



Interim report for FöreningsSparbanken (Swedbank)
January – September 2004
October 29, 2004

Continued high profitability and strong profit trend

January – September 2004 in summary:

- Profit for the period rose by 42 percent to SEK 6,708 M (4,719)
- The sale of FI-Holding was finalized and generated a capital gain of SEK 1,270 M
- Excluding capital gains, profit for the period rose by 25 percent to SEK 5,438 M (4,367)
- Operating profit rose by 29 percent to SEK 9,153 M (7,097)
- The return on equity rose to 21.6 percent (16.0)
- Earnings per share rose by 43 percent to SEK 12.74 (8.94)
- Total income rose by 10 percent to SEK 20,144 M (18,270)
- Net interest income rose by 2 percent to SEK 12,350 M (12,105)
- Net commission income rose by 19 percent to SEK 4,973 M (4,177)
- Excluding profit-based staff costs and costs for personnel changes, expenses decreased by 1 percent
- Loan losses decreased by 52 percent to SEK 396 M (832)
- FöreningsSparbanken was named Commercial Bank of the Year for the second consecutive year

Group profit trend January – September 2004

Comparative figures refer to January – September 2003 unless otherwise indicated.

The Group's operating profit for the period January - September 2004 rose by 29 percent to SEK 9,153 M (7,097). Excluding capital gains of SEK 1,270 M on the sale of FI-Holding during the last quarter and SEK 489 M on the sale of shares in Erste Bank in 2003, the increase in operating profit was 19 percent. Income rose by 10 percent to SEK 20,144 M (18,270). Expenses rose by 7 percent to SEK 10,876 M (10,173). Excluding profit-based staff costs and costs for personnel changes, expenses decreased by 1 percent. Loan losses decreased by 52 percent to SEK 396 M (832). The return on equity rose to 21.6 percent (16.0), while earnings per share increased to SEK 12.74 (8.94).

In September the sale of FI-Holding to Kaupthing Bank was finalized. FI-Holding is included in the profit and loss account for the first eight months of the year. This year's third quarter includes a capital gain on the sale of SEK 1,270 M under Other income. Until its divestiture, FI-Holding contributed to operating profit in the amount of SEK 632 M (SEK 624 M for January – September 2003).

Income rose 10 percent

The Group's income rose by SEK 1,874 M or 10 percent to SEK 20,144 M (18,270). Excluding capital gains of SEK 1,270 M on the sale of FI-Holding during the last quarter and SEK 489 M on the sale of shares in Erste Bank in the first half of 2003, income rose by SEK 1,093 M or 6 percent. Net interest income rose by 2 percent or SEK 245 M and net commission income rose by 19 percent or SEK 796 M.

Net interest income

The Group's net interest income amounted to SEK 12,350 M (12,105). In the Swedish Retail operations, net interest income rose by SEK 185 M to SEK 9,308 M (9,123). Net interest income was positively affected by continued increases in lending and deposit volumes. Low interest rates, on the other hand, again had a negative effect on net interest income, mainly in the form of lower deposit margins. Swedbank Markets' net interest income decreased by SEK 40 M. In International Banking, net interest income was unchanged but rose by SEK 150 M excluding FI-Holding. Net interest income in Shared Services & Group Staffs rose by SEK 113 M.

Net commission income rose 19 percent

Net commission income rose by 19 percent or SEK 796 M to SEK 4,973 M (4,177). Higher use of debit and credit cards led to an increase in payment commissions of 17 percent or SEK 244 M to SEK 1,683 M (1,439). Asset management commissions rose by 23 percent or SEK 381 M to SEK 2,011 M (1,630). The increase was due to both strong gains in fund contributions and the appreciation of fund assets from rising stock prices. Higher stock market activity led to a 43 percent jump in brokerage commissions to SEK 299 M (209).

Net profit on financial operations

Net profit on financial operations rose by 15 percent to SEK 626 M (544). Profit from equity trading rose by SEK 44 M, while profit from trading in interest-bearing securities and other financial instruments rose by SEK 59 M. Income from foreign exchange operations decreased by SEK 21 M.

Other income

Other income rose by 57 percent to SEK 2,107 M (1,343). This year's third quarter includes a capital gain of SEK 1,270 M on the sale of FI-Holding, while the second quarter of 2003 includes a capital gain of SEK 489 M on the sale of shares in Erste Bank.

Expenses

The Group's expenses rose by 7 percent or SEK 703 M to SEK 10,876 M (10,173). Excluding profit-based staff costs of SEK 800 M (267) and costs for personnel changes of SEK 244 M (0), expenses decreased by 1 percent.

Staff costs

Staff costs rose to SEK 5,911 M (5,151). In the Swedish operations, staff costs amounted to SEK 5,144 M (4,467). Excluding profit-based staff costs of SEK 672 M (199) and costs for personnel changes of SEK 244 M (0), staff costs decreased by 1 percent or SEK 40 M. Included in profit-based staff costs is an allocation to the employees' profit-sharing system Kopparmyntet, amounting to SEK 435 M (103). In International Banking, staff costs amounted to SEK 767 M (684). Of the increase, SEK 60 M was profit-based staff costs.

Change in the number of Group employees expressed in terms of full-time positions

	Sep 30 2004	Dec 31 2003	Sep 30 2003
Total number of employees	15,183	15,366	15,359
<i>Of which Swedish operations</i>	<i>9,129</i>	<i>9,435</i>	<i>9,591</i>
<i>Of which International banking operations</i>	<i>6,054</i>	<i>5,931</i>	<i>5,768</i>

The number of employees decreased by 153 due to the sale of FI-Holding.

Other expenses

Other expenses – i.e. other administrative expenses, depreciation of tangible fixed assets and amortization of goodwill – decreased slightly to SEK 4,965 M (5,022). Depreciation of tangible fixed assets decreased by SEK 82 M to SEK 425 M (507) and amortization of goodwill amounted to SEK 462 M (460).

Lower IT expenses

IT expenses include all development and production expenditures as well as computer equipment service costs and depreciation. IT expenses, after deducting IT-related income from partly owned banks and independent savings banks, amounted to SEK 1,428 M (1,509). The corresponding expense in the Swedish operations was SEK 1,253 M (1,318).

Loan losses declined

The loan loss level fell to 0.07 percent (0.16). Loan losses declined by 52 percent to SEK 396 M (832). Hansabank's loan losses amounted to SEK 181 M (205). The Group's doubtful claims, gross, amounted to SEK 2,788 M as of September 30, 2004, compared with SEK 3,375 M excluding FI-Holding on December 31, 2003. Loan loss reserves amounted to SEK 3,912 M (5,053). A specification of loan losses and claims is provided in Notes 3 and 4.

Share of profits of associated companies improved

The share of profits of associated companies amounted to SEK 281 M (-191). During the quarter BGC Holding was added as an associated company, which affected profit positively by SEK 48 M. The year's share of SpareBank 1 Gruppen's profit refers to the period January-May. Due to a reduced ownership interest, SpareBank 1 Gruppen is no longer consolidated as an associated company as of June 2004. During the second quarter of 2003 the share of profit from SpareBank 1 Gruppen was affected by SEK -311 M due to a goodwill write-off.

Tax expense 20 percent

Consolidated profit before tax amounted to SEK 9,153 M (7,050) and the tax expense was SEK 1,871 M (1,855), corresponding to an effective tax rate of 20 percent (26). The low tax rate in 2004 is mainly due to the fact that the capital gain on the sale of FI-Holding is tax exempt.

Group profit trend in the third quarter

Comparative figures refer to the third quarter of 2003 unless otherwise indicated.

Consolidated operating profit for the third quarter rose by 51 percent or SEK 1,298 M to SEK 3,867 M (2,568). Compared with the previous quarter operating profit rose by SEK 1,204 M. In September the sale of FI-Holding was finalized, which means that FI-Holding is included in consolidated profit through the end of August. The sale resulted in a capital gain of SEK 1,270 M, which is included in the third quarter's profit.

Income

Income rose by 24 percent or SEK 1,434 M to SEK 7,450 M (6,016). Excluding the capital gain from FI-Holding, income rose by 3 percent or SEK 164 M. Compared with the previous quarter income rose by SEK 1,106 M.

Net interest income decreased marginally by SEK 13 M to SEK 4,101 M (4,114). Compared with the second quarter the Group's net interest decreased by SEK 44 M.

Net commission income rose by 12 percent or SEK 184 M to SEK 1,660 M (1,476). Income from payment, lending and asset management operations developed positively. Compared with the previous quarter net commission income decreased by SEK 42 M.

Net profit on financial operations decreased by SEK 8 M to SEK 124 M (132). Compared with the previous quarter net profit on financial operations rose by SEK 10 M.

Other income amounted to SEK 1,566 M (294). The major increase is due to the capital gain on the sale of FI-Holding.

Expenses

Expenses rose by SEK 218 M or 6 percent to SEK 3,584 M (3,366). Profit-based staff costs, including an allocation to the Kopparmyntet profit-sharing fund of SEK 242 M, amounted to SEK 300 M, while costs for personnel changes in the Swedish operations amounted to SEK 155 M. Excluding these items, expenses decreased by 4 percent. Compared with the previous quarter expenses decreased by SEK 41 M.

Loan losses

Loan losses decreased by 29 percent or SEK 47 M to SEK 113 M (160). Compared with the previous quarter loan losses decreased by SEK 7 M.

Share of profits of associated companies

The share of profits of associated companies rose by SEK 59 M to SEK 114 M (55). Compared with the previous quarter the share of profits of associated companies rose by SEK 50 M.

A quarterly profit trend for the Group can be found on page 11.

Interest rate risk

An increase in all market interest rates of one percentage point as of September 30, 2004 would have reduced the value of the Group's interest-bearing assets and liabilities, including derivatives, by SEK 1,577 M (1,770). The decrease in the value of positions in SEK would have been SEK 1,424 M (1,445) and positions in foreign currency SEK 153 M (325). An interest rate increase of one percentage point would have reduced the Group's net profit on financial operations by SEK 71 M (276) as of September 30, 2004. Comparative figures refer to December 31, 2003.

Capital adequacy

The capital adequacy ratio, which is calculated for the financial companies group, amounted to 11.3 percent (10.8) on September 30, of which the primary capital ratio was 7.7 percent (7.2).

The primary capital has during the quarter been affected by the divestiture of the subsidiary FI-Holding in September which increased the primary capital by SEK 1.9 billion and by continued buy-backs of the bank's own shares which decreased the primary capital by SEK 1.7 billion.

The risk-weighted amount for credit risks decreased during the quarter to SEK 517 billion (562). The change is primarily attributable to the divestiture of FI-Holding which decreased risk-weighted assets by SEK 67 billion. The risk-weighted amount for market risks decreased by SEK 3.6 billion due to the sale of FI-Holding but increased in the Bank with the same amount, mainly due to increased volumes.

Primary capital as of September 30 includes the first half year's profit after deducting the estimated dividend.

Specification of capital adequacy

SEK M	Sep 30 2004	Dec 31 2003	Sep 30 2003
Primary capital	41,777	42,158	41,849
Supplementary capital	21,893	24,848	25,837
Less shares, etc.	-2,966	-4,282	-4,920
Expanded portion of capital base	800	971	991
Capital base	61,504	63,695	63,757
Risk-weighted amount for credit risks	516,668	561,860	553,343
Risk-weighted amount for market risks	26,216	25,660	29,171
Total risk-weighted amount	542,884	587,520	582,514
Capital adequacy ratio, %	11.3	10.8	11.0
Primary capital ratio, %	7.7	7.2	7.2

As of September 30, 2004 the FöreningsSparbanken financial companies group included the FöreningsSparbanken Group, Eskilstuna Rekarne Sparbank AB, Färs och Frosta Sparbank AB, FöreningsSparbanken Sjuhärad AB, FöreningsSparbanken Söderhamn AB, Bergslagens Sparbank AB, Vimmerby Sparbank AB, BoStocken AB, Aktia Sparbank Abp in Finland and First Securities A/S in Norway. The Group's insurance companies are not included according to the capital adequacy rules for financial groups.

Business volumes

Savings and investments

Customers' total savings and investments in FöreningsSparbanken amounted to SEK 591 billion (557) as of September 30, 2004, an increase of SEK 34 billion or 6 percent since the beginning of the year. Customers' deposits, excluding repurchase agreements (repos), rose by SEK 10 billion or 4 percent to SEK 285 billion (275). Deposits in SEK amounted to SEK 218 billion (222) and deposits in foreign currency to SEK 67 billion (53). Robur's share of net contributions in the Swedish mutual fund market was 23 percent (18) for the first nine months of 2004. For new household deposits, the market share was 18.1 percent during the period January – August, compared with 23.8 percent for the full-year 2003. The market share for issued

volumes of equity linked retail bonds during the first nine months developed positively and increased to 20.2 percent (18.7).

Savings and investments, the Group

SEK billion	Sep 30 2004	Dec 31 2003	Change %	Sep 30 2003
Deposits from the public				
Households	141.8	135.4	4.7	139.9
Other	76.3	87.0	-12.3	76.9
Households, foreign currency	19.5	16.7	16.8	16.0
<i>Of which Hansabank</i>	19.4	16.7	16.2	15.8
Other, foreign currency	47.7	35.8	33.2	40.7
<i>Of which Hansabank</i>	23.8	20.4	16.7	19.3
Subtotal	285.3	274.9	3.8	273.5
Discretionary asset management *	22.5	22.6	-0.4	23.9
Fund management	272.8	248.6	9.7	231.6
Retail bonds, interest-bearing	1.5	2.9	-48.3	2.8
Retail bonds, equity linked	9.3	7.6	22.4	6.7
Unit-linked insurance	41.0	37.0	10.8	35.2
<i>Less unit-linked insurance in own companies</i>	-41.0	- 37.0	- 10.8	- 34.7
Total	591.4	556.6	6.3	539.0

* excluding investments in Robur's funds

Lending

The Group's total credit exposure, including contingent liabilities and derivatives, amounted to SEK 865 billion (906). Credit exposure in the Swedish market has risen by SEK 17 billion since December 31, 2003 and decreased in other markets by SEK 58 billion, mainly due to the divestiture of FI-Holding.

Lending, the Group

SEK billion	Sep 30 2004	Dec 31 2003	Change %	Sep 30 2003
Private individuals	359.2	337.5	6.4	328.0
<i>Of which Spintab</i>	293.9	273.6	7.4	267.0
Real estate management	139.4	136.7	2.0	131.2
Retail, hotels, restaurants	23.8	23.1	3.0	21.8
Construction	9.7	10.1	-4.3	10.3
Manufacturing	21.0	19.9	5.4	20.2
Transportation	10.8	10.4	4.3	10.2
Forestry and agriculture	36.4	34.5	5.4	33.9
Other service businesses	17.0	16.9	0.8	18.1
Other business lending	49.2	49.9	-1.4	51.5
Municipalities *)	13.5	14.2	-5.1	14.0
Total lending to the public	680.0	653.2	4.1	639.2
FI-Holding		67.9		66.9
Total	680.0	721.1	-5.7	706.1
Credit institutions incl. Nat'l Debt Office	59.4	54.7	8.7	49.4
Repurchase agreements (repos)	96.5	50.6	90.5	79.8
Total lending	835.9	826.4	1.1	835.3
<i>Of which lending to the public by:</i>				
<i>Hansabank</i>	48.8	39.3	24.1	35.9

*) Not including municipal companies.

The Group's lending to the public excluding FI-Holding rose by SEK 27 billion or 4 percent. In the Swedish operations, lending rose to SEK 631 billion (614). Lending by Hansabank amounted to SEK 49 billion (39). The increase was not affected by fluctuations in exchange rates. Consumer loans amounted to SEK 359 billion (337), an increase of approximately SEK 22 billion or 6 percent from the beginning of the year. The increase is largely due to mortgage lending by Spintab, which rose by SEK 20 billion or 7 percent to SEK 294 billion. Business loans amounted to SEK 307 billion (302), an increase of SEK 5 billion or 2 percent from the beginning of the year.

FöreningsSparbanken's subsidiary Spintab, including its subsidiary Jordbrukskredit, consolidated its position as Sweden's leading mortgage lender with a market share of 31 percent (31) as of August 31, 2004,

Payments

Card payments

FöreningsSparbanken has 3 million bank cards in issue in the Swedish market. The trend toward greater card use is continuing. Compared with the corresponding period of 2003 the number of card purchases rose by 18 percent and the number of card transactions cleared climbed 19 percent.

Giro payments

Customers continue to switch from paper-based giro payments to an electronic, Internet-based giro system through the Internet bank. The number of private customers in the Swedish market with giro accounts is 2.7 million (2.6), of whom 1.2 million (1.0) are Internet-based. Comparative figures refer to September 30, 2003.

Electronic payments

With e-billing, bills are sent directly to the Internet bank, where customers can safely and conveniently approve payment. A total of 262 companies in Sweden offer the service, compared with 149 on September 30, 2003. The number of e-bills is rising steadily. During the period January-September, 728,000 e-bills were sent, compared with 546,000 in the corresponding period of 2003.

Other

FöreningsSparbanken named Commercial Bank of the Year

For the second consecutive year FöreningsSparbanken was named Commercial Bank of the Year in the business magazine Affärsvärlden's Financial Barometer survey. The Barometer, Sweden's largest independent survey of the banking, financial services and insurance market, was conducted among financial managers and other key employees of over 2,700 companies and organizations in Sweden with more than 200 employees and/or SEK 200 million in revenues

Share repurchase

Within the framework of the authorization received from this year's Annual General Meeting, the Board of Directors resolved on May 3 to repurchase a maximum of 26 million of the Bank's shares through the end of 2004, corresponding to approximately 5 percent of all shares in the Bank. The purpose of the repurchase program is to continuously adapt FöreningsSparbanken's capital structure to its current capital needs.

Share repurchases began on June 18. Through September 30, 13 million shares, representing 2.5 percent of the shares outstanding, had been repurchased for a total of SEK 1.9 billion.

Application of accounting principles

The interim report is prepared according to the Swedish Financial Accounting Standards Council's recommendation RR 20, Interim reports. The report complies with the same accounting principles as the most recent annual report with the exception of changes owing to the application of the Swedish Financial Accounting Standards Council's new recommendation RR 29 Employee Benefits.

The recommendation, which entered into force on January 1, 2004, details how various forms of employee compensation should be reported and, for the FöreningsSparbanken Group, affects the valuation and reporting of the Group's defined-benefit pension commitments. The change in accounting principle took effect on January, 1 2004, due to which the opening shareholders' balance has been restated. Comparative figures may not be restated according to the recommendation

Valued in accordance with RR 29, the Group's opening balance of Other liabilities rises by SEK 1,537 M, consisting of pension debt, assets under management, payroll tax allocations and deferred income tax. The Group's opening balance of Other assets is reduced by SEK 26 M for the change in the share of equity in associated companies. The Group's opening shareholders' equity balance is thereby reduced by SEK 1,563 M.

Based on the conditions that existed at year-end, the reported pension cost for 2004 is expected to be the same in the Group as if it had been reported according to the previous method. Settlement of pensions within appropriations is no longer reported.

The recommendation requires the Group to clarify the assumptions that serve as the basis for its calculation. The valuation is based on, among other things, the following annual assumptions: cap on wage increases 3.25 percent; increase in basic income amount 2.5 percent; inflation 2.0 percent; debt is discounted by 4.9 percent, and the anticipated long-term return on assets held separately to cover pension commitments is estimated, after tax on returns and expenses, at 5.0 percent.

Transition to new accounting standard

As of 2005 listed companies in the EU will prepare their consolidated accounts according to IASB's accounting standards (IFRS or IAS). An accounting standard issued by IASB will not become mandatory until the EU has approved its application. The recommendations that the EU has adopted to date do not result in any material changes in the current accounting principles and therefore are not expected to have a significant effect on profits and shareholders' equity.

However, IASB amended its consolidated accounting recommendations during the first quarter of 2004 effective January 1, 2005. The change is not expected to have a significant transitional effect on the Group's shareholders' equity. On the other hand, it will mean an end to the amortization of goodwill. Instead goodwill write-offs will be assessed on a continuous basis. If the rule had applied during the period January-September 2004, consolidated operating profit would have improved by SEK 504 M due to the absence of goodwill amortization.

The EU has not yet adopted recommendations on disclosures (IAS 32) and valuation rules (IAS 39) for financial assets and liabilities. The changes primarily affect the opportunity to value financial assets and liabilities at fair value instead of accrued acquisition value. Since the final wording of IAS 39 that the EU will adopt is unclear, the consequences of the transition on profits and shareholders' equity cannot be accurately estimated.

Preparations for the harmonization of the accounting principles to IAS 39 have been made as far as possible. The Group's project to harmonize to IASB's accounting standards is progressing according to plan.

Key ratios for the Group

	Jan-Sep 2004	Jan-Sep 2003	Full-year 2003
Return on equity, %	21.6	16.0	15.9
Return on equity, % ¹⁾	20.6		
Return on total equity, %	1.15	0.93	0.94
Earnings per share, SEK ²⁾	12.74	8.94	12.02
Earnings per share after dilution, SEK ³⁾	12.74	8.94	12.01
Equity per share, SEK ²⁾	79.90	76.26	79.42
Equity per share after dilution, SEK ³⁾	79.88	76.24	79.39
C/I ratio before loan losses	0.53	0.57	0.57
C/I ratio after loan losses	0.55	0.61	0.61
Capital adequacy ratio, %	11.3	11.0	10.8
Primary capital ratio, %	7.7	7.2	7.2
Loan loss ratio, net, %	0.07	0.16	0.14
Share of doubtful claims, %	0.21	0.27	0.28
Provision ratio for doubtful claims, % ⁴⁾	140	138	131
No. of shares outstanding at end of period	514,643,829	527,808,843	527,808,843
Avg. no. of shares outstanding during the year	526,321,385	527,808,843	527,808,843

¹⁾ The capital gain from FI-Holding has been excluded in the calculation of the full-year figure

²⁾ No. of shares in calculation 526,321,385 527,808,843 527,808,843

³⁾ No. of shares after dilution 526,406,769 527,977,435 528,027,504

⁴⁾ See Note 4

Operational profit and loss account, the Group ¹⁾

SEK M	Jan-Sep 2004	Jan-Sep 2003	%	Q3 2004	Q3 2003	%	Full-year 2003
<i>Interest receivable</i>	32,911	36,335	-9	10,320	11,543	-11	47,755
<i>Interest payable</i>	-20,561	-24,230	-15	-6,219	-7,429	-16	-31,554
Net interest income	12,350	12,105	2	4,101	4,114	0	16,201
Dividends received	88	101	-13	5	2		105
<i>Commissions receivable</i>	6,629	5,589	19	2,236	1,974	13	7,661
<i>Commissions payable</i>	-1,656	-1,412	17	-576	-498	16	-1,922
Net commission income	4,973	4,177	19	1,660	1,476	12	5,739
Net profit on financial operations	626	544	15	124	132	-6	801
Other operating income	2,107	1,343	57	1,560	292		1,607
Total income	20,144	18,270	10	7,450	6,016	24	24,453
General administrative expenses							
- Staff costs excl. profit-based costs	-5,111	-4,884	5	-1,706	-1,650	3	-6,571
- Profit-based staff costs	-800	-267		-300	-102		-407
- Other	-4,078	-4,055	1	-1,299	-1,303	0	-5,585
Total general administrative expenses	-9,989	-9,206	9	-3,305	-3,055	8	-12,563
Depreciation and write-off of tangible fixed assets	-425	-507	-16	-132	-158	-16	-664
Amortization of goodwill	-462	-460	0	-147	-153	-4	-614
Total expenses	-10,876	-10,173	7	-3,584	-3,366	6	-13,841
Profit before loan losses	9,268	8,097	14	3,866	2,650	46	10,612
Loan losses, net, including change in value of property taken over	-396	-832	-52	-113	-160	-29	-987
Reversal of write-off of financial fixed assets		23			23		55
Share of profit/loss of associated companies	281	-191		114	55		-116
Operating profit	9,153	7,097	29	3,867	2,568	51	9,564
Settlement of pensions		-47			3		-19
Tax	-1,871	-1,855	1	-600	-669	-10	-2,567
Minority interest	-574	-476	21	-185	-166	11	-635
Profit for the period	6,708	4,719	42	3,082	1,736	78	6,343
Earnings per share, SEK ²⁾	12.74	8.94	42	5.87	3.29	78	12.02
Earnings per share after dilution, SEK ²⁾	12.74	8.94	42	5.87	3.29	78	12.01

¹⁾ The operational profit and loss account comprises the same legal entities and follows the same accounting principles as the profit and loss account prepared according to the instructions of the Financial Supervisory Authority, except that the insurance operations (consisting in large part of the pension and endowment insurance operations of Robur Försäkring) are integrated on a line-for-line basis in the income and expenses of the other operations. In the profit and loss account prepared according to the instructions of the Financial Supervisory Authority, insurance results are shown on a separate line. On an operating profit level, the two profit and loss accounts show the same results. The descriptions in the running text and the business area report are based on the operational profit and loss account unless indicated otherwise. The notes refer to the profit and loss accounts on pages 20 and 21.

²⁾ See key ratios on page 9 for number of shares

Quarterly profit trend for the Group

SEK M	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002
Net interest income	4,101	4,145	4,104	4,096	4,114	3,958	4,033	3,886
Net commission income	1,660	1,702	1,611	1,562	1,476	1,401	1,300	1,439
Net profit on financial operations	124	114	388	257	132	218	194	188
Other income	1,565	383	247	268	294	871	279	277
Total income	7,450	6,344	6,350	6,183	6,016	6,448	5,806	5,790
Staff costs	-1,706	-1,696	-1,709	-1,687	-1,650	-1,623	-1,611	-1,680
Profit-based staff costs	-300	-213	-287	-140	-102	-63	-102	-106
Other expenses	-1,578	-1,716	-1,671	-1,841	-1,614	-1,723	-1,685	-1,671
Total expenses	-3,584	-3,625	-3,667	-3,668	-3,366	-3,409	-3,398	-3,457
Profit before loan losses	3,866	2,719	2,683	2,515	2,650	3,039	2,408	2,333
Loan losses, net incl. change in value of property taken over	-113	-120	-163	-155	-160	-282	-390	-360
Reversal of write-off of financial fixed assets				32	23			
Share of associated companies' profit/loss	114	64	103	75	55	-211	-35	-125
Operating profit	3,867	2,663	2,623	2,467	2,568	2,546	1,983	1,848

Business area report

SEK M January - September	Swedish Retail Operations		Swedbank Markets		Asset Management and Insurance		International Banking		Shared Services and Group Staffs		Eliminations	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Net interest income	9,308	9,123	659	699	25	34	2,268	2,270	78	-35	12	14
Net commission income	2,572	2,169	468	416	1,020	850	881	736	36	7	-4	-1
Financial transactions, net	92	92	293	171	2	11	136	216	103	54		
Other income	662	471	56	89	28	24	1,514	155	2,191	3,102	-2,256	-2,397
Total income	12,634	11,855	1,476	1,375	1,075	919	4,799	3,377	2,408	3,128	-2,248	-2,384
Staff costs	-3,367	-2,890	-453	-405	-204	-193	-767	-684	-1,166	-1,024	46	45
IT expenses	-496	-555	-154	-185	-66	-58	-117	-109	-616	-717	563	635
Other expenses	-3,236	-3,101	-233	-238	-167	-156	-429	-425	-766	-850	1,639	1,704
Depreciation/amortization	-164	-185	-8	-12	-178	-178	-332	-367	-205	-225		
Total expenses	-7,263	-6,731	-848	-840	-615	-585	-1,645	-1,585	-2,753	-2,816	2,248	2,384
Profit before loan losses	5,371	5,124	628	535	460	334	3,154	1,792	-345	312		
Loan losses	-239	-694	7	-13			-181	-288	17	163		
Reversal of write-down of financial fixed assets										23		
Share of associated companies' profit/loss	157	82	-2	-10			120	-275	6	12		
Operating profit/loss	5,289	4,512	633	512	460	334	3,093	1,229	-322	510		
Return on allocated equity, %	20.8	19.8	25.2	23.6	29.3	18.2	35.6	6.7	neg.	45.0		
C/I ratio before loan losses	0.57	0.57	0.57	0.61	0.57	0.64	0.34	0.47	1.14	0.9		
Full-time employees	6,669	6,989	554	568	251	264	6,054	5,932	1,655	1,606		

Business area accounting principles

The business area report is based on FöreningsSparbanken's organization and internal accounts.

Market-based compensation is applied between business areas, while all costs for IT, other shared services and Group Staffs are transferred at full cost-based internal prices to the business areas. Executive Management expenses are not distributed.

The Group's shareholders' equity (the year's opening equity balance excluding the dividend) is allocated to each business area at the beginning of the year. The allocation is based on capital adequacy rules and estimated capital requirements during the year. Estimated interest on allocated equity is calculated based on average Swedish interbank demand loan rates.

Goodwill, including the effects on profit, financial expense and amortization, is allocated to each business area.

Return on equity is based on allocated shareholders' equity for the business areas. The return for the business areas is based on operating profit less estimated tax and minority interests.

Swedish Retail operations

Swedish Retail operations include customer responsibility for private and commercial customers, organizations, municipalities and county councils in Sweden as well as the Bank's own distribution channels in the form of branches, ATM's, and the telephone and Internet banks. Also included are the Customer Offerings and Products unit (including the subsidiaries Spintab, FSB Finans, Kundinkasso and EnterCard), partly owned Swedish banks, private banking operations in Luxembourg, FöreningsSparbanken Fastighetsbyrå (real estate brokerage), FöreningsSparbanken Juristbyrå (legal services), the treasury operations of Spintab (responsible for funding mortgage lending operations) and a net interest hedge arranged by treasury management within the Parent Company on behalf of Retail Operations.

The branch network in Sweden is organized in 75 local banks in six regions throughout the country. With 496 branches, FöreningsSparbanken has the largest branch network of any Swedish bank. The cooperation with the partly owned and independent savings banks adds another 289 branches. The branch network is

complemented by 216 in-store banking locations. The agreement with Svensk Kassaservice (the Swedish postal service) also gives customers access to certain teller transactions at another 818 post offices.

Approximately 2.2 million customers use the Telephone bank. Since the start of the year the number of customers using the Internet bank has risen to 1.7 million, of whom approximately 1.6 million were private customers, or 27 percent of private customers at FöreningsSparbanken, the independent savings banks and partly owned banks. Approximately 41 percent of business customers in Sweden use the Internet bank.

Profit trend

SEK M	Jan-Sep 2004	Jan-Sep 2003	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003
Net interest income	9,308	9,123	3,272	3,001	3,035	3,165	3,049	3,030
Net commission income	2,572	2,169	859	879	834	814	812	712
Financial transactions, net	92	92	27	31	34	30	35	30
Other income	662	471	243	218	201	182	149	187
Total income	12,634	11,855	4,401	4,129	4,104	4,191	4,045	3,959
Staff costs	-3,367	-2,890	-1,231	-1,051	-1,085	-1,014	-956	-971
IT expenses	-496	-555	-178	-165	-153	-179	-187	-185
Other expenses	-3,236	-3,101	-1,051	-1,120	-1,065	-1,190	-1,048	-1,022
Depreciation/amortization	-164	-185	-55	-54	-55	-55	-57	-62
Total expenses	-7,263	-6,731	-2,515	-2,390	-2,358	-2,438	-2,248	-2,240
Profit before loan losses	5,371	5,124	1,886	1,739	1,746	1,753	1,797	1,719
Loan losses	-239	-694	-76	-82	-81	-132	-100	-291
Share of associated companies' profit/loss	157	82	93	24	40	7	34	24
Operating profit/loss	5,289	4,512	1,903	1,681	1,705	1,628	1,731	1,452
Tax	-1,494	-1,264	-529	-488	-477	-455	-490	-394
Minority interest	-3	-5	-1	-1	-1	4	-3	0
Profit for the period	3,792	3,243	1,373	1,192	1,227	1,177	1,238	1,058
Allocated equity	24,325	21,806	24,325	24,325	24,325	21,806	21,806	21,806
Return on allocated equity, %	20.8	19.8	22.6	19.6	20.2	21.6	22.7	19.4
Income items								
Income from external customers	11,815	11,197	4,133	3,844	3,838	3,960	3,831	3,733
Income from transactions with other segments	819	658	268	285	266	231	214	226
Business volumes, SEK billion								
Lending	619	590	619	614	601	602	590	576
Deposits	242	238	242	245	237	238	238	228
Mutual funds & insurance	186	155	186	185	183	165	155	153
Other investment volume	8	10	8	8	12	11	10	10
Shares and participations in associated companies, SEK billion	1	1	1	1	1	1	1	1
Risk-weighted volume, SEK billion	417	384	417	406	398	390	384	384
Total assets, SEK billion	704	661	704	689	675	653	661	648
Total liabilities, SEK billion	680	639	680	665	651	631	639	626
Full-time employees	6,669	6,989	6,669	6,722	6,843	7,049	6,989	7,018

Operating profit amounted to SEK 5,289 M, an increase of SEK 777 M or 17 percent from the previous year.

Income rose by SEK 779 M or 7 percent to SEK 12,634 M mainly through higher payment, mutual fund and insurance commissions as well as the acquisition of EnterCard, whose income amounted to SEK 185 M.

Expenses increased by SEK 532 M or 8 percent to SEK 7,263 M mainly due to increased profit-based compensation, costs for personnel changes and the acquisition of EnterCard.

Loan losses amounted to SEK 239 M, a decrease of SEK 455 M or 66 percent compared with the previous year. The loan loss ratio was 0.05 percent (0.16). The return on allocated equity was 21 percent (20).

Operating profit for the third quarter was SEK 222 M or 13 percent higher than the second quarter mainly due to improved net interest income in Spintab.

The number of full-time positions was reduced by 320 compared with the previous year and by 53 compared with the previous quarter.

Swedbank Markets

Swedbank Markets comprises Investment Banking and Merchant Banking as well as responsibility for financial institutions. In addition to operations in Sweden, the business area includes the international branches in Oslo, London and New York, First Securities in Norway and the representative office in Shanghai.

Swedbank Markets offers trading in securities and derivatives in the equity, fixed income and foreign exchange markets, as well as financing solutions and professional analysis and advice. The research unit issues a steady stream of analyses on around 150 Nordic companies. For individual investors, Swedbank Markets offers stock trading and broad-market products, such as equity linked bonds, through the Group's Swedish branch network, independent savings banks and partly owned banks, as well as the Internet bank and Telephone bank.

Profit trend

SEK M	Jan-Sep 2004	Jan-Sep 2003	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003
Net interest income	659	699	105	274	280	144	348	151
Net commission income	468	416	148	151	169	206	124	151
Financial transactions, net	293	171	123	60	110	168	13	69
Other income	56	89	13	33	10	9	14	66
Total income	1,476	1,375	389	518	569	527	499	437
Staff costs	-453	-405	-148	-145	-160	-152	-131	-129
IT expenses	-154	-185	-47	-48	-59	-45	-54	-67
Other expenses	-233	-238	-75	-83	-75	-70	-78	-84
Depreciation/amortization	-8	-12	-2	-3	-3	-3	-4	-4
Total expenses	-848	-840	-272	-279	-297	-270	-267	-284
Profit before loan losses	628	535	117	239	272	257	232	153
Loan losses	7	-13	-3	20	-10	-4	-4	0
Share of associated companies' profit/loss	-2	-10	-5	1	2	3	-6	4
Operating profit	633	512	109	260	264	256	222	157
Tax	-178	-141	-32	-72	-74	-74	-61	-43
Profit for the period	455	371	77	188	190	182	161	114
Allocated equity	2,405	2,093	2,405	2,405	2,405	2,093	2,093	2,093
Return on allocated equity, %	25.2	23.6	12.8	31.3	31.6	34.8	30.8	21.8
Income items								
Income from external customers	1,262	1,157	324	446	492	439	427	365
Income from transactions with other segments	214	218	65	72	77	88	72	72
Business volumes, SEK billion								
Lending	12	12	12	14	14	12	12	14
Deposits				0	1			0
Mutual funds & insurance	1	1	1	1	1	1	1	1
Other investment volume	11	7	11	10	10	8	7	6
Shares and participations in associated companies, SEK billion	0	0	0	0	0	0	0	0
Risk-weighted volume, SEK billion	44	40	44	57	45	37	40	45
Total assets, SEK billion	307	253	307	319	276	232	253	246
Total liabilities, SEK billion	305	251	305	317	274	230	251	244
Full-time employees	554	568	554	544	536	535	568	562

Swedbank Markets' operating profit amounted to SEK 633 M, an increase of SEK 121 M or 24 percent from the previous year. In Investment banking, income rose by 14 percent or SEK 77 M to SEK 636 M (559). In fixed income and foreign exchange trading, income fell by 4 percent or SEK 29 M to SEK 752 M (781).

The return on allocated equity rose to 25 percent (24).

Operating profit for the third quarter was SEK 151 M or 58 percent lower than the second quarter, mainly due to poorer market conditions and lower customer activity in equity, fixed income and foreign exchange trading.

Asset Management and Insurance

Asset Management and Insurance comprises the Robur Group and its operations in fund management, institutional and discretionary asset management, insurance and individual pension savings.

Profit trend

SEK M	Jan-Sep 2004	Jan-Sep 2003	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003
Net interest income	25	34	7	7	11	11	8	3
Net commission income	1,020	850	351	338	331	318	301	278
Financial transactions, net	2	11	-4	3	3	-3	3	16
Other income	28	24	9	9	10	11	8	1
Total income	1,075	919	363	357	355	337	320	298
Staff costs	-204	-193	-70	-65	-69	-55	-65	-62
IT expenses	-66	-58	-23	-25	-18	-20	-21	-19
Other expenses	-167	-156	-55	-55	-57	-79	-41	-65
Depreciation/amortization	-178	-178	-60	-59	-59	-60	-59	-59
Total expenses	-615	-585	-208	-204	-203	-214	-186	-205
Profit before loan losses	460	334	155	153	152	123	134	93
Operating profit	460	334	155	153	152	123	134	93
Tax	-120	-94	-39	-38	-43	-34	-38	-26
Profit for the period	340	240	116	115	109	89	96	67
Allocated equity	1,547	1,759	1,547	1,547	1,547	1,759	1,759	1,759
Return on allocated equity, %	29.3	18.2	30.0	29.7	28.2	20.2	21.8	15.2
Income items								
Income from external customers	2,111	1,788	702	708	701	662	629	624
Income from transactions with other segments	-1,036	-869	-339	-351	-346	-325	-309	-326
Business volumes, SEK billion								
Mutual funds & insurance	273	232	273	274	270	249	232	224
Other investment volume	22	24	22	21	22	22	24	24
Risk-weighted volume, SEK billion	0	0	0	0	0	0	0	0
Total assets, SEK billion	46	40	46	46	46	42	40	39
Total liabilities, SEK billion	44	38	44	44	44	40	38	37
Full-time employees	251	264	251	253	257	256	264	255

Operating profit amounted to SEK 460 M, an increase of SEK 126 M or 38 percent from the previous year. The improvement is due to a higher volume of assets under management, primarily resulting from higher stock prices.

The return on allocated equity in 2004 was 29 percent (18).

Operating profit was unchanged compared with the previous quarter.

Fund savings, volumes and flows

Net contributions to Robur's mutual funds during the period January-September totaled SEK 11.8 billion, compared with SEK 10.7 billion in the corresponding period of 2003. Of net contributions, SEK 3.2 billion (3.0) was from premium pension investments and SEK 2.3 billion (1.6) from unit-linked insurance in Robur Försäkring.

Robur's assets under management amounted to SEK 272 billion on September 30, 2004, compared with SEK 249 billion on December 31, 2003. The change is due to an appreciation in the value of fund assets of SEK 11 billion, mainly from rising stock prices during the year. After net fund contributions of approximately SEK 12 billion, the increase in fund assets during the period was SEK 23 billion. Institutional asset management operations managed SEK 43 billion (41), of which SEK 21 billion (18) was invested in Robur funds.

Robur's share of net contributions in the Swedish mutual fund market was 23 percent (17) during the period January-September 2004. Its share of assets under management in the fund market was 28 percent (28) on June 30, 2004.

	Sep 30 2004	Dec 31 2003	Sep 30 2003
Fund management			
Assets under management (SEK billion)	272	249	232
<i>Of which: Swedish equities, %</i>	28.8	27.4	26.3
<i>Foreign equities, %</i>	34.8	36.3	35.4
<i>Interest-bearing securities, %</i>	36.4	36.3	38.3
Number of customers (thousands)	2,797	2,776	2,762
Unit-linked insurance			
Assets under management (SEK billion)	41.0	37.0	35.2
<i>Of which in Robur funds</i>	41.0	37.0	34.7
Number of policies (thousands)	726	680	676
Discretionary asset management			
Assets under management (SEK billion)	43	41	38
<i>Of which in Robur funds</i>	21	18	14

Unit-linked insurance

Sales (premiums paid) of unit-linked insurance amounted to SEK 4.4 billion (3.5) during the period January-September 2004. Robur Försäkring's assets under management amounted to SEK 41.0 billion as of September 30, 2004, against SEK 37.0 billion on December 31, 2003.

The market share for new unit-linked insurance was 14 percent (13) on June 30, 2004. Robur Försäkring had 726,000 (676,000) policies as of September 30, in addition to around 1 million group life insurance policies.

Fund management results

Practically all of Robur's equity funds posted positive returns during the first half year. Its Swedish funds rose in value by 12 percent, while its public savings funds returned 8 percent. Robur's blend funds, which invest in both equities and fixed income instruments, posted a return of 5-6 percent during the first half year, while its Swedish fixed income funds generated a return of 2-4 percent.

Equity funds that invest in Sweden and the Nordic region outperformed their comparative indexes, while international equity funds performed weaker than their indexes. Blend funds slightly outperformed their indexes, while fixed income funds slightly underperformed theirs.

Morningstar's average rating on Robur's funds as of September 30 was 3.4 on a scale of 1 to 5, its highest rating ever.

International Banking

The International Banking business area includes the subsidiaries Hansabank in the Baltic states and FI-Holding in Denmark (through August 2004) and Aktia of Finland. The sale of FI-Holding was finalized during the quarter, producing a capital gain of SEK 1,270 M. Due to the reduced ownership interest in SpareBank 1 Gruppen, it is no longer consolidated as an associated company as of June 2004.

In January 2004 Hansabank acquired the Lithuanian insurance company Lietuvos Draudimo Gyvybes Draudimas (LDGD). The purchase price amounted to approximately SEK 170 M. Hansabank has signed an agreement to acquire the Russian bank Kvestbank in Moscow. A permit to acquire the bank is expected to be granted in the first quarter of 2005.

Profit trend

SEK M	Jan-Sep 2004	Jan-Sep 2003	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003
Net interest income	2,268	2,270	715	777	776	799	748	743
Net commission income	881	736	291	330	260	266	249	258
Financial transactions, net	136	216	-49	32	153	48	87	56
Other income	1,514	155	1,349	128	37	26	40	75
Total income	4,799	3,377	2,306	1,267	1,226	1,139	1,124	1,132
Staff costs	-767	-684	-246	-272	-249	-276	-220	-237
IT expenses	-117	-109	-39	-43	-35	-48	-35	-37
Other expenses	-429	-425	-136	-150	-143	-173	-146	-146
Depreciation/amortization	-332	-367	-99	-114	-119	-113	-119	-121
Total expenses	-1,645	-1,585	-520	-579	-546	-610	-520	-541
Profit before loan losses	3,154	1,792	1,786	688	680	529	604	591
Loan losses	-181	-288	-47	-62	-72	-52	-103	-93
Share of associated companies' profit/loss	120	-275	24	33	63	45	24	-244
Operating profit	3,093	1,229	1,763	659	671	522	525	254
Tax	-283	-312	-37	-148	-98	-89	-78	-167
Minority interest	-563	-474	-181	-176	-206	-158	-164	-144
Profit for the period	2,247	443	1,545	335	367	275	283	-57
Allocated equity	8,406	8,790	8,406	8,406	8,406	8,790	8,790	8,790
Return on allocated equity, %	35.6	6.7	73.5	15.9	17.5	12.5	12.9	neg.
Income items								
Income from external customers	4,799	3,377	2,306	1,267	1,226	1,139	1,124	1,132
Business volumes, SEK billion								
Lending	49	103	49	114	110	107	103	104
Deposits	43	35	43	42	40	37	35	35
Shares and participating interests in associated companies, SEK billion	1	1	1	1	1	1	1	1
Risk-weighted volume, SEK billion	77	147	77	145	155	149	147	152
Total assets, SEK billion	76	137	76	153	149	144	137	142
Total liabilities, SEK billion	68	128	68	145	141	135	128	133
Full-time employees	6,054	5,932	6,054	6,103	6,110	5,931	5,932	5,926

Operating profit amounted to SEK 3,093 M, an increase of SEK 1,864 M or 152 percent from the previous year. Including the capital gain, FI-Holding accounted for SEK 1,123 M of the profit increase. SpareBank 1 Gruppen's contribution to operating profit improved by SEK 438 M. Hansabank's operating profit amounted to SEK 1,253 M, an increase of SEK 292 M or 30 percent from the previous year.

Income in Hansabank rose by SEK 345 M or 14 percent compared with the previous year to SEK 2,789 M. Expenses rose by SEK 75 M or 6 percent to SEK 1,356 M. Hansabank's acquisition of LDGD (the insurance company Lietuvos Draudimo Gyvybes Draudimas) has affected income by SEK 34 M and expenses by SEK 17 M. Loan losses decreased by SEK 23 M to SEK 181 M.

For Hansabank, the return on allocated equity was 29 percent (22).

Compared with the previous quarter Hansabank's operating profit improved by SEK 28 M or 7 percent.

The number of full-time employees rose by 281 compared with the previous year. The increase is due to the acquisition of LDGD.

Shared Services and Group Staffs

Shared Services and Group Staffs comprises IT and other shared services, Group Staffs and the Group's own insurance company (Sparia). The business area also includes a limited number of loan loss provisions that are not reported by units with customer responsibility.

Profit trend

SEK M	Jan-Sep 2004	Jan-Sep 2003	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003
Net interest income	78	-35	-2	82	-2	-25	-39	22
Net commission income	36	7	22	-2	16	-42	-9	12
Net profit on financial operations	103	54	27	-12	88	14	-6	47
Other income	2,191	3,102	711	739	741	755	874	1,343
Total income	2,408	3,128	758	807	843	702	820	1,424
Staff costs	-1,166	-1,024	-323	-395	-448	-344	-395	-303
IT expenses	-616	-717	-225	-191	-200	-240	-233	-254
Other expenses	-766	-850	-225	-249	-292	-185	-237	-308
Depreciation/amortization	-205	-225	-63	-72	-70	-80	-72	-76
Total expenses	-2,753	-2,816	-836	-907	-1,010	-849	-937	-941
Profit/loss before loan losses	-345	312	-78	-100	-167	-147	-117	483
Loan losses	17	163	13	4	0	33	47	102
Reversal of write-off of financial fixed assets		23				32	23	
Share of associated companies' profit/loss	6	12	2	6	-2	20	3	5
Operating profit/loss	-322	510	-63	-90	-169	-62	-44	590
Appropriations		-47				28	3	-20
Tax	204	-44	36	147	21	-60	-2	-52
Minority interest	-8	3	-3	-2	-3	-5	1	-2
Profit/loss for the period	-126	422	-30	55	-151	-99	-42	516
Allocated equity	638	1,251	638	638	638	1,251	1,251	1,251
Return on allocated equity, %	neg.	45.0	neg.	34.5	neg.	neg.	neg.	165.0
Income items								
Income from external customers	405	925	62	187	156	124	151	663
Income from transactions with other segments	2,000	2,203	693	620	687	578	669	761
Business volumes, SEK billion								
Lending	0	1	0	0	1	0	1	1,
Risk-weighted volume, SEK billion	5	6	5	6	7	6	6	5
Total assets, SEK billion	86	63	86	75	85	64	63	66
Total liabilities, SEK billion	85	62	85	74	84	63	62	65
Full-time employees	1,655	1,606	1,655	1,667	1,637	1,595	1,606	1,589

The business area reported an operating loss of SEK 322 M, a decrease of SEK 832 M compared with the previous year and an improvement of SEK 27 M compared with the previous quarter. The change year-to-year is mainly due to a capital gain of SEK 489 M on the sale of the shareholding in Erste Bank in 2003 and a decrease in loan loss reversals of SEK 146 M.

Eliminations

	Jan-Sep 2004	Jan-Sep 2003	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003
SEK M								
Net interest income	12	14	4	4	4	2	0	9
Net commission income	-4	-1	-11	6	1	0	-1	-10
Other income	-2,256	-2,397	-760	-744	-752	-715	-791	-801
Total income	-2,248	-2,384	-767	-734	-747	-713	-792	-802
Staff costs	46	45	12	19	15	14	15	16
IT expenses	563	635	207	168	188	188	202	223
Other expenses	1,639	1,704	548	547	544	511	575	563
Total expenses	2,248	2,384	767	734	747	713	792	802
Business volumes, SEK billion								
Mutual funds & insurance	-187	-155	-187	-186	-184	-166	-155	-154
Other investment volume	-8	-7	-8	-8	-9	-8	-7	-7
Total assets, SEK billion	-215	-144	-215	-190	-176	-133	-144	-109
Total liabilities, SEK billion	-215	-144	-215	-190	-176	-133	-144	-109

Profit and loss account, the Group ¹⁾

SEK M	Jan-Sep 2004	Jan-Sep 2003	%	Q3 2004	Q3 2003	%	Full- year 2003
<i>Interest receivable</i>	32,851	36,295	-9	10,300	11,532	-11	47,701
<i>Interest payable</i>	-20,602	-24,279	-15	-6,232	-7,443	-16	-31,615
Net interest income	12,249	12,016	2	4,068	4,089	-1	16,086
Dividends received	87	100	-13	6	1		104
<i>Commissions receivable</i>	6,277	5,288	19	2,115	1,867	13	7,239
<i>Commissions payable</i>	-1,557	-1,338	16	-543	-470	16	-1,820
Net commission income (Note 1)	4,720	3,950	19	1,572	1,397	13	5,419
Net profit on financial operations (Note 2)	621	526	18	131	124	6	776
Other operating income	2,066	1,324	56	1,540	289		1,591
Total income	19,743	17,916	10	7,317	5,900	24	23,976
General administrative expenses							
- Staff costs	-5,897	-5,115	15	-2,003	-1,741	15	-6,937
- Other	-4,005	-3,979	1	-1,279	-1,281	0	-5,516
Total general administrative expenses	-9,902	-9,094		-3,282	-3,022	9	-12,453
Depreciation and write-off of tangible fixed assets	-424	-507	-16	-132	-159	-17	-664
Amortization of goodwill	-462	-460	0	-147	-153	-4	-614
Total expenses	-10,788	-10,061	7	-3,561	-3,334	7	-13,731
Profit before loan losses	8,955	7,855	14	3,756	2,566	46	10,245
Loan losses (Note 3)	-396	-832	-52	-113	-160	-29	-987
Reversal of write-off of financial fixed assets		23			23		55
Share of profit/loss of associated companies	281	-191		114	55		-116
Operating profit in banking operations	8,840	6,855	29	3,757	2,484	51	9,197
Operating profit in insurance operations	313	242	29	110	84	31	367
Profit before appropriations and tax	9,153	7,097	29	3,867	2,568	51	9,564
Appropriations		-47			3		-19
Tax	-1,871	-1,855	1	-600	-669	-10	-2,567
Minority interest	-574	-476	21	-185	-166	11	-635
Profit for the period	6,708	4,719	42	3,082	1,736	78	6,343
Earnings per share, SEK ²⁾	12.74	8.94	42	5.87	3.29	78	12.02
Earnings per share after dilution, SEK ²⁾	12.74	8.94	42	5.87	3.29	78	12.01

¹⁾ Prepared according to the instructions of the Financial Supervisory Authority

²⁾ See key ratios on page 9 for number of shares

Profit and loss account, the Bank

SEK M	Jan-Sep 2004	Jan-Sep 2003	%	Q3 2004	Q3 2003	%	Full-year 2003
<i>Interest receivable</i>	12,521	14,098	-11	3,977	4,514	-12	18,316
<i>Interest payable</i>	-7,177	-8,736	-18	-2,311	-2,626	-12	-11,216
Net interest income	5,344	5,362		1,666	1,888	-12	7,100
Dividends received	2,539	321		2,179	2		5,515
<i>Commissions receivable</i>	4,025	3,485	15	1,344	1,233	9	4,764
<i>Commissions payable</i>	-847	-746	14	-296	-262	13	-1,008
Net commission income (Note 1)	3,178	2,739	16	1,048	971	8	3,756
Net profit on financial operations (Note 2)	593	299	98	277	41		506
Other operating income	1,577	1,252	26	1,106	250		1,528
Total income	13,231	9,973	33	6,276	3,152	99	18,405
General administrative expenses							
- Staff costs	-4,739	-4,056	17	-1,645	-1,397	18	-5,466
- Other	-3,158	-3,152	0	-991	-1,007	-2	-4,324
Total general administrative expenses	-7,897	-7,208	10	-2,636	-2,404	10	-9,790
Depreciation and write-off of tangible fixed assets	-261	-312	-16	-82	-97	-15	-409
Amortization of goodwill	-76	-76		-26	-26		-101
Total expenses	-8,234	-7,596	8	-2,744	-2,527	9	-10,300
Profit before loan losses	4,997	2,377		3,532	625		8,105
Loan losses (Note 3)	-375	-600	-38	-116	-106		-820
Write-off of financial fixed assets	-21	-311	-93				-447
Reversal of write-off of financial fixed assets	7	23			23		55
Profit before appropriations and tax	4,608	1,489		3,416	542		6,893
Appropriations	6	-47		-3	3		-568
Tax	-282	-311	-9	-23	-129	-82	-1,728
Profit for the period	4,332	1,131		3,390	416		4,597

Balance sheet

SEK M	Group			Bank		
	Sep 30 2004	Dec 31 2003	Sep 30 2003	Sep 30 2004	Dec 31 2003	Sep 30 2003
Loans to credit institutions (Note 4)	131,838	76,643	102,153	212,668	124,423	151,370
Loans to the public (Note 4)	704,111	749,752	733,116	210,674	212,055	208,689
Interest-bearing securities	72,562	77,174	76,595	84,550	81,908	84,207
- <i>Financial fixed assets</i>	948	1,233	1,373	270	802	864
- <i>Financial current assets</i>	71,614	75,941	75,222	84,280	81,106	83,343
Assets in insurance operations	42,868	38,199	36,369			
Other assets	52,967	60,566	61,910	63,284	77,983	72,863
Total assets	1,004,346	1,002,334	1,010,143	571,176	496,369	517,129
Amounts owed to credit institutions	82,411	95,441	108,059	125,577	115,756	137,034
Deposits and borrowings from the public	293,170	283,616	283,743	248,870	235,498	237,722
Debt securities in issue	431,119	442,103	433,888	73,400	42,471	34,269
Liabilities in the insurance operations	42,909	38,082	36,253			
Other liabilities	81,898	69,149	74,597	67,520	48,708	56,944
Subordinated liabilities	27,775	26,826	28,346	22,696	20,180	21,353
Minority interests	3,012	5,198	5,005			
Untaxed reserves				7,940	7,940	7,391
Shareholders' equity	42,052	41,919	40,252	25,173	25,816	22,416
Total liabilities, provisions and shareholders' equity	1,004,346	1,002,334	1,010,143	571,176	496,369	517,129
Assets pledged for own liabilities	116,218	97,730	73,957	74,741	60,290	38,251
Other assets pledged	15,412	11,988	49,155	15,308	11,984	49,151
Contingent liabilities	24,672	22,188	22,370	27,856	25,017	24,726
Commitments	4,316,775	3,283,527	3,179,266	4,078,379	2,973,326	2,881,068

Change in shareholders' equity

SEK M	Group			Bank		
	Restricted equity	Non- restricted equity	Total sharehold- ers' equity	Restricted equity	Non- restricted equity	Total sharehold- ers' equity
Opening balance Jan. 1, 2003	29,234	9,368	38,602	18,484	5,704	24,188
Transfers between restricted and non-restricted equity	903	-903		643	-643	
Dividend		-2,903	-2,903		-2,903	-2,903
Group contributions					-92	-92
Tax reduction due to Group contributions paid					26	26
Translation difference		-183	-183			
Exchange rate difference subsidiary and associated company financing		60	60			
Profit for the year		6,343	6,343		4,597	4,597
Closing balance December 31, 2003	30,137	11,782	41,919	19,127	6,689	25,816
Change in accounting principle for RR 29 Employee benefits	-24	-1,539	-1,563			
Adjusted opening balance Jan. 1, 2004	30,113	10,243	40,356	19,127	6,689	25,816
Transfers between restricted and non-restricted equity	-475	475		-595	595	
Share repurchase		-1,940	-1,940		-1,940	-1,940
Dividend		-3,035	-3,035		-3,035	-3,035
Translation difference		-201	-201			
Exchange rate difference subsidiary and associated company financing		164	164			
Profit for the period		6,708	6,708		4,332	4,332
Closing balance Sept. 30, 2004	29,638	12,414	42,052	18,532	6,641	25,173

Statement of cash flows

SEK M	Group		Bank	
January – September	2004	2003	2004	2003
Liquid assets at beginning of year *	66,241	58,569	52,240	47,087
Operating activities				
Operating profit	9,153	7,097	4,608	1,489
Adjustments for non-cash items	-390	2,272	6,721	7,939
Taxes	-1,138	-1,444	-1,003	-1,005
Change in receivables from credit institutions	-7,910	23,014	-38,089	-9,896
Change in loans to the public	-25,506	-36,093	-2,283	-3,085
Change in holdings of securities classified as current assets	-2,539	-10,452	-6,463	-11,131
Change in deposits and borrowings from the public, including retail bonds	18,040	16,055	22,687	13,551
Change in amounts owned to credit institutions	-792	17,788	15,448	46,174
Change in other assets and liabilities, net	198	-8,230	3,995	-7,181
Cash flow from operating activities	-10,884	10,007	5,621	36,855
Investing activities				
Purchase of fixed assets	-3,622	-1,289	-4,169	-3,019
Sale of fixed assets	10,072	2,017	10,217	1,581
Cash flow from investing activities	6,450	728	6,048	-1,438
Financing activities				
Issuance of interest-bearing securities	174,632	148,607	3,699	349
Redemption of interest-bearing securities	-172,774	-124,678	-342	-300
Change in other funding	40,012	-19,351	18,854	-21,736
Dividend paid	-3,035	-2,903	-3,035	-2,903
Share repurchase	-1,940		-1,940	
Cash flow from financing activities	36,895	1,675	17,236	-24,590
Cash flow for the period	32,461	12,410	28,905	10,827
Exchange rate differences in liquid assets	53	-308		
Liquid assets in divested company	-7,551			
Liquid assets at end of period*	91,204	70,671	81,145	57,914
* of which securities pledged for OMHEX, etc.				
At beginning of period	3,207	4,800	3,207	4,800
At end of period	2,736	2,461	2,736	2,461

Note 1. Specification of net commission income

SEK M	Group		Group	
	Jan – Sep 2004	Jan – Sep 2003	Q3 2004	Q3 2003
Payment processing commissions	2,486	2,170	883	773
Brokerage	299	209	72	79
Asset management	1,722	1,404	581	509
Other securities commissions	125	123	44	39
Other commissions receivable	1,645	1,382	535	467
Total commissions receivable	6,277	5,288	2,115	1,867
Payment processing commissions	-803	-731	-295	-242
Securities commissions	-139	-100	-39	-35
Other commissions payable	-615	-507	-209	-193
Total commissions payable	-1,557	-1,338	-543	-470
Total commissions, net	4,720	3,950	1,572	1,397

SEK M	Bank		Bank	
	Jan – Sep 2004	Jan – Sep 2003	Q3 2004	Q3 2003
Payment processing commissions	1,844	1,685	650	600
Brokerage	248	168	59	65
Asset management	932	762	309	279
Other securities commissions	124	115	44	39
Other commissions receivable	877	755	282	250
Total commissions receivable	4,025	3,485	1,344	1,233
Payment processing commissions	-665	-624	-243	-204
Securities commissions	-102	-69	-29	-24
Other commissions payable	-80	-53	-24	-34
Total commissions payable	-847	-746	-296	-262
Total commissions, net	3,178	2,739	1,048	971

Note 2. Specification of net profit on financial operations

SEK M	Group		Group	
	Jan – Sep 2004	Jan – Sep 2003	Q3 2004	Q3 2003
Capital gains/losses				
Shares and participating interests	101	54	-23	81
Interest-bearing securities	-17	443	257	148
Other financial instruments	15	33	14	19
Total	99	530	248	248
Unrealized changes in value				
Shares and participating interests	-6	-9	46	-40
Interest-bearing securities	176	-302	-143	-153
Other financial instruments	11	-55	12	43
Total	181	-366	-85	-150
Change in exchange rates	341	362	-32	26
Total	621	526	131	124

SEK M	Bank		Bank	
	Jan – Sep 2004	Jan – Sep 2003	Q3 2004	Q3 2003
Capital gains/losses				
Shares and participating interests	123	38	-10	72
Interest-bearing securities	-5	451	295	169
Other financial instruments		1	0	0
Total	118	490	285	241
Unrealized changes in value				
Shares and participating interests	-23	3	31	-35
Interest-bearing securities	166	-343	-144	-117
Other financial instruments		0	0	0
Total	143	-340	-113	-152
Change in exchange rates	332	149	105	-48
Total	593	299	277	41

Note 3. Specification of loan losses, net, and change in the value of property taken over

SEK M	Group		Group	
	Jan – Sep 2004	Jan – Sep 2003	Q3 2004	Q3 2003
<i>Specific provisions for claims assessed individually</i>				
The period's write-off for established loan losses	-759	- 828	-229	-208
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	477	431	122	71
The period's provisions for anticipated loan losses	-502	- 604	-121	-91
Recoveries from previous periods' established loan losses	343	343	110	110
Reversal of provisions for anticipated loan losses	246	219	81	55
The period's net expense	-195	- 439	-37	-63
<i>Collective provisions for individually assessed claims</i>				
Allocations to collective provisions	-114	- 296	-54	-54
<i>Collectively valued homogeneous groups of claims with limited value and similar credit risk</i>				
The period's write-off for established loan losses	-85	- 80	-28	-29
Recoveries from previous years' established loan losses	7	7	3	2
Allocations/withdrawals from loan loss reserve	22	- 10	22	-11
The period's net expense for collectively assessed homogeneous claims	-56	- 83	-3	-38
<i>Contingent liabilities</i>				
The period's net expense for discharged guarantees and other contingent liabilities	-31	- 8	-19	-5
The period's net loan loss expense	-396	- 826	-113	-160
Change in the value of property taken over	0	- 6	0	0
Total loan losses, net, and change in value of property taken over	-396	- 832	-113	-160
SEK M	Bank		Bank	
	Jan – Sep 2004	Jan – Sep 2003	Q3 2004	Q3 2003
<i>Specific provisions for claims assessed individually</i>				
The period's write-off for established loan losses	-465	- 438	-130	-110
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	294	227	69	38
The period's provisions for anticipated loan losses	-186	- 222	-61	-39
Recoveries from previous periods' established loan losses	85	91	20	25
Reversal of provisions for anticipated loan losses	80	50	24	12
The period's net expense	-192	- 292	-78	-74
<i>Collective provisions for individually assessed claims</i>				
Allocations to collective provisions	-123	- 233	-20	0
<i>Collectively valued homogeneous groups of claims with limited value and similar credit risk</i>				
The period's write-off for established loan losses	-50	- 57	-17	-22
Recoveries from previous years' established loan losses	1	2	0	1
Allocations/withdrawals from loan loss reserve	-3	- 13	3	-7
The period's net expense for collectively assessed homogeneous claims	-52	- 68	-14	-28
<i>Contingent liabilities</i>				
The period's net expense for discharged guarantees and other contingent liabilities	-8	- 1	-4	-4
The period's net loan loss expense	-375	- 594	-116	-106
Change in the value of property taken over	0	- 6	0	0
Total loan losses, net, and change in value of property taken over	-375	- 600	-116	-106

Note 4. Claims

(Loans to credit institutions and loans to the public)

SEK M	Group			Bank		
	Sep 30 2004	Dec 31 2003	Sep 30 2003	Sep 30 2004	Dec 31 2003	Sep 30 2003
Accrued acquisition value (before accounting for provisions)	839,861	831,448	840,316	426,229	339,423	362,937
Specific provisions for individually assessed claims	-858	-1,341	-1,206	-603	-787	-630
Provisions for collectively valued homogeneous groups of claims with limited value and similar credit risk	-184	-211	-209	-111	-108	-115
Collective provisions for individually assessed claims	-2,870	-3,501	-3,632	-2,173	-2,050	-2,133
Total provisions	-3,912	-5,053	-5,047	-2,887	-2,945	-2,878
Book value	835,949	826,395	835,269	423,342	336,478	360,059
Book value of doubtful claims	1,746	2,304	2,231	877	1,015	1,103
Book value of unsettled claims not included in doubtful claims and for which accrued interest has been entered as income	309	396	543	80	124	127
Property taken over to protect claims:						
- Buildings and land	4	11	12	0	0	1
- Shares and participating interests	11	12	14	7	7	10
- Other	2	2	2	0	0	0
Total	17	25	28	7	7	11
Doubtful claims as % of total lending	0.21	0.28	0.27	0.21	0.30	0.31
Total provision ratio for doubtful claims, % *	140	131	138	181	154	156
Provision ratio for individually identified doubtful claims, %	38	40	39	45	47	40

* Total provision, i.e. all provisions for claims in relation to doubtful claims, gross.

Specification of claims

Sector/Industry SEK M September 30, 2004	Accrued acquisition value before accounting for provisions	Specific provisions for individually assessed claims	Collective provisions for individually assessed claims	Provisions for collectively valued homogeneous groups of claims	Book value of claims after accounting for provisions	Book value of doubtful claims (unsettled)	Book value of unsettled claims for which interest is entered as income
Private individuals	359,615	40	183	184	359,208	353	207
Real estate management	139,929	149	336		139,444	274	44
Retail, hotels, restaurants	24,253	95	415		23,743	105	5
Construction	9,792	30	67		9,695	61	0
Manufacturing	21,747	204	577		20,966	224	3
Transportation	10,945	21	84		10,840	85	1
Forestry and agriculture	36,542	48	83		36,411	75	5
Other service businesses	17,499	33	478		16,988	182	2
Other business lending	50,075	232	647		49,196	387	42
Municipalities	13,504				13,504		
Lending	683,901	852	2,870	184	679,995	1,746	309
Credit institutions incl. Nat'l Debt Office	59,470	6			59,464	0	
Repurchase agreements - credit institutions incl. Nat'l Debt Office	72,680				72,680		
Repurchase agreements - public	23,810				23,810		
Total lending to credit institutions and the public	839,861	858	2,870	184	835,949	1,746	309

Warrant program

In the spring of 2000 employees of FöreningsSparbanken and wholly owned Group companies in Sweden and members of local bank boards were offered the opportunity to buy warrants in FöreningsSparbanken on market terms. The 8,008,100 outstanding warrants carry the right to subscribe for an equal number of shares during a specific period in 2005, as detailed in their terms and conditions. The premium was SEK 15 and the subscription price SEK 187. On September 30, 2004 the price of the FöreningsSparbanken share was SEK 151 and the warrant SEK 1.61.

Derivatives in the Group on September 30, 2004

The Group trades in derivatives in the normal course of business and for the purpose of hedging certain positions with regard to the value of equities, interest rates and foreign currencies. The following table is prepared in accordance with the directives of the Financial Supervisory Authority and includes all derivatives in the Group. Generally, derivatives are reported at fair value. Exceptions are made for derivatives that are accounted for as hedges. The deviations between book and fair value reported below correspond to opposing deviations for other positions included in the portion of the Group's operations covered by hedge accounting.

Derivatives with positive fair values or nil value

SEK M	Interest-related		Currency-related		Equity-related		Other	
	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value
Derivatives reported entirely or partly on the balance sheet	18,730	17,232,	6,979	6,156	1,167	1,167	38	37
Derivatives not reported on the balance sheet	46		4					

Derivatives with negative fair values

SEK M	Interest-related		Currency-related		Equity-related		Other	
	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value
Derivatives reported entirely or partly on the balance sheet	20,724	18,534	11,138	8,221	1,228	1,228	31	31
Derivatives not reported on the balance sheet			1,213					

Ratings, September 30, 2004

	S&P		Moody's			Fitch		R/I
	Short	Long	Short	Long	BFSR*	Short	Long	
The Bank	A-1	A	P-1	Aa3	B	F1	A+	AA-
Spintab	A-1	-	P-1	Aa3	-	F1+	AA-	-
Hansabank	-	-	P-1	A1	C	F1	A	-

* Bank Financial Strength Rating

Financial information

The Group's financial reports can be obtained or ordered on FöreningsSparbanken's website at <http://www.foreningssparbanken.se/ir> or at the nearest branch of FöreningsSparbanken.

FöreningsSparbanken will publish financial reports on the following dates:

- Year-end report for 2004 on February 11, 2005
- Interim report January–March 2005 on April 29, 2005

The Annual General Meeting will be held in Stockholm on April 21, 2005.

Audit report

This interim report has not been reviewed by the Bank's auditors.

Stockholm, October 29, 2004

Jan Lidén

President and Chief Executive Officer

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