information in the accounts is examined. An audit furthermore implies a test of the accounting principles and the Board's and President's application of these as well as an evaluation of the total information contained in the Annual Report and consolidated accounts. To support our recommendation regarding discharge from liability, we have examined all essential decisions, measures and circumstances in the company in order to be able to assess whether any member of the Board of Directors or the President is liable for damages towards the company

We have furthermore examined whether or not any member of the Board of Directors or the President has acted in violation in any other respect of the Banking Companies Act, the Swedish Companies Act, the Act on Annual Accounts of Credit Institutions and Securities Companies or the Articles of Association. We consider that our audit gives us reasonable grounds for our opinions expressed below.

The Annual Report and the consolidated financial statements have been drawn up in compliance with the Act on Annual Accounts of Credit Institutions and Securities Companies and therefore present a true picture of the results and position of the company and the Group in accordance with generally accepted auditing standards in Sweden.

We therefore recommend that the Annual General Meeting adopt the profit and loss account and balance sheet of the parent company and the Group, distribute the profit in the parent company according to the proposal in the Report of the Directors and discharge the members of the Board of Directors and the President from personal liability for the financial year.

Stockholm 13 February 2003

PricewaterhouseCoopers

Göran Jacobsson
Authorised Public Accountant

Peter Clemedtson
Authorised Public Accountant

Ulf Järlebro
Authorised Public Accountant
Appointed by the Financial Supervisory Authority

Jacob Wallenberg

Lars H Thunell and Ulf Jensen

Hans-Joachim Körber

Inger Smedberg

Tuve Johannesson and Gösta Wiking

Penny Hughes and Carl Wilhelm Ros

Urban Jansson

Marcus Wallenberg

Lars Gustafsson

Göran Arrius

Ingrid Tegvald

BOARD OF DIRECTORS

Elected by the Annual General Meeting

Jacob Wallenberg[4,5,6]
Born 1956; elected 1997.
Chairman of the Board.
Deputy Chairman Investor, Atlas Copco, Electrolux, The Knut and Alice Wallenberg Foundation and SAS. Director ABB, Confederation of Swedish Enterprise and the Nobel Foundation.
Shareholding: 148,902 Series A shares and 5,046 Series C shares.

Marcus Wallenberg
Born 1956; elected 2002.
Deputy Chairman.
President Investor. Deputy Chairman Ericsson and Saab. Director AstraZeneca Plc, Knut and Alice Wallenberg Foundation and Stora Enso.
Shareholding: 101,276 Series A shares and 1,626 Series C shares.

Gösta Wiking[2,3,7]
Born 1937; elected 1997.
Deputy Chairman.
Chairman Mölnlycke Health Care, Tribon and Angiogenetics. Director Bong Ljungdahl, Karlshamn and XCounter.
Shareholding: 3,600 Series A shares.

Penny Hughes[7]
Born 1959; elected 2000.
Director Vodafone, web-angel, Trinity Mirror and GAP Inc.
Shareholding: 0

Urban Jansson[1]
Born 1945; elected 1996.
Chairman Plantagen and Proffice. Director Addtech, Ahlstrom Corp, Anoto Group and Pyrosequencing.
Shareholding: 8,000 Series A shares.

Tuve Johannesson
Born 1943; elected 1997.
Chairman Ecolean International A/S and Gorthon Lines. Deputy Chairman Volvo Car Corporation. Director Cardo, IFS, Chumak Ukraine and Swedish Match.
Shareholding: 16,800 Series A shares.

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

Carl Wilhelm Ros[3,4]
Born 1941, elected 1999.
Chairman Dahl International. Director NCC, INGKA (Ikea) Holding, LKAB, Bonnier and ProfilGruppen.
Shareholding: 3,301 Series A shares and 26 Series C shares.

Lars H Thunell[3]
Born 1948; elected 1997.
Dr Phil.
President and Group Chief Executive.
Chairman IBX AB. Director Akzo Nobel N.V., b-business partners, Swedish Bankers' Association, The Swedish Industry and Commerce Stock Exchange Committee, and Mentor Foundation.
Shareholding: 9,000 Series A shares, 117,000 call options and 884,069 employee stock options.

Deputy Director elected by the Annual General Meeting

Lars Gustafsson
Born 1946; elected 2002.
Executive Vice President and Deputy Group Chief Executive; Head of Group Staff, Head of SEB IT and Head of the SEB Baltic & Poland Division.
Director VPC and Stockholm International Fair.
Shareholding: 322 Series A shares, 8,250 call options and 356,862 employee stock options.

Directors appointed by the employees:

Ulf Jensen
Born 1950; appointed 1997 (1995).
Chairman SEB Group Committee of the Swedish Union of Financial Sector Employees and Stockholm City Regional Club of the same union.
Shareholding: 0

Inger Smedberg
Born 1949; appointed 1998.
Deputy Chairman SEB Group Committee of the Swedish Union of Financial Sector Employees and Chairman of the Club H & T of the same union.
Shareholding: 0

Deputy Directors appointed by the employees

Göran Arrius
Born 1959; appointed 2002.
Chairman Association of University Graduates at SEB.
Shareholding: 0

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

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


Anders Rydin


Liselotte Hjorth


Fleming Carlborg


Lars Lundquist


Annika Bolin


Lars Gustafsson


Lars H Thunell


Harry Klagsbrun and Anders Mossberg

GROUP EXECUTIVE COMMITTEE

Lars H Thunell
Born 1948; SEB employee since 1997.
Dr Phil.
President and Group Chief Executive.
Chairman IBX AB. Director Akzo Nobel N.V., b-business partners, Swedish Bankers' Association, The Swedish Industry and Commerce Stock Exchange Committee and Mentor Foundation.
Shareholding: 9,000 Series A shares, 117,000 call options and 884,069 employee stock options.

Lars Gustafsson
Born 1946; SEB employee since 1982.
Executive Vice President and Deputy Group Chief Executive; Head of Group Staff, Head of SEB IT and Head of SEB Baltic & Poland since 2001.
Director VPC, Stockholm International Fair.
Shareholding: 322 Series A shares, 8,250 call options and 356,862 employee stock options.

Annika Bolin
Born 1962; SEB employee since 1987.
B. Sc. (Econ).
Executive Vice President and Head of Corporate & Institutions since 2001; Head of Merchant Banking since 2000.
Director Invest in Sweden Agency (ISA) and Ruter Dam.
Shareholding: 353,922 employee stock options.

Fleming Carlborg
Born 1956; SEB employee since 1974.
Executive Vice President, Head of Nordic Retail & Private Banking since 2001.
Shareholding: 2,148 Series A shares, 120 Series C shares, 2,050 call options and 323,921 employee stock options.

Liselotte Hjorth
Born 1957. SEB employee 1983–97 and since 1998; B. Sc. (Econ).
Executive Vice President, Head of Group Credits since 1998.
Director Swedish Auditing Academy.
Shareholding: 160,294 employee stock options.

Harry Klagsbrun
Born 1954; SEB employee since 2001.
MBA
Executive Vice President, Head of SEB Asset Management since 2001.
Shareholding: 30,000 Series A shares and 127,329 employee stock options.

Lars Lundquist
Born 1948; SEB employee since 1997.
MBA.
Executive Vice President; Head of SEB Germany since 2000 and CEO SEB AG since 2001; Chief Financial Officer since 1 January 2003.
Director Celtica.
Shareholding: 0 shares, 10,300 call options and 405,883 employee stock options.

Anders Mossberg
Born 1952; SEB employee since 1985.
Executive Vice President, Head of SEB Trygg Liv since 1997.
Director Sveriges Försäkringsförbund, Codan Link AS, Financial Education AB.
Shareholding: 7,008 Series A shares, 10,300 call options and 363,720 employee stock options.

Anders Rydin
Born 1945; SEB employee since 1997.
B. Sc. (Econ).
Executive Vice President, Chief Financial Officer as from 1997 until 31 December 2002; Senior Advisor as from January 2003.
Director Swedish Association for Share Promotion and Cardo.
Shareholding: 20,400 Series A shares, 20,600 call options and 379,902 employee stock options.

AUDITORS

Auditors elected by the Annual General Meeting

PriceWaterhouseCoopers
Göran Jacobsson
Born 1947; auditor in SEB since 1993.
Authorised Public Accountant, auditor in charge.

Peter Clemedtson
Born 1956; auditor in SEB since 1993.
Authorised Public Accountant.

Auditor appointed by the Financial Supervisory Authority

Ulf Järlebro
Born 1947; auditor in SEB since 1999.
Authorised Public Accountant,
BDO Feinstein Revision

Addresses

Head Office

Group Executive Committee
Postal Address: SE-106 40 Stockholm
Visiting Address: Kungsträdgårdsgatan 8
Telephone: +46 8 763 80 00, +46 8 22 19 00
(Management)

Divisions and Business Areas

Nordic Retail & Private Banking
Postal Address: SE-106 40 Stockholm
Visiting Address: Sergels Torg 2
Telephone: +46 8 763 50 00, +46 8 763 80 00

Corporate & Institutions
Merchant Banking
Postal Address: SE-106 40 Stockholm
Visiting Address: Kungsträdgårdsgatan 8
Telephone: +46 8 763 80 00

Enskilda Securities
Postal Address: SE-103 36 Stockholm
Visiting Address: Nybrokajen 5
Telephone: +46 8 52 22 95 00

SEB Asset Management
Postal Address: SE-106 40 Stockholm
Visiting Address: Sveavägen 8
Telephone: +46 8 788 60 00

SEB Trygg Liv
Postal Address: SE-106 40 Stockholm
Visiting Address: Sergels Torg 2
Telephone: + 46 8 785 10 00

SEB AG Group/German Retail & Mortgage Banking
Postal Address: DE-603 25 Frankfurt am Main
Visiting Address: Ulmenstraße 30
Telephone: +49 69 258 0

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

Skandinaviska Enskilda Banken AB's corporate registration number: 502032-9081

Annual General Meeting

The Annual General Meeting will be held on Wednesday 9 April, 2003 at 12.30 p.m. (Swedish time) at Cirkus, Djurgårdsslätten, Stockholm.

Notices convening the General Meeting including an agenda for the Meeting will be published in the major Swedish daily newspapers in March, 2003.Shareholders wishing to attend the Annual General Meeting shall

– *both* be registered in the shareholders' register kept by VPC (the Swedish Securities Register Centre) on Friday 28 March, 2003, at the latest
– *and* notify the Bank's Legal Department in writing under address KA2, SE-106 40 Stockholm, or by telephone 020 23 18 18 between 9.00 a.m. and 4.30 p.m. in Sweden or, from abroad, at +46 771 23 18 18 or via Internet on the home page of the Bank, www.seb.net, not later than 1 p.m. on Thursday 3 April, 2003.

Dividend and Record date

The Board proposes a dividend of SEK 4.00 per share. The share is traded ex dividend on Thursday 10 April, 2003. Monday 14 April 2003 is proposed as record date for the dividend payments. If the Annual General Meeting resolves in accordance with the proposals, dividend payments are expected to be distributed by VPC on Thursday 17 April 2003.

Production: SEB and Intellecta Corporate AB • Photo: Mats Lundqvist among others • Printing: Tryckindustri AB • R4739

SEB

Skandinaviska Enskilda Banken
Group Communications
S-106 40 Stockholm
Sweden