



**Interim report for FöreningsSparbanken
(Swedbank)
January – June 2000
August 24, 2000**

Operating profit excluding capital gains more than doubled

- Operating profit rose to SEK 5,330 M (3,608)
- Operating profit excluding capital gains rose by 105 percent to SEK 4,630 M (2,258)
- The return on equity was 24.5 percent (18.1)
- Income excluding capital gains rose by 34 percent
- Net commission income rose by 43 percent to SEK 3,341 M (2,339)
- Net interest income rose to SEK 6,633 M (5,580)
- Earnings per share amounted to SEK 7.20 (4.92)
- As of June 30 the Group had more than 760,000 Internet bank users
- Aggressive efforts in e-business:
 - Internet bank to be launched in Denmark this autumn
 - Purchasing portal launched in alliance with Telia
- 80 percent of staff purchased warrants in the bank
- Sale of shareholdings in Bank Handlowy and Svensk Exportkredit AB

Group profits

The Group's operating profit for the first half of 2000 amounted to SEK 5,330 M (3,608). Excluding capital gains, operating profit rose by SEK 2,372 M or 105 percent. The return on equity amounted to 24.5 percent (18.1) and earnings per share were SEK 7.20 (4.92). Excluding capital gains, the return on equity was 20.9 percent (12.7).

Net interest income rose

The Group's net interest income amounted to SEK 6,633 M (5,580). FIH and Hansapank, which were not included in the Group in the first half of 1999, contributed SEK 778 M. As a result, other net interest income rose by 5 percent. Higher deposit margins and lending volumes had a positive impact on net interest income, while Swedbank Market's net interest income had a negative impact, in spite of an otherwise strong improvement in income which is reflected in net profit on financial operations.

Substantial increase in net commission income

Net commission income rose by SEK 1,002 M or 43 percent to SEK 3,341 M (2,339). The improvement is attributable to higher management commissions on fund investments, including the pension and life insurance operations of Robur Försäkring, higher brokerage income and an increase in payment commissions. Net commission income in Hansapank and FIH totaled SEK 229 M.

Net profit on financial operations

Net profit on financial operations rose to SEK 848 M (128), primarily attributable to Swedbank Markets' strong profit.

Other income

Other income amounted to SEK 1,104 M in the first half of 2000, compared with SEK 1,734 M in the corresponding period of 1999. The figure for the first half of 2000

includes a capital gain of SEK 250 M on the sale of shares in Svensk Exportkredit AB as well as a gain of approximately SEK 450 M on the sale of the shareholding and convertible debentures in Bank Handlowy. The figure for the first six months of 1999 includes approximately SEK 1,350 M for capital gains on property sales.

Expenses

Expenses in the first half of 2000 amounted to SEK 6,346 M (6,146). FIH and Hansapank, which were not included in the Group during the first half of 1999, accounted for SEK 618 M. Excluding FIH and Hansapank, the Group's total expenses thus declined by SEK 418 M or 7 percent.

Staff costs rose by SEK 126 M or 4 percent to SEK 3,109 M (2,983). At FIH and Hansapank, staff costs amounted to SEK 221 M. Included in staff costs is an increase in profit-related bonuses of approximately SEK 190 M and approximately SEK 70 M in subsidized expenses for the employee warrant program. During the first half of the year SEK 53 M was allocated to the Kopparmyntet profit-sharing fund for 1999. Staff costs for comparable units thus declined by SEK 408 M or 14 percent.

Since the mid-1990s the insurance company SPP has generated surpluses due to investment returns in excess of the corresponding rate of increase in pension commitments. The surpluses that arose through 1998 have been redistributed by company. Rules for refunds were established in the spring of 2000, and information is provided in FöreningsSparbanken's reports as of the second quarter of 2000. The discounted present value of the surplus funds, approximately SEK 260 M, is reported separately as a deduction under "General administrative expenses."

During the period the Group's total IT expenses, after deducting income from independent savings banks and jointly owned banks, amounted to approximately SEK 1,050 M (1,120). Of IT expenses, Hansapank and FIH accounted for approximately SEK 80 M. Consequently, in other parts of the Group IT expenses declined by SEK 150 M or 13 percent.

During the year investments of slightly over SEK 200 M will be made in the bank's Danish Internet banking project, of which approximately SEK 25 M was charged to expenses for the first half year. FöreningsSparbanken is also planning to invest a portion of the funds that were freed up from the sale of shares and convertible debentures in Bank Handlowy in a further expansion of its e-business presence.

Change in the number of full-time positions since 1996

	June 30 2000	March 31 2000	Dec. 31 1999	Sep. 30 1999	June 30 1999	Dec. 31 1998	Dec. 31 1996
Permanent employees	9,026	9,040	9,002	8,950	8,978	9,146	12,350
Resource Bank	0	0	0	300	383	1,080	0
Early retirement, etc.	0	0	0	307	333	450	0
Temporary employees	704*	709	820	954	1,052*	1,058	399
Subtotal	9,730	9,749	9,822	10,511	10,746	11,734	12,749
Hansapank	3,078	2,927	2,825				
FIH	151	138	144				
Total	12,959	12,814	12,791				

* Including vacation replacements

Continued low loan losses

The loan loss level was 0.2 percent (0.1). Loan losses amounted to SEK 640 M (260), of which FIH and Hansapank accounted for SEK 107 M. The Group's problem loans, net, amounted to SEK 182 M (2,947) as of June 30, 2000. The share of doubtful claims declined to 0.01 percent (0.5), while the provision ratio for doubtful claims rose to 99 percent (57). Excluding FIH and Hansapank, problem loans, net, amounted to SEK 1,026 M and the provision ratio was 74 percent.

A specification of loan losses and problem loans is provided in Notes 3 and 4.

Lower tax expense

The tax expense for the period amounted to SEK 1,284 M (1,061), or an effective tax rate of 24 percent. The lower tax rate is primarily due to a higher share of non-taxable income and the elimination of corporate taxes in Estonia as of January 2000. For the corresponding period of 1999 the tax rate was 29 percent, mainly due to higher taxable than reported capital gains on property sales.

Continued low international risk exposure and interest rate risk

FöreningsSparbanken's international risk exposure remains low. An increase in market interest rates of one percentage point as of June 30, 2000 would have reduced the value of the Group's interest-bearing assets and liabilities, including derivatives, by approximately SEK 683 M (490), of which approximately SEK 485 M (535) relates to positions in SEK and approximately SEK 198 M (positive 45) to positions denominated in foreign currency.

The increase in the Group's interest rate risk is attributable to foreign currency and primarily to Hansapank and FIH. An increase in interest rates of one percentage point would have reduced the Group's net profit on financial operations by approximately SEK 286 M (110) as of June 30, 2000. The Group also holds positions in inflation-indexed instruments, denominated in SEK, which a one-percent increase in real interest rates would have reduced in value by SEK 36 M (55) as of June 30, 2000, of which SEK 2 M would affect reported net profit on financial operations.

Capital adequacy ratio 11.6 percent

On June 30, 2000 the capital adequacy ratio amounted to 11.6 percent (11.7), of which the primary capital ratio was 6.8 percent (6.6). Market risks as a share of the total capital adequacy ratio amounted to 0.5 percentage points (0.3).

Profit for the first half of 2000 and 1999 is not included in the capital base.

Specification of capital adequacy

SEK M	June 30 2000	Dec. 31 1999	June 30 1999
Primary capital	32,022	26,785	25,496
Supplementary capital	24,278	22,486	22,905
Less shares, etc.	- 3,074	-3,650	- 3,067
Expanded portion of capital base	844	854	
Capital base	54,070	46,475	45,334
Risk-weighted amount for credit risks	449,594	429,972	376,327
Risk-weighted amount for market risks	18,742	17,316	10,084
Total risk-weighted amount	468,336	447,288	386,411
Capital adequacy ratio, %	11.6	10.4	11.7
Primary capital ratio, %	6.8	6.0	6.6

As of June 30, 2000 the FöreningsSparbanken financial companies group includes the FöreningsSparbanken Group, Eskilstuna Rekarne Sparbank AB, Färs och Frosta Sparbank AB, FöreningsSparbanken Sjuhärad AB, FöreningsSparbanken Söderhamn AB, Bergslagens Sparbank AB, Aktia Sparbank Ab in Finland and Sparebank 1 Gruppen in Norway. The Group's insurance companies are not included.

Business volumes

Savings

Customer savings in FöreningsSparbanken amounted to approximately SEK 535 billion (469) as of June 30, 2000, of which savings in Hansapank and FIH amounted to approximately SEK 14 billion.

Savings and investments, the Group

SEK billion	June 30 2000	Dec. 31 1999	June 30 1999
Deposits from the public			
Households, SEK	114.8	116.9	123.7
Other, SEK	69.7	71.9	65.2
Households, foreign currency (1)	6.9	5.4	
Other, foreign currency (2)	17.5	11.7	8.8
Total	208.9	205.9	197.7
Discretionary management	23.0	24.4	27.5
Fund management	293.0	290.5	231.1
Retail bonds, interest-bearing	4.0	6.0	5.7
Retail bonds, stock index	5.5	5.1	5.6
Unit-linked insurance	45.3	39.6	27.1
<i>of which in own companies</i>	<i>-44.5</i>	<i>- 37.9</i>	<i>- 26.0</i>
Total	535.2	533.6	468.7

(1) Of which Hansapank SEK 6.9 billion on June 30, 2000
(SEK 5.4 billion on December 31, 1999).

(2) Of which FIH SEK 0.2 billion and Hansapank SEK 6.8 billion on June 30, 2000
(SEK 0.2 and 5.4 billion, respectively, on December 31, 1999).

Household deposits

Household deposits amounted to approximately SEK 122 billion (124) as of June 30, 2000, of which Hansapank accounted for approximately SEK 7 billion. Other deposits rose to SEK 87 billion (74), of which Hansapank and FIH accounted for approximately SEK 7 billion.

Rise in Robur's fund assets and number of customers

Net contributions to Robur's funds during the past 12-month period totaled slightly over SEK 8.7 billion, of which SEK 9.1 billion was attributable to insurance savings in Robur Försäkring. Robur's share of net savings in the fund market was 14.4 percent during the same period. Net contributions to Robur's funds during the past quarter amounted to approximately SEK 1.7 billion (6.1), the large part of which was attributable to insurance savings. Robur's share of gross savings in the fund market was 27 percent during the past quarter, while its share of net savings amounted to 10 percent. The difference in large part reflects the current spending tendencies of the bank's customers. For equity funds, Robur's

market share during the quarter was 17 percent of net savings and 27 percent of gross savings.

Fund management by Robur

	June 30 2000	Dec. 31 1999	Dec. 31 1998	Dec. 31 1997
Assets under management (SEK bn)	293	291	193	158
Number of customers (thousands)	2,550	2,350	2,200	2,000
Swedish equities, %	32.5	33.8	42.1	-
Foreign equities, %	46.9	43.6	27.0	-
Interest-bearing securities, %	20.6	22.6	30.9	-

Insurance savings Robur Försäkring

Assets under management (SEK bn)	45	40	19	10
Number of policies (thousands)	438	360	182	108

Assets under management by Robur amounted to SEK 293 billion (231) as of June 30, 2000, an increase of SEK 62 billion or 27 percent during the past 12-month period. Robur's market share for assets under management in the fund market was 32.7 percent on June 30, 2000. The number of customers who invest in Robur's funds has risen to slightly over 2.5 million during the year.

The subsidiary FöreningsSparbanken Kapitalförvaltning manages assets of SEK 36.5 billion (37.5), of which SEK 16.0 billion (13.4) in the funds of Robur.

Unit-linked insurance growing substantially

During the first half of the year sales (premiums paid) of unit-linked insurance rose by 44 percent compared with a year earlier. As of June 30, 2000 assets under management by Robur Försäkring (formerly SparFond) amounted to approximately SEK 45 billion (27), an increase of about SEK 18 billion or 67 percent since June 30, 1999.

On a moving 12-month basis the market share for new unit-linked insurance policies was 27.5 percent as of June 30, 2000, making Robur Försäkring the leader in the Swedish market. At the end of June Robur Försäkring had around 438,000 (307,000) policies. In addition, it has around 950,000 group life insurance policyholders.

Lending rose

The Group's net lending to the public and credit institutions other than banks and the National Debt Office, excluding repurchase agreements (repos), amounted to approximately SEK 579 billion (505) as of June 30, including total lending of approximately SEK 61 billion in Hansapank and FIH. During the first half-year lending rose by approximately SEK 11 billion or 2 percent, the large part of which relates to local banks in Sweden.

Loans to the household sector amounted to approximately SEK 261 billion (245). Household lending rose by approximately SEK 7 billion or 3 percent compared with December 31, 1999, of which approximately 5 billion amount to mortgage-lending in Spintab.

Lending, the Group

SEK billion	June 30 2000	Dec. 31 1999	June 30 1999
Households (1)	260.9	254.1	244.9
<i>Of which Spintab</i>	<i>203.3</i>	<i>198.2</i>	<i>193.2</i>
Real estate management	129.5	130.3	123.7
Retail, hotels, restaurants	21.9	21.2	15.7
Construction	9.3	8.2	7.2
Manufacturing	40.8	39.5	12.0
Transportation	9.6	9.1	4.5
Forestry and agriculture	24.2	23.1	21.8
Other service businesses	13.4	14.0	13.1
Other business lending, incl. credit institutions	40.2	38.6	34.4
Municipalities (2)	15.0	16.7	15.5
Other	14.6	12.8	12.2
Total	579.4	567.6	505.0
Repurchase agreements (repos)	27.5	5.9	14.6
Total lending (3)	606.9	573.5	519.6

- (1) Of which Hansapank SEK 2.4 billion on June 30, 2000 (SEK 2.1 billion on December 31, 1999).
- (2) Municipal companies not included.
- (3) Of which FIH SEK 49.6 billion and Hansapank SEK 11.8 billion on June 30, 2000 (SEK 48.0 and 10.3 billion, respectively, on December 31, 1999).

Payments increased

Cards

FöreningsSparbanken's card operations reported continued growth. As of June 30 the bank had approximately 2.5 million cards in issue, an increase of approximately 60,000 or slightly over 2 percent compared with the first half of 1999. The number of card transactions cleared rose substantially, to approximately 79 million (61), up 30 percent compared with the first half of 1999.

Internet payments

The number of Internet payments more than doubled during the period and amounted to approximately 14 million during the first half-year, compared with approximately 6 million during the first six months of 1999.

E-billing on the rise

The popularity of electronic billing (e-billing) among the Bank's business customers continues to rise. With the service, bills are sent directly to customers' online bank accounts, where they can safely and conveniently approve payment. During the second quarter of the year 22 new companies signed up for the service, which means that 43 in all, many in the energy and communication sectors, are now offering e-billing to their customers.

Focus on secure payments

Secure online payments are an issue that has increased in importance in pace with the growth in electronic commerce. The bank has, among other things, listed all the companies

that offer secure payment over the Internet via FöreningsSparbanken's various payment systems on its home page under "Handla på Internet" (*Buying online*), so that customers can easily find out which companies offer such services.

e-Business

Internet bank and financial portal to be launched in Danish market this autumn

The development and establishment of an Internet bank and financial portal in the Danish retail market is progressing according to plan, with a launch scheduled for November. In addition to becoming the leading Internet bank in Denmark, one goal of the project is to create reproducibility, i.e. to be able to reuse concepts and technologies in other markets. The Internet bank will offer a turn-key solution for the financial needs of retail customers, including a complete range of products, services and advice in the areas of savings (including funds and stock trading), lending and payments. The Internet bank will offer products and services from within the Group as well as from third parties, which will be sold on a commission basis.

Development of a common standard for secure online ID

Work is under way together with a number of other Swedish banks to develop a common standard for secure online identification. Existing Internet banking methods will be used, and the first application could be ready by year-end. Secure ID facilitates contacts with government agencies and e-commerce.

More than 760,000 Internet bank users in the Group

As of June 30, 2000 the number of Internet bank users in the Group topped 760,000, of whom 75,000 were telephone banking customers with the simplified Internet banking service and around 140,000 customers of Hansapank. Of the Swedish users with full Internet accounts, approximately 506,000 were retail customers and 40,000 business customers. The growth rate for FöreningsSparbanken's Internet bank has increased since mid-year and in August is between 8,000 and 10,000 customers a week.

Customers of the Group's Internet banking services

	June 30 2000	Mar. 31 2000	Dec. 31 1999	Dec. 31 1998	Dec. 31 1997
No. of customers in Sweden	546,000	496,000	387,000	170,000	63,000
<i>Of whom retail customers</i>	<i>506,000</i>	<i>462,000</i>	<i>361,000</i>	-	-
<i>Of whom business customers</i>	<i>40,000</i>	<i>34,000</i>	<i>26,000</i>	-	-
Telephone bank via the Internet	75,000	100,000	100,000	-	-
No. of customers in Baltic region	140,000	120,000	-	-	-
Total no. of customers	761,000	716,000	487,000	170,000	63,000

Growing number of Internet transactions

The number of Internet payments more than doubled during the first half of 2000 compared with the first half of 1999, from 6 to 14 million. During the first six months of the year 22 percent of giro payments were made online. In the corresponding period of 1999 the share was 11 percent. The number of fund purchases and redemptions via the Internet topped 560,000 during the first half-year, an increase of approximately 368,000 compared with the year-earlier period, corresponding to 20 percent of the total number of fund purchases and redemptions within the Group.

Upgrade of online services for small and medium-size businesses

By 2005 FöreningsSparbanken has the ambition to be the best banking alternative for small and medium-size businesses. As part of an improvement in services for its 228,000 small and medium-size business customers, the bank is planning to comprehensively upgrade its overall Internet offerings to business customers this autumn. From a single web site, customers will be able to access FöreningsSparbanken via the Internet for Businesses, which will include a number of new functions added during the year, such as electronic salary statements, payroll lists, salary payments, international payments and the opportunity to view foreign currency accounts and related transactions. On the same web site, which will be continuously expanded based on customer needs, the bank's full range of services and expertise will be made available, along with tools, payment calculators, access to government information, etc.

Upgrade of FöreningsSparbanken via the Internet for retail market

As an element in the overall effort to make the Bank more easily accessible for customers, FöreningsSparbanken via the Internet is being continuously enhanced in terms of functionality and product and service offerings. The latest improvements, launched in June, focus on the dialogue between the bank and customers, in order to increase interactivity. This improves opportunities for online sales, allowing the bank's advisors to send secure, personalized messages, e.g. offers, to select customers. Moreover, a new electronic service, e-salary statements, was introduced, along with increased information on Spintab loans, fund accounts and foreign currency accounts for customers of each product.

NetTrade online equity trading

As of June 30, 2000 FöreningsSparbanken's online equity trading service, NetTrade, had slightly over 31,000 customers, an increase of about 13,000 or 72 percent since June 30, 1999. During the last quarter NetTrade accounted for approximately 23 percent of stock trades through FöreningsSparbanken's local banks. To ensure the highest level of customer service, the number of new accounts has been limited since NetTrade re-opened in March. Each week approximately 1,000 new customers are being added.

Spintab's Internet loan, www.lanet.se

Spintab, like other parts of the Group, has actively promoted online sales and information and, as mentioned in the previous interim report, introduced a new Internet-based mortgage loan for private customers in late January 2000. Since its launch last spring, the online loan has attracted around 1,500 applications.

FöreningsSparbanken by Telephone continues to grow

As of June 30, 2000 approximately 950,000 customers (750,000) used FöreningsSparbanken by Telephone with personal assistance, an increase of 200,000 or 27 percent during the past year. The goal for 2000 of one million customers using personal assistance should be met as early as this autumn. The number of telephone banking customers who use the self-service option totaled approximately 1.9 million (1.8), an increase of 6 percent in the past year. The number of self-service visits to the Telephone Bank rose by 4 percent compared with the corresponding period of 1999. The number of visitors to the Telephone bank using personal assistance also rose by 4 percent during the first half of 2000 compared with the corresponding period a year earlier.

Customers' interest in banking by telephone and Internet is reflected in the many relatively complex questions that have arisen regarding loans, pension savings and endowment insurance. To handle the growing activity and demand for more extensive competence, FöreningsSparbanken by Telephone intends to transfer and hire 150 employees.

Other

FöreningsSparbanken, SEB, MeritaNordbanken and Handelsbanken acquire Postgirot

FöreningsSparbanken, Handelsbanken, MeritaNordbanken and SEB are joining together to form a unified Swedish giro system, Svenska Girot AB. Svenska Girot is acquiring Postgirot and will take over the banks' shares in Bankgirot and Privatgirot. As the largest buyer of services from the giro system, FöreningsSparbanken will benefit greatly from the cost savings resulting from the consolidation of the postal and bank giros. The transaction requires the approval of the appropriate authorities.

Sale of interest in Svensk Exportkredit AB has positive impact on earnings

Along with Sweden's other commercial banks, FöreningsSparbanken has divested its interest in Svensk Exportkredit AB. For FöreningsSparbanken, this positively impacted operating profit by approximately SEK 250 M.

New agreement on cooperation with independent savings banks

FöreningsSparbanken has signed a new framework agreement with the independent and jointly owned banks. The agreement extends until year-end 2004, after which it will automatically be extended for two years at a time.

Strong interest in employee warrants

Slightly over 80 percent of FöreningsSparbanken's employees and members of local bank boards have accepted the offer to buy warrants in FöreningsSparbanken AB. Each warrant, which costs SEK 15 and expires in slightly over five years, carries the right to subscribe for one new share. The subscription price is SEK 187. A total of 8,010,500 warrants were acquired. The warrant program will increase the number of shares in issue by 1.52 percent if all the shares are subscribed for by the time the warrants expire in 2005. In connection with the offer, certain employees received a subsidy to subscribe for the warrants, due to which the second-quarter figures include a subsidy expense of approximately SEK 70 M.

Nordic/Baltic alliances

Denmark

FöreningsSparbanken owns 59.7 percent of FI-Holding, which in turn owns nearly 100 percent of FIH.

FIH's operating profit for the first half of 2000 amounted to SEK 378 M (400). Its return on equity was 14.9 percent (16.7). Lending rose by 3.3 percent to SEK 49.6 billion on June 30, 2000. Total assets amounted to SEK 75 billion (64).

The work under way to launch an Internet bank in the Danish retail market continues, and plans to launch an Internet banking concept during the autumn remain unchanged (see above).

Baltic states

FöreningsSparbanken's share of voting rights in AS Hansapank is 52.6 percent. Hansapank reported an operating profit for the first half of 2000 of SEK 326 M (250). The return on equity was 23.6 percent (17.8). Deposits and borrowings from the bank's customers rose by 28 percent during the first six months to SEK 13.7 billion. Total assets as of June 30 amounted to SEK 22.1 billion (17.3).

The number of Internet banking customers rose by approximately 40 percent during the period to around 140,000, of a total of approximately 1.1 million retail customers.

Norway

FöreningsSparbanken owns 25 percent of SpareBank 1 Gruppen. The Norwegian authorities have approved the merger of SpareBank 1 Gruppen and VÅR-gruppen. The acquisition is expected to be implemented during the third quarter of 2000. The financing solution will require an additional investment from FöreningsSparbanken of NOK 325 M in the form of subscribed capital. FöreningsSparbanken's ownership interest will not be affected by the investment. Following the merger, Sparebank 1 Gruppen will be the fourth largest banking and financial group in Norway, with total assets of nearly NOK 200 billion.

Poland

During the second quarter FöreningsSparbanken agreed to sell its entire holding in Poland's Bank Handlowy to Citibank. The transaction gave FöreningsSparbanken a capital gain of approximately SEK 450 M.

Finland

FöreningsSparbanken owns 25 percent of Aktia Sparbank in Finland. Aktia reported a substantial improvement in profit in the first half of 2000. Operating profit amounted to approximately SEK 202 M. Excluding nonrecurring income, profit was approximately SEK 162 M, nearly double the previous-year figure. The improvement was primarily due to a strong increase in income. Net interest income rose by 20 percent and net commission income by approximately 53 percent.

Highlights after June 30, 2000

Anders Ek new president of Robur

As previously announced, Anders Ek on August 1 took over as president of Robur AB with Group Management responsibility for the business area Savings.

Alliance formed with Telia to facilitate online purchasing

Telia and FöreningsSparbanken are forming a joint company to develop marketplaces that will initially focus on public sector purchasing. The new company, which will take over the operations that Telia started in 1997, will be based on Telia's established technical platform and leading position in the market as well as FöreningsSparbanken's financial expertise and strong ties to the municipal sector. From the start, the new company will have around 30 customers in Sweden and an estimated turnover of SEK 80 M this year.

FöreningsSparbanken and Telia will each initially own 50 percent of the new company, but are planning to broaden its ownership base and eventually take the company public.

FöreningsSparbanken is acquiring 50 percent of the shares in the company for SEK 250 M.

Key ratios for the Group

January – June	2000	1999
Return on equity, %	24.5	18.1
Earnings per share, SEK	7.20	4.92
Operating profit per share, SEK	6.88	4.92
Equity per share, SEK	61.07	54.87
I/E ratio before loan losses	1.94	1.63
I/E ratio after loan losses	1.76	1.56
Capital adequacy ratio, %	11.6	11.7
Primary capital ratio, %	6.8	6.6
Loan loss ratio, net, %	0.2	0.1
Share of doubtful claims, %	0.0	0.5

BUSINESS AREA REPORT

Profit by business area

	Retail banking		Swedbank Markets		Asset Mgmt. incl. insurance		Other		Group	
SEK M										
January - June	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
Income	6,489	5,742	1,612	1,158	1,830	1,197	2,231	1,828	12,162	9,925
Internal sales commissions	1,154	787	-185	-140	- 969	- 647				
Expenses	-3,878	-4,115	- 716	-553	-352	- 308	-1,400	-1,170	-6,346	-6,146
Profit before loan losses	3,765	2,414	711	465	509	242	831	658	5,816	3,779
Loan losses	- 521	- 269	0	-5			-119	14	- 640	- 260
Share of profit of associated companies	47	17					107	72	154	89
Operating profit	3,291	2,162	711	460	509	242	819	744	5,330	3,608
Estimated share-holders' equity	18,058	18,443	4,436	5,280	2,040	2,276	6,460	2,609	30,994	28,608
Return on equity after tax	26.2%	16.9%	23.1%	12.5%	35.9%	15.3%			24.5%	18.1%

The reported profit per business area includes both external and internal income and expenses. Internal sales commissions refer to market-based compensation paid to customer service units for brokered transactions. Shareholders' equity has been distributed according to capital adequacy regulations with the addition of unamortized goodwill in each business area.

The return on equity for the business areas is calculated based on operating profit after minority interests and standard tax. The return on equity for the Group is calculated based on reported profit.

Retail Banking

Retail Banking comprises Local banks, FöreningsSparbanken by Internet, FöreningsSparbanken by Telephone, Spintab, FöreningsSparbanken Cards, FöreningsSparbanken Finans and jointly owned banks in Sweden.

Income including internal sales commissions rose by SEK 1,114 M or 17 percent compared with the first six months of 1999. Net interest income from local banks rose by approximately SEK 370 M due to higher deposit margins, but was affected negatively by

approximately SEK 50 M by lower lending margins. Commissions developed very positively, mainly due to growth in fund and insurance savings. Expenses declined by 6 percent, while loan losses increased. Operating profit rose by SEK 1,129 M or 52 percent. The return on equity rose substantially, to 26.2 percent.

Swedbank Markets

Swedbank Markets comprises the Bank's capital market, international and large corporate customer operations, as well as securities brokerage and corporate finance.

Income rose during the year's first six months and exceeded the corresponding period of 1999 by 39 percent due to growth in equity trading and trading operations. Expenses were affected by increased income-related staff costs. The profit improvement compared with 1999 was SEK 251 M, an increase of 55 percent. The return on equity rose substantially, to 23.1 percent.

Asset Management

Asset Management comprises Robur, including Robur Försäkring and the Group's discretionary asset management.

Due to volume growth in fund and insurance savings, income rose by SEK 633 M or 53 percent compared with the first half of 1999.

Although internal sales commissions and expenses rose, profit improved by SEK 267 M or 110 percent. The return on equity rose substantially, to 35.9 percent.

Other

Other comprises income and expenses that do not fall under any of the business areas. This includes the Nordic/Baltic alliances, FöreningsSparbanken Fastighetsbyrå (real estate brokerage) and computer services for independent savings banks and jointly owned banks. Also included are capital gains on the sale of financial fixed assets, for example, the shares in Svensk Exportkredit AB and Bank Handlowy.

For quarterly profit trends by business area, see appendix.

Profit and loss accounts

January - June		2000	Group 1999	Change %	The Bank 2000	1999
SEK M						
Interest receivable		25,132	19,580	28	10,927	9,894
Interest payable		-18,499	-14,000	32	- 7,498	- 6,431
Net interest income	Note 1	6,633	5,580	19	3,429	3,463
Dividends received		236	144	64	368	176
Commissions receivable		4,146	2,914	42	2,824	2,166
Commissions payable		- 805	- 575	40	- 465	- 342
Net commission income		3,341	2,339	43	2,359	1,824
Net profit on financial operations	Note 2	848	128	563	726	97
Other operating income		1,104	1,734	- 36	1,061	1,702
Total income		12,162	9,925	23	7,943	7,262
General administrative expenses						
- Staff costs		- 3,109	- 2,983	4	- 2,583	- 2,702
- Surplus insurance refund from SPP		260			160	
- Other		- 2,878	- 2,796	3	- 2,365	- 2,527
Depreciation and write-down of tangible fixed assets		- 308	- 198	56	- 215	- 180
Amortization of goodwill		- 311	- 169	84	- 51	- 50
Total expenses		- 6,346	- 6,146	3	- 5,054	- 5,459
Profit before loan losses		5,816	3,779	54	2,889	1,803
Loan losses, net	Note 3	- 643	- 258	149	- 458	- 215
Change in value of property taken over	Note 3	3	-2	-	3	0
Write-downs of financial fixed assets					-105	- 40
Share of profit of associated companies		154	89	73		
Operating profit		5,330	3,608	48	2,329	1,548
Appropriations		-15	53	-	-16	53
Tax		-1,284	- 1,061	21	- 537	- 475
Minority interest		- 231	- 4	-		
Profit for the period		3,800	2,596	46	1,776	1,126

Note 1.

Of which charge for deposit guarantee.
The charge is calculated based on account deposits as of December 31 of the year prior to the year in question and amounts to 0.499 percent (0.516).

Note 2. Specification of net profit on financial operations

January – June, SEK M	2000	Group 1999	2000	The Bank 1999
Capital gains				
Shares and participations	326	73	255	54
Interest-bearing securities	209	-44	194	- 46
Other financial instruments	-8	3	0	4
Total	527	32	449	12
Unrealized changes in value				
Shares and participations	-66	-3	-37	- 17
Interest-bearing securities	14	-92	89	- 79
Other financial instruments	74	-2	0	-2
Total	22	-97	52	- 98
Exchange rate fluctuations	299	193	225	183
Total	848	128	726	97

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

January – June, SEK M	2000	Group 1999	2000	The Bank 1999
<i>Claims assessed individually</i>				
The period's write-down for established loan losses	1,023	1,090	513	701
Reversal of provisions previously made for anticipated loan losses	-566	- 603	-275	- 386
The period's provisions for anticipated loan losses	652	1 165	397	499
Recoveries from previous years' established loan losses	-233	- 429	-74	- 296
Recovered provisions for anticipated loan losses	-260	- 986	-131	- 273
The period's net expense for individually assessed claims	616	237	430	245
<i>Claims assessed collectively</i>				
The period's established loan losses	48	46	47	45
Recoveries from previous years' established loan losses	-7	-6	-6	-6
Allocations/withdrawals from loan loss reserve	-11	-20	-2	- 24
The period's net expense for collectively assessed claims	30	20	39	15
<i>Contingent liabilities</i>				
The period's net expense for discharged guarantees and other contingent liabilities	-3	1	-11	- 45
The period's net loan loss expense	643	258	458	215
Change in the value of property taken over	-3	2	-3	0
Total loan losses, net, and change in value of property taken over	640	260	455	215

Note 4. Problem loans

SEK M	Group			The Bank		
	6/30 2000	12/31 1999	6/30 1999	6/30 2000	12/31 1999	6/30 1999
Doubtful claims, gross	3,740	4,544	6,158	1,756	2,129	3,281
Provisions for anticipated loan losses	3,711	3,879	3,534	1,600	1,600	2,189
Doubtful claims, net	29	665	2,624	156	529	1,092
Claims with interest concessions	153	225	323	48	97	139
Problem loans, net	182	890	2,947	204	626	1,231
Unsettled claims for which accrued interest has been entered as income	1,433	1,517	1,832	608	668	765
<i>Property taken over to protect claims:</i>						
- Buildings and land	6	19	26	4	12	19
- Shares and participations	14	81	15	6	7	6
- Other	0	71	5	0	0	5
Total	20	171	46	10	19	30
Doubtful claims as % of total lending	0.0%	0.1%	0.5%	0.1%	0.2%	0.4%
Provision ratio for doubtful claims	99%	85%	57%	91%	75%	67%

Quarterly profit trend for the Group

SEK M	2Q 2000	1Q 2000	4Q 1999	3Q 1999	2Q 1999	1Q 1999
	2000	2000	1999	1999	1999	1999
Net interest income*	3,289	3,344	3,052	2,711	2,717	2,863
Commissions, net	1,629	1,712	1,362	1,202	1,258	1,081
Financial operations, net	416	432	267	184	23	105
Other income	1,096	244	185	183	287	1,591
Total income	6,430	5,732	4,866	4,280	4,285	5,640
Staff costs	-1,579	-1,530	-1,360	-1,449	-1,564	-1,419
Surplus insurance refund from SPP	260					
Other expenses	-1,800	-1,697	-1,645	-1,546	-1,631	-1,532
Total expenses	-3,119	-3,227	-3,005	-2,995	-3,195	-2,951
Profit before loan losses	3,311	2,505	1,861	1,285	1,090	2,689
Loan losses, incl. changes in value	- 290	- 350	- 272	- 104	- 2	- 258
Share of profit of associated companies	93	61	16	60	62	27
Operating profit	3,114	2,216	1,605	1,241	1,150	2,458
* Of which deposit guarantee fee	- 138	- 140	- 138	- 138	- 137	- 143

Balance sheets

SEK M	Group			The Bank		
	6/30 2000	12/31 1999	6/30 1999	6/30 2000	12/31 1999	6/30 1999
Loans to the public	603,272	569,409	515,966	218,520	191,162	202,255
Loans to credit institutions	117,614	104,516	88,696	151,087	135,536	127,828
Interest-bearing securities	48,473	58,427	56,063	46,809	44,256	60,535
- <i>Financial fixed assets</i>	2,806	6,135	6,089	2,889	6,035	7,034
- <i>Financial current assets</i>	45,667	52,292	49,974	43,920	38,221	53,501
Other assets	114,564	101,227	72,255	67,220	67,327	54,167
Total assets	883,923	833,579	732,980	483,636	438,281	444,785
Deposits and borrowings from the public	228,551	210,537	205,843	213,313	197,539	203,231
Amounts owed to credit institutions	134,494	127,948	111,206	136,834	121,989	122,356
Debt securities in issue	353,781	344,082	290,548	50,186	40,506	44,362
Subordinated liabilities	29,973	25,352	24,176	19,803	15,204	16,495
Other liabilities	104,889	94,653	72,244	41,928	40,604	38,158
Shareholders' equity	32,235	31,007	28,963	21,572	22,439	20,183
Total liabilities, provisions and shareholders' equity	883,923	833,579	732,980	483,636	438,281	444,785

Derivatives

The Group uses 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 currencies. The following specification 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.

Specification of derivatives in the Group as of June 30, 2000

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	8,080	6,472	17,670	13,420	3,056	1,821	0	0
Derivatives not reported on the balance sheet	44		54					

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	7,830	7,110	9,780	9,737	3,210	1,974	0	0
Derivatives not reported on the balance sheet	12		105					

Condensed statement of cash flows

January - June SEK M	2000	Group 1999	The Bank 2000	The Bank 1999
Liquid assets at beginning of period *	75,159	54,486	53,994	54,819
Operating activities				
Operating profit	5,330	3,608	2,329	1,548
Adjustments for non-cash items including taxes paid	3,741	- 2,202	6,255	3,933
Increase/decrease in receivables from credit institutions	-16,018	- 4,783	-20,485	-24,981
Increase/decrease in loans to the public	- 5,098	- 3,623	1,274	3,002
Increase/decrease in holdings of securities classified as current assets	- 3,248	4,275	- 4,286	4,969
Increase in deposits and borrowings from the public, including retail bonds	4,216	3,627	7,249	11,541
Increase/decrease in amounts owned to credit institutions	- 1 457	5,834	8,591	6,602
Change in other assets and liabilities, net	- 2,037	878	904	- 2,122
Cash flow from operating activities	-14,571	7,614	1,831	4,492
Investing activities				
Purchase of fixed assets	- 1,155	- 1,541	- 304	- 1,609
Sale of fixed assets	1,865	5,112	1,732	5,262
Branch sales	114	17	114	17
Cash flow from investing activities	824	3,588	1,542	3,670
Financing activities				
Issuance of interest-bearing securities	71,290	90,817	4,600	6,652
Redemption of interest-bearing securities	-58,265	-107,250	- 2,982	- 1,684
Increase/decrease in other funding	-10,459	23,686	4,509	2,873
Dividend paid	- 2 639	- 2 463	- 2,639	- 2,463
Warrants	120		120	
Cash flow from financing activities	47	4,790	3,608	5,378
Cash flow for the period	-13,700	15,992	6,981	13,540
Exchange rate differences in liquid assets	- 62			
Liquid assets at end of period *	61,397	70,478	60,975	68,359
* of which securities pledged for OM, etc. at beginning of period	4,657	4,769	4,657	4,769
at end of period	7,312	5,439	7,312	5,439

Liquid assets include cash and balances with central banks, for net claims the net of demand loan receivables and demand loan liabilities with maturities up to five days, and Treasury bills, other bills and mortgage bonds eligible for refinancing with Sveriges Riksbank, taking into account repos and short-selling.

Ratings

S&P		Moody's			BFSR*	Bankwatch			FitchIBCA		Japan R/I
Short	Long	Short	Long	Short		Long	Issuer	Short	Long	Long	
FöreningsSparbanken											
A-1	A	P-1	Aa3	B	TBW-1	AA-	B/C	F-1	A+	AA-	
Spintab											
A-1	-	P-1	Aa3	-	TBW-1	AA-	B/C	F-1+	AA-	-	
Hansapank											
A-2	BBB	P-2	Baa1	D+	-	-	-	-	-	-	
FIH											
-	-	P-1	A1	-	-	-	-	-	-	-	

Stockholm, August 24, 2000
FöreningsSparbanken AB (publ)

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Auditors' report

We have reviewed this interim report in accordance with the recommendations of the Swedish Institute of Authorized Public Accountants. A review is considerably limited in scope in comparison with an audit. Nothing has come to our attention that causes us to believe that the interim report does not comply with the requirements of the Securities and Clearing Operations Act and the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm, August 24, 2000

Ulf Egenäs
Authorized Public
Accountant

Torbjörn Hanson
Authorized Public
Accountant

Peter Markborn
Authorized Public Accountant
Appointed by the Swedish
Financial Supervisory Authority

Financial information

The Group's financial reports can be accessed on FöreningsSparbanken's home page on the Internet at <http://www.foreningssparbanken.se/ir> or at the nearest branch of FöreningsSparbanken. FöreningsSparbanken's next interim report, interim report for the period january – september 2000, is released on October 27, 2000.

Quarterly profit trend by business area

SEK M	2Q 2000	1Q 2000	4Q 1999	3Q 1999	2Q 1999	1Q 1998
Retail Banking						
Income	3,212	3,277	3,253	2,947	2,848	2,894
Internal sales commissions	538	616	491	405	414	373
Expenses	- 1,949	- 1,929	- 2,039	- 2,049	- 2,187	- 1,928
Profit before loan losses	1,801	1,964	1,705	1,303	1,075	1,339
Loan losses	- 219	- 302	- 240	- 98	- 1	- 268
Share of profit of associated companies	24	23	- 2	12	9	8
Profit after loan losses	1,606	1,685	1,463	1,217	1,083	1,079
Swedbank Markets						
Income	788	824	567	375	574	584
Internal sales commissions	- 51	- 134	- 85	- 45	- 71	- 69
Expenses	- 388	- 328	- 299	- 230	- 276	- 277
Profit before loan losses	349	362	183	100	227	238
Loan losses	0	0	- 4	- 2	- 4	- 1
Share of profit of associated companies						
Profit after loan losses	349	362	179	98	223	237
Asset Management						
Income	917	913	804	677	624	573
Internal sales commissions	- 487	- 482	- 406	- 360	- 343	- 304
Expenses	- 181	- 171	- 216	- 158	- 159	- 149
Profit before loan losses	249	260	182	159	122	120
Loan losses						
Share of profit of associated companies						
Profit after loan losses	249	260	182	159	122	120
Other						
Income	1,513	718	242	281	239	1,589
Internal sales commissions						
Expenses	- 601	- 799	- 451	- 558	- 573	- 597
Profit/loss before loan losses	912	- 81	- 209	- 277	- 334	992
Loan losses	- 71	- 48	- 28	- 4	3	11
Share of profit of associated companies	69	38	18	48	53	19
Profit/loss after loan losses	910	- 91	- 219	- 233	- 278	1,022