



Press release
from FöreningsSparbanken
(Swedbank)

October 3, 2002

SpareBank 1 Gruppen announces goodwill write-off affecting FöreningsSparbanken

As indicated in the enclosed press release, Norway's SpareBank 1 Gruppen AS, which is 25-percent owned by FöreningsSparbanken (Swedbank), has decided to write off goodwill of NOK 594 million. Together with an estimated loss after tax for the third quarter of 2002 of NOK 157 million, this means SpareBank 1 Gruppen's total loss after tax for the period is approximately NOK 751 million.

For FöreningsSparbanken, this will have a projected impact on profit after tax of SEK 227 million for the third quarter, corresponding to FöreningsSparbanken's 25-percent ownership interest.

This is in addition to FöreningsSparbanken's normal goodwill amortization from the acquisition of its shares in SpareBank 1 Gruppen of SEK 8 million per quarter. The overall negative effect on FöreningsSparbanken's profit for the third quarter is thereby estimated at SEK 277 million before tax and SEK 235 million after tax.

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Enclosure: October 3, 2002 press release from SpareBank 1 Gruppen AS

SpareBank 1 Group announces profit warning and efficiency improving measures

Profit warning for 3rd quarter 2002

SpareBank 1 Gruppen AS anticipates a loss as of the third quarter of 2002 in the order of NOK 960 million. Factors contributing to this result include an extraordinary goodwill and excess value write-down of NOK 594 million, in addition to the ordinary goodwill and excess value write-down of NOK 177 million for the period. The result is otherwise strongly attributed to the losses posted by SpareBank 1 Livsforsikring due to the performance of the securities markets.

The owners have injected NOK 200 million in new share capital to SpareBank 1 Gruppen AS on a pro rata basis.

Write-down - goodwill and excess values

The SpareBank 1 Group has acquired goodwill over time as a result of the acquisitions it has made, especially the acquisition of VÅR Gruppen ASA. After an overall assessment of the Group's book values, it was determined that the Group's goodwill and excess values would have to be written down by a total of NOK 486 million. Net excess values of NOK 108 million related to Bank 1's 18.75% interest in Europay in connection with the disposal of these shares have also been written down. The gain on the sale of the Europay holdings for SpareBank 1 Gruppen AS will be approximately NOK 20 million after tax. The book value of the group's goodwill as of the second quarter, prior to the write-downs, totals NOK 1074 million, while the net excess values total NOK 440 million.

The Sparebank 1 Group's annual goodwill and excess values depreciation will as a result of the extraordinary write-down be reduced by the net amount of NOK 60 million as of 2003.

Reduced share exposure

The Life Insurance Company has reduced its share portfolio in the third quarter, and the company's investments in equities accounted for approximately 8.6% of its investment assets as of 30 September 2002. In addition, hedging transactions have been carried out to protect the share portfolio. New control and management routines are being implemented for the management of equities in the company.

Consequences of results for shareholders

For Sparebanken Nord-Norge, Sparebanken Midt-Norge, Sparebanken Vest and Sparebanken Rogaland, the expected results in the SpareBank 1 Group as of the 3rd quarter will have a negative impact of approximately NOK 125 million on the results, of which NOK 103 mill. is connected to the 3rd quarter.

Measures for improving efficiency at the SpareBank 1 Group

The SpareBank 1 Group has implemented a number of measures to improve the company's underlying operations. A broad efficiency improvement program will be implemented effective the fourth quarter of 2002. The goal is to achieve efficiency gains of at least NOK 125 million annually, with full effect from 2004.

– SpareBank 1 Gruppen AS faces major challenges. Focusing on customer relations, cost reductions and professionalism, our goal is to emerge as a strong and leading supplier of savings and insurance products, says Managing Director Gunn Wærsted of SpareBank 1 Gruppen AS. – We are looking to the future and have great confidence that our new focus, which is clearly evident from the SpareBank 1 Alliance's new strategy, will give positive results.

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