



Interim report for FöreningsSparbanken (Swedbank)
January – March 2004
May 4, 2004

Operating profit rose by 32 percent to SEK 2,623 M

First quarter in summary:

- Operating profit rose by 32 percent to SEK 2,623 M (1,983)
- Profit for the period rose by 36 percent to SEK 1,742 M (1,285)
- The return on equity rose to 16.9 percent (13.1)
- Earnings per share rose by 36 percent to SEK 3.30 (2.43)
- Total income rose by 9 percent to SEK 6,350 M (5,806)
- Net interest income rose by 2 percent to SEK 4,104 M (4,033)
- Net commission income rose by 24 percent to SEK 1,611 M (1,300)
- Net profit on financial operations doubled to SEK 388 M (194)
- Expenses rose by 8 percent to SEK 3,667 M (3,398). Excluding profit-based staff costs, the increase was 1 percent
- Loan losses decreased by 58 percent to SEK 163 M (390)

Profit trend for the Group

The Group's operating profit rose by 32 percent to SEK 2,623 M (1,983). Income rose by 9 percent to SEK 6,350 M (5,806), while expenses rose by 8 percent to SEK 3,667 M (3,398). Excluding profit-based staff costs, the increase was 1 percent. Loan losses decreased by 58 percent to SEK 163 M (390). The return on equity rose to 16.9 percent (13.1), while earnings per share increased to SEK 3.30 (2.43).

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

Income rose 9 percent

The Group's income rose by SEK 544 M or 9 percent and amounted to SEK 6,350 M (5,806). Net interest income rose by 2 percent or SEK 71 M mainly due to higher lending volumes. Net commission income rose by 24 percent or SEK 311 M mainly due to higher asset management and payment commissions. Net profit on financial operations rose by SEK 194 M.

Compared with the fourth quarter of 2003 income rose by 3 percent.

Net interest income

The Group's net interest income rose by 2 percent to SEK 4,104 M (4,033). Net interest income from Swedish deposit and lending operations rose due to higher volumes but declined from lower margins, partly as a result of generally lower interest rates. Net interest income improved by SEK 80 M in Swedbank Markets and by SEK 40 M in Treasury Management. In International Banking, net interest income was unchanged, while a decrease of SEK 46 M was reported by the Swedish Retail operations.

Compared with the fourth quarter of 2003 net interest income rose marginally from 4,096 to SEK 4,104 M.

Net commission income rose 24 percent

Net commission income rose by 24 percent or SEK 311 M to SEK 1,611 M (1,300). Higher use of debit and credit cards led to an increase of SEK 80 M or 18 percent in payment commissions to SEK 520 M (440). Asset management commissions rose by 29 percent or SEK 151 M. The increase was due to strong gains in fund contributions and appreciation in the value of fund assets resulting from higher stock prices. Increased stock market activity led to a jump of 111 percent in brokerage commissions to SEK 135 M.

Compared with the fourth quarter of 2003 net commission income rose by SEK 49 M.

Net profit on financial operations

Net profit on financial operations doubled to SEK 388 M (194). Profit from trading in fixed income securities rose by SEK 125 M, while profit from trading in equities and other financial instruments rose by SEK 53 M. Income from foreign exchange operations rose by SEK 16 M.

Compared with the fourth quarter of 2003 net profit on financial operations rose by SEK 131 M.

Other income

Other income, which consists largely of income from the sale of IT and administrative services to independent savings banks and partly owned banks in Sweden, declined by 10 percent to SEK 242 M (269). This income is directly related to FöreningsSparbanken's IT expenses, which also decreased during the quarter.

Profit-based staff costs raised expenses

The Group's expenses rose by SEK 269 M or 8 percent to SEK 3,667 M (3,398). Of the increase, SEK 223 M referred to profit-based staff costs. Excluding the latter, expenses rose by 1 percent.

Staff costs

Staff costs rose to SEK 1,996 M (1,713). In the Swedish operations, staff costs rose by SEK 126 M due to the payment of a bonus of SEK 10,000 to each employee and by SEK 88 M due to an increased allocation to the Kopparmyntet profit-sharing fund. Of the allocation, SEK 41 M was an adjustment of the allocation for

2003. Profit-based staff costs thus rose by 214 M. Excluding these expenses, staff costs in the Swedish operations rose by SEK 47 M or 3 percent due to contractual wage increases and higher pension costs. In International Banking, staff costs amounted to SEK 249 M (227). Of the increase, SEK 9 M was profit-based staff costs.

Compared with the fourth quarter of 2003 staff costs rose by SEK 169 M.

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

	March 31 2004	Dec 31 2003	March 31 2003
Total number of employees	15,383	15,366	15,405
<i>Of which International banking operations</i>	<i>6,110</i>	<i>5,931</i>	<i>5,924</i>

Other expenses

Other expenses – i.e. other administrative expenses, depreciation of tangible fixed assets and amortization of goodwill – decreased by 1 percent to SEK 1,671 M (1,685). Depreciation of tangible fixed assets decreased by SEK 32 M to SEK 148 M (180) and amortization of goodwill amounted to SEK 158 M (154).

Compared with the fourth quarter of 2003 other expenses decreased by SEK 170 M.

IT expenses

IT expenses include all development and production expenditures as well as computer equipment service costs and depreciation. IT expenses for the period, after deducting IT-related income from partly owned banks and independent savings banks, amounted to SEK 530 M (576). The corresponding expense in the Swedish operations was SEK 466 M (502).

Loan losses declined

The loan loss level was 0.09 percent (0.22). Loan losses declined by 58 percent to SEK 163 M (390). FI-Holding's loan losses amounted to SEK 22 M (40) and Hansabank's to SEK 50 M (48). The Group's doubtful claims, gross, amounted to SEK 3,932 M as of March 31, 2004, against SEK 3,862 M on December 31, 2003. Loan loss reserves amounted to SEK 5,068 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 and losses of associated companies amounted to SEK 103 M (-35). The share of SpareBank 1 Gruppen's profit was SEK 6 M (-71) after profit improvements by Bank 1 Oslo and Odin Förvaltning.

Tax expense 26 percent

Consolidated profit before tax amounted to SEK 2,623 M (1,953) and the tax expense was SEK 671 M (504), or an effective tax rate of 26 percent (26).

Interest rate risk

An increase in all market interest rates by one percentage point as of March 31, 2004 would have reduced the value of the Group's interest-bearing assets and liabilities, including derivatives, by SEK 1,489 M (1,770). The decrease in the value of positions in SEK would have been SEK 1,264 M (1,445) and positions in foreign currency SEK 225 M (325). An interest rate increase of one percentage point would have reduced the Group's net profit on financial operations by SEK 295 M (276) as of March 31, 2004. Comparative figures refer to December 31, 2003.

Capital adequacy

The capital adequacy ratio, which is calculated for the financial companies group, amounted to 10.7 percent (10.8) on March 31, 2004, of which the primary capital ratio was 7.1 percent (7.2). Market risks as a share of the total capital adequacy ratio amounted to 0.5 percentage points (0.5).

In the first quarter of 2004 primary capital decreased by nearly SEK 1.6 bn due to effects of the application of accounting recommendation RR 29 (IAS 19) Employee benefits. As a result, the primary capital ratio decreased by nearly 0.3 percentage points. In March FöreningsSparbanken issued primary capital certificates amounting to GBP 200 million, equivalent to approximately SEK 2.7 bn. The issue raised the primary capital ratio by nearly 0.5 percentage points.

The risk-weighted amount for credit risks rose to SEK 579 bn (562) during the period. The increase is primarily attributable to higher volumes for Swedbank Markets and higher lending by Spintab and Hansabank. The risk-weighted amount for market risks rose by SEK 4 bn to SEK 30 bn, mainly due to higher volumes.

Profit for the first quarter of 2004 is not included in the capital base.

Specification of capital adequacy

SEK M	March 31 2004	Dec 31 2003	March 31 2003
Primary capital	42,866	42,158	40,030
Supplementary capital	25,319	24,848	26,604
Less shares, etc.	-4,262	-4,282	-5,089
Expanded portion of capital base	994	971	1,082
Capital base	64,917	63,695	62,627
Risk-weighted amount for credit risks	578,833	561,860	549,449
Risk-weighted amount for market risks	29,594	25,660	30,865
Total risk-weighted amount	608,427	587,520	580,314
Capital adequacy ratio, %	10.7	10.8	10.8
Primary capital ratio, %	7.1	7.2	6.9

As of March 31, 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, Sparebank 1 Gruppen A/S and First Securities A/S in Norway. The Group's insurance companies are not included.

Business volumes

Savings and investments

Customers' total savings and investments in FöreningsSparbanken amounted to SEK 584 bn (557) as of March 31, 2004, an increase of SEK 27 bn or 5 percent. Customers' deposits, excluding repurchase agreements (repos), rose SEK 4 bn or 1 percent to SEK 279 bn (275). Deposits in SEK fell by SEK 4 bn or 2 percent to SEK 218 bn (222), while deposits in foreign currency rose to SEK 60 bn (53).

Savings and investments, the Group

SEK bn	March 31 2004	Dec 31 2003	3 months change	March 31 2003
Deposits from the public				
Households	134.4	135.4	-1.0	131.7
Other	83.9	87.0	-3.1	79.5
Households, foreign currency	18.0	16.7	1.3	15.7
<i>Of which Hansabank</i>	<i>17.9</i>	<i>16.7</i>	<i>1.2</i>	<i>15.6</i>
Other, foreign currency	42.2	35.8	6.4	34.4
<i>Of which Hansabank</i>	<i>21.9</i>	<i>20.4</i>	<i>1.5</i>	<i>19.0</i>
Subtotal	278.5	274.9	3.6	261.3
Discretionary asset management	22.2	22.6	-0.4	17.8
Fund management	270.5	248.6	21.9	202.6
Retail bonds, interest-bearing	2.1	2.9	-0.8	2.6
Retail bonds, equity linked	10.4	7.6	2.8	5.8
Unit-linked insurance	40.4	37.0	3.4	30.2
Less unit-linked insurance in own companies	-40.4	-37.0	-3.4	-29.7
Total	583.7	556.6	27.1	490.6

Sales and market shares

One of FöreningsSparbanken's objectives in 2004 is a market share in Sweden of 21 percent for new sales of savings products – deposits from household customers, mutual funds, unit-linked insurance from all customer categories, retail bonds and equity linked bonds – excluding sales through partly owned and independent savings banks.

Lending

The Group's total credit exposure, including contingent liabilities and derivatives, amounted to SEK 939 bn (906). Credit exposure in the Swedish market rose from December 31, 2003 by SEK 23 bn and in other markets by SEK 10 bn.

The Group's lending to the public amounted to SEK 726 bn (721) at the end of the quarter, an increase of SEK 5 bn or 1 percent from the beginning of the year. In the Swedish operations, lending rose to SEK 616 bn (614). Lending by Hansabank and FI-Holding amounted to SEK 110 bn (107). Of the change, SEK 2 bn was attributable to changes in exchange rates. Consumer loans amounted to SEK 342 bn (337), up SEK 5 bn or 1 percent from the beginning of the year. The increase is largely due to mortgage lending by Spintab arranged through the Swedish branch network.

Market shares

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

Lending, Group

SEK bn	March 31 2004	Dec 31 2003	3 months change	March 31 2003
Private individuals	342.1	337.5	4.6	312.4
<i>Of which Spintab</i>	278.0	273.6	4.4	253.7
Real estate management	151.6	153.0	-1.4	144.6
Retail, hotels, restaurants	28.4	27.6	0.8	26.4
Construction	11.3	10.9	0.4	10.9
Manufacturing	50.1	49.5	0.6	51.9
Transportation	15.8	15.5	0.3	14.1
Forestry and agriculture	34.7	34.8	-0.1	32.1
Other service businesses	17.3	18.1	-0.8	19.5
Other business lending	61.8	60.0	1.8	56.6
Municipalities *)	13.4	14.2	-0.8	14.2
Total lending to the public	726.5	721.1	5.4	682.7
Credit institutions incl. Nat'l Debt Office	51.6	54.7	-3.1	66.1
Repurchase agreements (repos)	67.8	50.6	17.2	96.3
Total lending	845.9	826.4	19.5	845.1
<i>Of which lending to the public by:</i>				
<i>Hansabank</i>	42.5	39.3	3.2	32.0
<i>FI-Holding</i>	67.9	67.9	0.0	71.5

*) Not including municipal companies.

Payments

Card payments

As of year-end approximately 2.9 million FöreningsSparbanken bank cards were in issue in the Swedish market, an increase of 6 percent. The trend toward greater card use is continuing. The number of card purchases by FöreningsSparbanken's customers rose by 20 percent and the number of card transactions cleared climbed 20 percent compared with the first quarter of 2003.

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 2.6 million (2.7), of whom 1.1 million (1.0) are Internet-based. Comparative figures refer to March 2003.

Electronic payments

With e-billing, bills are sent directly to the Internet bank, where customers can safely and conveniently approve payments. A total of 250 companies offer the service, compared with 212 on December 31, 2003. The number of e-bills is rising steadily. During the quarter 216,000 e-bills were sent, compared with 164,000 in the corresponding quarter a year earlier.

Other

Jan Lidén new President of FöreningsSparbanken

In January 2004 Jan Lidén was appointed the new President and CEO of FöreningsSparbanken AB. He assumed the post on February 1, 2004. Until then Jan Lidén had served as Deputy CEO and Head of the Stockholm region as well as Acting CFO. He will retain the latter two positions until a permanent replacement is found.

Amended rules for Kopparmyntet profit-sharing system

When FöreningsSparbanken's return on equity exceeds a weighted average for large, publicly listed Nordic banks, an allocation is made to the Kopparmyntet profit-sharing fund. The maximum allocation also requires that the Group meet its market share objective for new sales of savings products in the Swedish market. This market share objective was previously 25 percent. If the objective is not met, the allocation to Kopparmyntet would be reduced by half. In March 2004 FöreningsSparbanken's Board of Directors decided that the market share objective for new sales of savings products in the Swedish market will be at least 21 percent this year. If the objective is not met, any allocation to Kopparmyntet for 2004 will be reduced by 25 percent.

Application of accounting principles

The interim report is prepared according to the Swedish Financial Accounting Standards Council's recommendation RR20, 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 (IAS 19).

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 (defined-contribution 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 IASB's accounting standards

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 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 in the first quarter of 2004, the consolidated operating profit would have improved by SEK 172 M due to the absence of goodwill amortization.

The EU has not yet adopted recommendations IAS 32 and IAS 39 on disclosures and valuation rules for financial assets and liabilities. Suggested changes to IAS 39 have been circulated for comment. The changes primarily affect when financial assets and liabilities can be valued 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.

Highlights following the conclusion of the quarter

Resolutions adopted by the Annual General Meeting of 2004

The Annual General Meeting (AGM) of FöreningsSparbanken on April 22, 2004 approved a dividend of SEK 5.75 per share.

The AGM also resolved to permit the bank, in its securities operations, to continuously acquire its own shares to facilitate these operations. This decision remains effective until the 2005 AGM. The holding of shares acquired by the securities operations may at no time exceed 2.5 percent of the total shares in the bank.

It was also resolved to authorize the bank's board until the 2005 AGM to decide to acquire and transfer the bank's own shares over and above any acquisitions made by the securities operations. According to the authorization, acquisitions may not raise the bank's total holding of its own shares, including shares acquired by the securities operations, to more than ten percent of the total number of the shares in the bank. Acquisitions may only be made on Stockholmsbörsen (the Stockholm Stock Exchange) and only at a price that lies within the interval between the highest buying rate and the lowest selling rate.

Transfers of the bank's own shares acquired in accordance with the authorization may be made by way of sale on Stockholmsbörsen at a price that lies within the interval at the time of transfer. To finance acquisitions of all or parts of companies or business activities, transfers may also be made other than through Stockholmsbörsen, with the right to diverge from shareholders' preferential rights and at a price equivalent to estimated market value. Settlement may be made in forms other than cash consideration, such as contributions in kind, set-off of receivables or otherwise with conditions.

Following the AGM, the Board of Directors consists of nine members. The following members were reelected: Bo Forslund, Ulrika Francke, Thomas Johansson, Göran Johnsson, Birgitta Klasén, Marianne Qvick Stoltz, Carl Eric Stålberg, Lennart Sundén and Anders Sundström.

The AGM appointed a Nomination Committee consisting of six members with Thomas Halvorsen, President of the Fourth National Pension Insurance Fund, as Chairman.

At its statutory meeting immediately following the AGM, the Board appointed Carl Eric Stålberg as Chairman, Bo Forslund as First Deputy Chairman and Ulrika Francke as Second Deputy Chairman.

Key ratios for the Group

	March 31 2004	March 31 2003	Full-year 2003
Return on equity, %	16.9	13.1	15.9
Return on total equity, %	1.00	0.80	0.94
Earnings per share, SEK *	3.30	2.43	12.02
Earnings per share after dilution, SEK **	3.30	2.43	12.01
Equity per share, SEK *	80.02	75.70	79.42
Equity per share after dilution, SEK **	79.99	75.67	79.39
C/I ratio before loan losses	0.57	0.59	0.57
C/I ratio after loan losses	0.59	0.66	0.61
Capital adequacy ratio, %	10.7	10.8	10.8
Primary capital ratio, %	7.1	6.9	7.2
Loan loss ratio, net, %	0.09	0.22	0.14
Share of doubtful claims, %	0.29	0.28	0.28
Provision ratio for doubtful claims, % ***	129	133	131
Number of shares at beginning and end of year	527,808,843	527,808,843	527,808,843
Average number of shares during the year	527,808,843	527,808,843	527,808,843
* Number of shares in calculation	527,808,843	527,808,843	527,808,843
** Number of shares after dilution	527,998,282	527,972,274	528,027,504
*** See Note 4			

Operational profit and loss account, the Group *

SEK M	Q1 2004	Q1 2003	%	Full-year 2003
<i>Interest receivable</i>	11,486	12,586	-9	47,755
<i>Interest payable</i>	-7,382	-8,553	-14	-31,554
Net interest income	4,104	4,033	2	16,201
Dividends received	5	10	-50	105
<i>Commissions receivable</i>	2,135	1,738	23	7,661
<i>Commissions payable</i>	-524	-438	20	-1,922
Net commission income	1,611	1,300	24	5,739
Net profit on financial operations	388	194	100	801
Other operating income	242	269	-10	1,607
Total income	6,350	5,806	9	24,453
General administrative expenses				
- Staff costs excl. profit-based staff costs	-1,709	-1,649	4	-6,720
- Profit-based staff costs	-287	-64		-258
- Other	-1,365	-1,351	1	-5,585
Total general administrative expenses	-3,361	-3,064	10	-12,563
Depreciation and write-down of tangible fixed assets	-148	-180	-18	-664
Amortization of goodwill	-158	-154	3	-614
Total expenses	-3,667	-3,398	8	-13,841
Profit before loan losses	2,683	2,408	11	10,612
Loan losses, net, including change in value of property taken over	-163	-390	-58	-987
Write-down/reversal of write-down of financial fixed assets				55
Share of profit/loss of associated companies	103	-35		-116
Operating profit	2,623	1,983	32	9,564
Settlement of pensions		-30		-19
Taxes	-671	-504	33	-2,567
Minority interest	-210	-164	28	-635
Profit for the period	1,742	1,285	36	6,343
Earnings per share, SEK **	3.30	2.43	36	12.02
Earnings per share after dilution, SEK **	3.30	2.43	36	12.01

* 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 21 and 22.

** See key ratios on page 9 for number of shares

Quarterly profit trend for the Group

SEK M	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002
Net interest income	4,104	4,096	4,114	3,958	4,033	3,886	3,930	3,908
Net commission income	1,611	1,562	1,476	1,401	1,300	1,439	1,369	1,479
Net profit on financial operations	388	257	132	218	194	188	183	-173
Other income	247	268	294	871	279	277	267	377
Total income	6,350	6,183	6,016	6,448	5,806	5,790	5,749	5,591
Staff costs	-1,865	-1,782	-1,707	-1,671	-1,670	-1,753	-1,750	-1,722
Allocation to Kopparmyntet*	-131	-45	-45	-15	-43	-33	46	-41
Other expenses	-1,671	-1,841	-1,614	-1,723	-1,685	-1,671	-1,638	-1,673
Total expenses	-3,667	-3,668	-3,366	-3,409	-3,398	-3,457	-3,342	-3,436
Profit before loan losses	2,683	2,515	2,650	3,039	2,408	2,333	2,407	2,155
Loan losses, net incl. change in value of property taken over	-163	-155	-160	-282	-390	-360	-375	-433
Write-down/reversal of write-down of financial fixed assets		32	23				-264	
Share of associated companies' profit/loss	103	75	55	-211	-35	-125	-380	-62
Operating profit	2,623	2,467	2,568	2,546	1,983	1,848	1,388	1,660

* Profit-sharing fund

Business area report

SEK M	Swedish Retail Operations		Swedbank Markets		Asset Management and Insurance		International Banking		Treasury Management		Shared Services and Group Staffs		Eliminations	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
January - March	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Net interest income	2,844	2,890	280	200	11	23	776	779	200	160	-11	-24	4	5
Net commission income	840	653	169	141	331	271	260	229	-6	-8	16	4	1	10
Financial transactions, net	34	27	110	89	3	-8	153	73	74	2	14	11	0	0
Other income	196	135	10	9	10	15	37	40	5	3	741	882	-752	-805
Total income	3,914	3,705	569	439	355	301	1,226	1,121	273	157	760	873	-747	-790
Staff costs	-1,080	-961	-160	-145	-69	-66	-249	-227	-9	-4	-444	-324	15	14
IT expenses	-151	-182	-59	-64	-18	-18	-35	-37	-2	-2	-200	-229	188	210
Other expenses	-1,056	-1,026	-75	-76	-57	-50	-143	-133	-12	-6	-289	-304	544	566
Depreciation/amortization	-55	-66	-3	-4	-59	-60	-119	-127	0	0	-70	-77		
Total expenses	-2,342	-2,235	-297	-289	-203	-194	-546	-524	-23	-12	-1,003	-934	747	790
Profit before loan losses	1,572	1,470	272	150	152	107	680	597	250	145	-243	-61		
Loan losses	-81	-303	-10	-9			-72	-92					14	
Share of associated companies' profit/loss	40	24	2	-8			63	-55	-2	4	0	0		
Operating profit/loss	1,531	1,191	264	133	152	107	671	450	248	149	-243	-47		
Return on allocated equity, %	18.2	15.6	31.6	18.3	28.2	17.5	17.5	9.9	103.5	32.8				
C/I ratio before loan losses	0.60	0.60	0.52	0.66	0.57	0.64	0.45	0.47	0.08	0.08	1.32	1.07		
Full-time employees	6,826	7,147	536	558	257	260	6,110	5,924	27	16	1,627	1,500		

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, 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 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 have customer responsibility for private and commercial customers, organizations, municipalities and county councils in Sweden. It includes the Bank's own distribution channels in the form of branches, ATM's, the Swedish telephone and Internet banks. The Customer Offerings and Products unit (including the subsidiaries Spintab, FSB Finans, Kundinkasso and EnterCard), FSB Bolåndirekt Bank (formerly HSB Bank), partly owned Swedish banks, private banking operations in Luxembourg, FöreningsSparbanken Fastighetsbyrå AB (real estate brokerage) and FöreningsSparbanken Juristbyrå AB (legal services) are also included.

The branch network in Sweden is organized in 77 local banks in 6 regions throughout the country. With 510 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 219 in-store banking locations. The agreement with Svensk Kassaservice (the Swedish postal service) also gives customers access to certain teller transactions at just over 900 post offices.

Approximately 2.1 million customers use the Telephone bank. Since the start of the year the number of customers using the Internet bank has risen to 1.6 million, of whom approximately 1.5 million were private customers, or 25 percent of private customers at FöreningsSparbanken, the independent savings banks and partly owned banks. 36 percent of the business customers in Sweden use the Internet bank.

Profit trend

SEK M	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002
Net interest income	2,844	2,909	2,843	2,881	2,890	2,929
Net commission income	840	819	818	717	653	720
Financial transactions, net	34	31	33	33	27	25
Other income	196	182	150	185	135	219
Total income	3,914	3,941	3,844	3,816	3,705	3,893
Staff costs	-1,080	-1,012	-954	-968	-961	-1,065
IT expenses	-151	-178	-186	-183	-182	-342
Other expenses	-1,056	-1,186	-1,043	-1,019	-1,026	-867
Depreciation/amortization	-55	-55	-57	-62	-66	-95
Total expenses	-2,342	-2,431	-2,240	-2,232	-2,235	-2,369
Profit before loan losses	1,572	1,510	1,604	1,584	1,470	1,524
Loan losses	-81	-132	-100	-291	-303	-232
Share of associated companies' profit/loss	40	7	34	24	24	-19
Operating profit/loss	1,531	1,385	1,538	1,317	1,191	1,273
Tax	-428	-388	-435	-357	-341	-381
Minority interests	-1	4	-3	0	-2	0
Profit/loss for the period	1,102	1,001	1,100	960	848	892
Allocated equity	24,271	21,754	21,754	21,754	21,754	20,367
Return on allocated equity, %	18.2	18.4	20.2	17.7	15.6	17.5
Income items						
Income from external customers	3,648	3,710	3,630	3,590	3,487	3,716
Income from transactions with other business areas	266	231	214	226	218	177
Total income	3,914	3,941	3,844	3,816	3,705	3,893
Business volumes, SEK bn						
Lending	601	602	590	576	560	553
Deposits	237	238	238	228	226	221
Mutual funds and insurance	183	165	155	153	139	142
Other investment volume	10	8	7	7	6	6
Shares and participations in associated companies, SEK bn	1	1	1	1	1	1
Risk-weighted volume, SEK bn	397	395	389	380	372	369
Total assets, SEK bn	662	658	652	627	610	602
Total liabilities, SEK bn	638	636	630	605	589	582
Full-time employees	6,826	7,038	6,978	7,007	7,147	7,252

Operating profit amounted to SEK 1,531 M, an increase of SEK 340 M or 29 percent from the previous year. Income rose by SEK 209 M or 6 percent compared with the previous year to SEK 3,914 M (3,705), mainly through higher mutual fund and insurance commissions and the acquisition of EnterCard, whose income amounted to SEK 60 M. Net interest income has been affected negatively by a lower margin on deposits, mainly due to lower interest rates.

Adjusted for bonuses and an increased allocation to the Kopparmyntet profit-sharing fund, as well as the acquisition of EnterCard, expenses decreased by SEK 75 M or just over 3 percent compared with the previous year.

Loan losses amounted to SEK 81 M, a decrease of SEK 222 M or 73 percent compared with the previous year. The loan loss ratio was 0.06 percent (0.20).

The return on allocated equity was 18 percent (16).

Compared with the previous quarter operating profit rose by SEK 146 M or 11 percent, primarily due to a seasonal increase in expenses during the fourth quarter of 2003.

The number of full-time positions was reduced by 321 compared with the previous year and by 212 compared with the fourth quarter of 2003.

Swedbank Markets

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

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. The products are sold by the Group's Swedish branch network, independent savings banks and partly owned banks, as well as through the Internet bank and Telephone bank.

Profit trend

M	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002
Net interest income	280	144	348	151	200	258
Net commission income	169	206	124	151	141	174
Financial transactions, net	110	168	13	69	89	52
Other income	10	9	14	66	9	12
Total income	569	527	499	437	439	496
Staff costs	-160	-152	-131	-129	-145	-153
IT expenses	-59	-45	-54	-67	-64	-66
Other expenses	-75	-70	-78	-84	-76	-97
Depreciation/amortization	-3	-3	-4	-4	-4	-5
Total expenses	-297	-270	-267	-284	-289	-321
Profit before loan losses	272	257	232	153	150	175
Loan losses	-10	-4	-4	0	-9	-11
Share of associated companies' profit/loss	2	3	-6	4	-8	0
Operating profit/loss	264	256	222	157	133	164
Tax	-74	-74	-61	-43	-37	-46
Profit/loss for the period	190	182	161	114	96	118
Allocated equity	2,405	2,093	2,093	2,093	2,093	2,249
Return on allocated equity, %	31.6	34.8	30.8	21.8	18.3	21.0
Income items						
Income from external customers	492	439	427	365	365	423
Income from transactions with other business areas	77	88	72	72	74	73
Total income	569	527	499	437	439	496
Business volumes, SEK bn						
Lending	14	12	12	14	16	17
Deposits	1			0		0
Mutual funds and insurance	1	1	1	1	1	1
Other investment volume	10	8	7	6	6	6
Shares and participations in associated companies, SEK bn	0	0	0	0	0	0
Risk-weighted volume, SEK bn	45	37	40	45	46	39
Total assets, SEK bn	276	232	253	246	247	205
Total liabilities, SEK bn	274	230	251	244	245	203

Full-time employees	536	535	568	562	558	526
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Swedbank Markets' operating profit amounted to SEK 264 M, an increase of SEK 131 M or 98 percent compared with the previous year. Income from equity-related operations rose by 37 percent or SEK 64 M, while improving by 26 percent or SEK 65 M in fixed income and foreign exchange trading.

The return on allocated equity rose to 32 percent (18).

Compared with the previous quarter, operating profit rose by SEK 8 M or 3 percent.

Asset Management and Insurance

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

Operating profit amounted to SEK 152 M, an increase of SEK 45 M or 42 percent compared with the first quarter of the previous year. The improvement is due to higher asset management volumes, primarily resulting from higher share prices on global markets, which raised asset volumes and resulted in increased commission income.

The return on allocated equity in the first quarter of 2004 was 28 percent (17).

Compared with the previous quarter, operating profit rose by SEK 29 M or 24 percent.

Profit trend

SEK M	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002
Net interest income	11	11	8	3	23	13
Net commission income	331	318	301	278	271	293
Net profit on financial operations	3	-3	3	16	-8	10
Other income	10	11	8	1	15	8
Total income	355	337	320	298	301	324
Staff costs	-69	-55	-65	-62	-66	-42
IT expenses	-18	-20	-21	-19	-18	-22
Other expenses	-57	-79	-41	-65	-50	-65
Depreciation/amortization	-59	-60	-59	-59	-60	-62
Total expenses	-203	-214	-186	-205	-194	-191
Profit before loan losses	152	123	134	93	107	133
Operating profit	152	123	134	93	107	133
Tax	-43	-34	-38	-26	-30	-37
Profit for the period	109	89	96	67	77	96
Allocated equity	1,547	1,759	1,759	1,759	1,759	1,971
Return on allocated equity, %	28.2	20.2	21.8	15.2	17.5	19.5
Income items						
Income from external customers	701	662	629	624	535	611
Income from transactions with other business areas	-346	-325	-309	-326	-234	-287
Total income	355	337	320	298	301	324
Business volumes, SEK bn						
Mutual funds and insurance	271	249	232	224	203	206
Other investment volume	22	22	24	24	18	20
Total assets, SEK bn	46	42	40	39	35	36
Total liabilities, SEK bn	44	40	38	37	33	34
Full-time employees	257	256	264	255	260	282

Fund savings, volumes and flows

Net contributions to Robur's mutual funds during the first quarter of 2004 totaled SEK 7 bn, against SEK 5 bn in the corresponding period of the previous year. Of net contributions, SEK 3.1 bn (2.9) was from premium pension investments and SEK 0.9 bn (0.3) from unit-linked insurance in Robur Försäkring.

Robur's assets under management amounted to SEK 271 bn on March 31, 2004, compared with SEK 249 bn on December 31, 2003. The change resulted from an increase in the value of fund assets of approximately SEK 15 bn, mainly because of rising stock prices during the year. After net fund contributions of approximately SEK 7 bn, the increase in fund assets during the period was SEK 22 bn. Institutional asset management operations managed SEK 42 bn (41), of which SEK 20 bn (18) was invested in Robur funds.

Robur's share of net contributions in the Swedish mutual fund market was 23 percent (17) in the first quarter of 2004. Its share of assets under management in the fund market was 28 percent (29) on December 31, 2003.

	March 31 2003	Dec 31 2003	March 31 2002
Fund management			
Assets under management (SEK bn)	271	249	203
<i>Of which:</i>			
<i>Swedish equities, %</i>	27.3	27.4	25.3
<i>Foreign equities, %</i>	37.3	36.3	36.0
<i>Interest-bearing securities, %</i>	35.4	36.3	38.7
Number of customers (thousands)	2,793	2,776	2,742
Unit-linked insurance			
Assets under management (SEK bn)	40.5	37.0	30.2
<i>Of which in Robur funds</i>	40.5	37.0	29.7
Number of policies (thousands)	700	680	652
Discretionary asset management			
Assets under management (SEK bn)	42	41	32
<i>Of which in Robur funds</i>	20	18	14

Unit-linked insurance

Sales (premiums paid) of unit-linked insurance amounted to SEK 1.8 bn (1.6) during the first quarter of 2004. Robur Försäkring's assets under management by amounted to SEK 40.5 bn as of March 31, 2004, compared with SEK 37.0 bn on December 31, 2003.

The market share for new unit-linked insurance was 13 percent on December 31, 2003. Robur Försäkring had approximately 700,000 (680,000) policies as March 31, in addition to around 1 million group life insurance policies.

Fund management results

All of Robur's equity funds appreciated in value during the first quarter. Its Swedish funds rose between 8 and 9 percent, while its public savings funds generated a return of slightly over 7 percent. The highest return was by the Russia Fund, which gained approximately 37 percent during the quarter.

Equity funds that invest in Sweden and the Nordic region have had the best start of the year relative to their comparative indexes. International equity funds, on the other hand, performed weaker than their indexes.

The funds with the highest returns relative to their comparative indexes are industry-specific funds such as Realinvest, the Forestry Fund, Medica and Small Cap Sweden.

International Banking

The International Banking business area includes the subsidiaries Hansabank in the Baltic states and FI-Holding in Denmark as well as FöreningsSparbanken's interests in the associated companies SpareBank 1 Gruppen of Norway and Aktia of Finland.

In January 2004 FöreningsSparbanken acquired an additional 2.5 percent of the shares in FI-Holding, increasing its holding from 74.7 percent to 77.2 percent.

In January 2004 Hansabank acquired the Lithuanian insurance company Lietuvos Draudimo Gyvybes Draudimas (LDGD). The acquisition raised income by SEK 12 M and expenses by SEK 6 M in the first quarter of 2004.

Profit trend

SEK M	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002
Net interest income	776	799	748	743	779	695
Net commission income	260	266	249	258	229	256
Net profit on financial operations	153	48	87	56	73	107
Other income	37	26	40	75	40	44
Total income	1,226	1,139	1,124	1,132	1,121	1,102
Staff costs	-249	-276	-220	-237	-227	-257
IT expenses	-35	-48	-35	-37	-37	-39
Other expenses	-143	-173	-146	-146	-133	-187
Depreciation/amortization	-119	-113	-119	-121	-127	-122
Total expenses	-546	-610	-520	-541	-524	-605
Profit before loan losses	680	529	604	591	597	497
Loan losses	-72	-52	-103	-93	-92	-58
Share of profit/loss of associated companies	63	45	24	-244	-55	-106
Operating profit	671	522	525	254	450	333
Tax	-98	-89	-78	-167	-67	-23
Minority interests	-206	-158	-164	-144	-166	-167
Profit for the period	367	275	283	-57	217	143
Allocated equity	8,406	8,790	8,790	8,790	8,790	8,523
Return on allocated equity, %	17.5	12.5	12.9	neg.	9.9	6.7
Income items						
Income from external customers	1,226	1,139	1,124	1,132	1,121	1,102
Business volumes, SEK bn						
Lending	110	107	103	104	104	100
Deposits	40	37	35	35	35	33
Shares and participations in associated companies, SEK bn	1	1	1	1	2	1
Risk-weighted volume, SEK bn	155	149	147	152	154	150
Total assets, SEK bn	149	144	137	142	144	136
Total liabilities, SEK bn	141	135	128	133	135	127
Full-time employees	6,110	5,931	5,932	5,926	5,924	5,901

Operating profit for International Banking amounted to SEK 671 M, an increase of SEK 221 M or 49 percent from the previous year. Hansabank raised its operating profit by SEK 78 M or 26 percent to SEK 381 M, while FI-Holding's profit improved by SEK 47 M or 21 percent to SEK 267 M. SpareBank 1 Gruppen's profit improved by SEK 77 M to SEK 6 M.

Compared with the previous quarter operating profit improved by SEK 149 M, of which SEK 104 M related to Hansabank and SEK 28 M to FIH.

Income rose by SEK 105 M or 9 percent compared with the previous year to SEK 1,226 M. Expenses rose by SEK 22 M or 4 percent to SEK 546 M. Loan losses decreased by SEK 20 M to SEK 72 M.

The return on allocated equity was 17 percent (10). For Hansabank the return was 28 percent (24) and for FI-Holding 13 percent (10).

The number of full-time employees rose by 179 compared with the previous quarter. The increase is due to the acquisition of LDGD.

Treasury Management

The business area includes Treasury Management in Sweden (the parent company, FöreningsSparbanken AB, and the subsidiary Spintab). Treasury Management is responsible for long-term funding in the Swedish market and management of the bank's strategic short-term portfolio, interest-bearing fixed assets and strategic shareholdings, including the holding in OMHEX. Treasury Management is also responsible for managing issues regarding the Group's balance sheet and capital and risk structure.

As of the first quarter of 2004 the shareholding in VPC is reported in Treasury Management. Previously it had been reported in Shared Services and Group Staffs. Historical figures have been restated.

Profit trend

SEK M	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002
Net interest income	200	257	236	141	160	131
Net commission income	-6	-7	-7	-6	-8	-7
Net profit on financial operations	74	12	-5	57	2	4
Other income	5	8	19	515	3	1
Total income	273	270	243	707	157	129
Staff costs	-9	-4	-3	-4	-4	-4
IT expenses	-2	-1	-2	-1	-2	-2
Other expenses	-12	-6	-6	-8	-6	-15
Depreciation/amortization	0	0	0	0	0	0
Total expenses	-23	-11	-11	-13	-12	-21
Profit before loan losses	250	259	232	694	145	108
Write-off/reversal of write-off of financial fixed assets		32	23			
Share of associated companies' profit/loss	-2	20	2	5	4	1
Operating profit	248	311	257	699	149	109
Tax	-69	-86	-72	-92	-42	-30
Profit for the period	179	225	185	607	107	79
Allocated equity	692	1,303	1,303	1,303	1,303	1,470
Return on allocated equity, %	103.5	69.1	56.8	186.3	32.8	21.5
Income items						
Income from external customers	272	272	246	707	158	129
Income from transactions with other business areas	1	-2	-3	0	-1	0
Total income	273	270	243	707	157	129
Business volumes, SEK bn						
Lending	1	0	1	1	1	1
Other investment volume	2	3	3	3	3	2
Risk-weighted volume, SEK bn	8	6	6	6	8	7
Total assets, SEK bn	389	368	373	373	350	340
Total liabilities, SEK bn	388	367	372	372	349	339
Full-time employees	27	18	18	18	16	18

Treasury Management's operating profit amounted to SEK 248 M, an increase of SEK 99 M compared with the previous year. Compared with the previous quarter operating profit decreased by SEK 63 M, mainly due to the reversal of a write-off of the OMHEX shares in the fourth quarter of 2003 and a decrease of SEK 22 M in the share of VPC's profit.

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 previously included a few loan loss provisions that were not reported by units with customer responsibility.

Profit trend

SEK M	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002
Net interest income	-11	-26	-69	30	-24	-142
Net commission income	16	-40	-8	13	4	1
Net profit on financial operations	14	1	1	-13	11	-8
Other income	741	747	854	830	882	678
Total income	760	682	778	860	873	529
Staff costs	-444	-342	-394	-302	-324	-283
IT expenses	-200	-240	-232	-255	-229	-160
Other expenses	-289	-183	-236	-303	-304	-149
Depreciation/amortization	-70	-80	-72	-76	-77	-41
Total expenses	-1,003	-845	-934	-936	-934	-633
Profit before loan losses	-243	-163	-156	-76	-61	-104
Loan losses		33	47	102	14	-59
Share of profit/loss of associated companies	0	0	1	0	0	-1
Operating profit/loss	-243	-130	-108	26	-47	-164
Appropriations		28	3	-20	-30	-25
Tax	41	-41	15	3	13	8
Minority interests	-3	-5	1	-2	4	-1
Profit/loss for the period	-205	-148	-89	7	-60	-182
Income items						
Income from external customers	74	102	106	97	101	105
Income from transactions with other business areas	686	580	672	763	772	424
Total income	760	682	778	860	873	529
Business volumes, SEK bn						
Lending					2	2
Total assets, SEK bn	14	8	7	8	10	6
Total liabilities, SEK bn	14	8	7	8	10	6
Full-time employees	1,627	1,588	1,599	1,582	1,500	1,489

The business area reported an operating loss of SEK 243 M, a decrease of SEK 196 M compared with the previous year and SEK 113 M compared with the previous quarter. Income for IT services from partly owned banks and independent savings banks decreased, and the unit was charged with expenses of SEK 41 M for the increased distribution by the Kopparmyntet profit-sharing fund for 2003

Eliminations

SEK M	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002
Net interest income	4	2	0	9	5	2
Net commission income	1	0	-1	-10	10	2
Net profit on financial operations	0	0	0	0	0	-2
Other income	-752	-715	-791	-801	-805	-685
Total income	-747	-713	-792	-802	-790	-683
Staff costs	15	14	15	16	14	18
IT expenses	188	188	202	223	210	290
Other expenses	544	511	575	563	566	375
Total expenses	747	713	792	802	790	683
Business volumes, SEK bn						
Mutual funds and insurance	-184	-166	-155	-154	-140	-143
Other investment volume	-9	-8	-7	-7	-6	-6
Total assets, SEK bn	-481	-450	-452	-403	-385	-368
Total liabilities, SEK bn	-481	-450	-452	-403	-385	-368

Profit and loss account, the Group *

SEK M	Jan-Mar 2004	Jan-Mar 2003	%	Full-year 2003
<i>Interest receivable</i>	11,466	12,563	-9	47,701
<i>Interest payable</i>	-7,397	-8,571	-14	-31,615
Net interest income	4,069	3,992	2	16,086
Dividends received	5	10	-50	104
<i>Commissions receivable</i>	2,022	1,650	23	7,239
<i>Commissions payable</i>	-491	-416	18	-1,820
Net commission income (Note 1)	1,531	1,234	24	5,419
Net profit on financial operations (Note 2)	369	203	82	776
Other operating income	239	260	-8	1,591
Total income	6,213	5,699	9	23,976
General administrative expenses				
- Staff costs	-1,981	-1,699	17	-6,937
- Other	-1,348	-1,329	1	-5,516
Total general administrative expenses	-3,329	-3,028	10	-12,453
Depreciation/write-off of tangible fixed assets	-148	-179	-17	-664
Amortization of goodwill	-158	-154	3	-614
Total expenses	-3,635	-3,361	8	-13,731
Profit before loan losses	2,578	2,338	10	10,245
Loan losses, net (Note 3)	-163	-390	-58	-987
Reversal of write-off of financial fixed assets				55
Share of profit/loss of associated companies	103	-35		-116
Operating profit in banking operations	2,518	1,913	32	9,197
Operating profit in insurance operations	105	70	50	367
Profit before appropriations and tax	2,623	1,983	32	9,564
Settlement of pensions		-30		-19
Tax	-671	-504	33	-2,567
Minority interest	-210	-164	28	-635
Profit for the period	1,742	1,285	36	6,343
Earnings per share, SEK *	3.30	2.43	36	12.02
Earnings per share after dilution, SEK *	3.30	2.43	36	12.01

* Prepared according to the instructions of the Financial Supervisory Authority.

** See key ratios on page 9 for number of shares.

Profit and loss account, the Bank

SEK M	Jan-Mar 2004	Jan-Mar 2003	%	Full-year 2003
<i>Interest receivable</i>	4,283	4,825	-11	18,316
<i>Interest payable</i>	-2,483	-3,103	-20	-11,216
Net interest income	1,800	1,722	5	7,100
Dividends received	58	15		5,515
<i>Commissions receivable</i>	1,338	1,083	24	4,764
<i>Commissions payable</i>	-270	-224	21	-1,008
Net commission income (Note 1)	1,068	859	24	3,756
Net profit on financial operations (Note 2)	228	131	74	506
Other operating income	215	253	-15	1,528
Total income	3,369	2,980	13	18,405
General administrative expenses				
- Staff costs	-1,595	-1,350	18	-5,466
- Other	-1,066	-1,046	2	-4,324
Total general administrative expenses	-2,661	-2,396	11	-9,790
Depreciation/write-off of tangible fixed assets	-90	-110	-18	-409
Amortization of goodwill	-25	-25	0	-101
Total expenses	-2,776	-2,531	10	-10,300
Profit before loan losses	593	449	32	8,105
Loan losses, net (Note 3)	-135	-294	-54	-820
Write-off of financial fixed assets		-39		-447
Reversal of write-off of financial fixed assets				55
Profit before appropriations and tax	458	116		6,893
Appropriations	-5	-30		-568
Tax	-121	-40		-1,728
Profit for the period	332	46		4,597

Balance sheet

SEK M	Group			Bank		
	Mar 31 2004	Dec 31 2003	Mar 31 2003	Mar 31 2004	Dec 31 2003	Mar 31 2003
Loans to credit institutions (Note 4)	107,596	76,643	114,020	165,801	124,423	142,008
Loans to the public (Note 4)	738,330	749,752	731,050	195,688	212,055	225,083
Interest-bearing securities	100,487	77,174	76,425	109,689	81,908	81,604
- <i>Financial fixed assets</i>	1 014	1 233	2 403	813	802	167
- <i>Financial current assets</i>	99,473	75,941	74,022	108,876	81,106	81,437
Assets in insurance operations	43,085	38,199	31,692			
Other assets	65,755	60,566	58,255	79,120	77,983	67,318
Total assets	1,055,253	1,002,334	1,011,442	550,298	496,369	516,013
Amounts owed to credit institutions	101,306	95,441	116,480	126,624	115,756	129,908
Deposits and borrowings from the public	288,145	283,616	276,511	238,804	235,498	229,482
Debt securities in issue	462,728	442,103	447,330	67,736	42,471	58,598
Liabilities in the insurance operations	43,020	38,082	31,905			
Other liabilities	82,608	69,149	64,723	59,696	48,708	43,166
Subordinated liabilities	29,939	26,826	29,617	23,350	20,180	22,685
Minority interests	5,271	5,198	4,922			
Untaxed reserves				7,940	7,940	7,940
Shareholders' equity	42,236	41,919	39,954	26,148	25,816	24,234
Total liabilities, provisions and shareholders' equity	1,055,253	1,002,334	1,011,442	550,298	496,369	516,013
Assets pledged for own liabilities	99,068	97,730	63,690	58,709	60,290	27,443
Other assets pledged	12,013	11,988	52,338	11,659	11,984	52,178
Contingent liabilities	23,312	22,188	28,412	25,810	25,017	20,623
Commitments	3,706,244	3,283,527	2,406,795	3,365,190	2,973,326	2,132,952

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	344	-344		307	-307	
Translation difference		301	301			
Exchange rate difference subsidiary and associated company financing		-163	-163			
Profit for the period		1,742	1,742		332	332
Closing balance March 31, 2004	30,457	11,779	42,236	19,434	6,714	26,148

Statement of cash flows

SEK M January – March	Group		Bank	
	2004	2003	2004	2003
Liquid assets at beginning of year *	66,241	58,569	52,240	47,087
Operating activities				
Operating profit	2 623	1 983	458	116
Adjustments for non-cash items	2,392	2,980	316	5,107
Taxes	-224	-247	-357	-297
Decrease/increase in receivables from credit institutions	-2,854	5,008	-11,241	-7,579
Decrease/increase in loans to the public	-1,851	-12,047	863	-1,343
Decrease/increase in holdings of securities classified as current assets	-7,641	-6,858	-15,701	-8,182
Increase in deposits and borrowings from the public, including retail bonds	11,169	3,239	11,496	961
Decrease/increase in amounts owned to credit institutions	5,680	14,622	11,839	28,281
Change in other assets and liabilities, net	-3,006	-7,432	3,113	-6,058
Cash flow from operating activities	6,288	1,248	786	11,006
Investing activities				
Purchase of fixed assets	-503	-864	-355	-2,002
Sale of fixed assets	281	108	51	5
Cash flow from investing activities	-222	-756	-304	-1,997
Financing activities				
Issuance of interest-bearing securities	70,655	50,208	4,234	7,683
Redemption of interest-bearing securities	-58,560	-33,608	-80	-6,128
Decrease in other funding	10,895	17,051	21,516	19,068
Cash flow from financing activities	22,990	33,651	25,670	20,623
Cash flow for the period	29,056	34,143	26,152	29,632
Exchange rate differences in liquid assets	366	189		
Liquid assets at end of period*	95,663	92,901	78,392	76,719
* of which securities pledged for OMHEX, etc.				
At beginning of year	3,207	4,800	3,207	4,800
At year-end	1,197	780	1,197	780

Note 1. Specification of net commission income

SEK M January – March	Group		Bank	
	2004	2003	2004	2003
Payment processing commissions	766	668	575	521
Brokerage	135	64	117	51
Asset management	566	443	309	234
Other securities commissions	63	46	62	41
Other commissions receivable	492	429	275	236
Total commissions receivable	2,022	1,650	1,338	1,083
Payment processing commissions	-246	-229	-207	-196
Securities commissions	-49	-30	-37	-19
Other commissions payable	-196	-157	-26	-9
Total commissions payable	-491	-416	-270	-224
Total commissions, net	1,531	1,234	1,068	859

Note 2. Specification of net profit on financial operations

SEK M	Group		Bank	
January – March	2004	2003	2004	2003
Capital gains/losses				
Shares/participating interests	-10	-32	-8	-33
Interest-bearing securities	-434	123	-472	130
Other financial instruments	2	-3	0	0
Total	-442	88	-480	97
Unrealized changes in value				
Shares/participating interests	62	74	50	68
Interest-bearing securities	564	-105	550	-145
Other financial instruments	-2	-25	0	0
Total	624	-56	600	-77
Change in exchange rates	187	171	108	111
Total	369	203	228	131

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

SEK M	Group		Bank	
January – March	2004	2003	2004	2003
<i>Specific provisions for claims assessed individually</i>				
The period's write-off for established loan losses	-290	-257	-201	-172
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	211	181	152	131
The period's provisions for anticipated loan losses	-217	-285	-42	-81
Recoveries from previous periods' established loan losses	122	137	35	48
Recovered provisions for anticipated loan losses	75	80	20	17
The period's net expense	-99	-144	-36	-57
<i>Collective provisions for individually assessed claims</i>				
Allocations to collective provisions	-31	-216	-81	-212
<i>Collectively valued homogenous groups of claims with limited value and similar credit risk</i>				
The year's write-off for established loan losses	-29	-26	-16	-17
Recoveries from previous years' established loan losses	1	3	0	1
Allocations/withdrawals from loan loss reserve	-2	1	-1	-4
The period's net expense for collectively assessed claims	-30	-22	-17	-20
<i>Contingent liabilities</i>				
The period's net expense for discharged guarantees and other contingent liabilities	-3	-1	-1	2
The period's net loan loss expense	-163	-383	-135	-287
Change in the value of property taken over	0	-7	0	-7
Total loan losses, net, and change in value of property taken over	-163	-390	-135	-294

Note 4. Claims

(Loans to credit institutions and loans to the public)

SEK M	Group			Bank		
	Mar 31 2004	Dec 31 2003	Mar 31 2003	Mar 31 2004	Dec 31 2003	Mar 31 2003
Accrued acquisition value (before accounting for provisions)	850,994	831,448	850,150	364,389	339,423	369,935
Specific provisions for individually assessed claims	-1,284	-1,341	-1,284	-659	-787	-626
Provisions for collectively valued homogenous groups of claims with limited value and similar credit risk	-205	-211	-202	-110	-108	-106
Collective provisions for individually assessed claims	-3,579	-3,501	-3,594	-2,131	-2,050	-2,112
Total provisions	-5,068	-5,053	-5,080	-2,900	-2,945	-2,844
Book value	845,926	826,395	845,070	361,489	336,478	367,091
Book value of doubtful claims	2,442	2,304	2,340	979	1,015	1,156
Book value of unsettled claims not included in doubtful claims and for which accrued interest has been entered as income	437	396	590	103	124	183
Property taken over to protect claims:						
- Buildings and land	7	11	12	0	0	1
- Shares and participating interests	14	12	14	10	7	9
- Other	2	2	2	0	0	0
Total	23	25	28	10	7	10
Doubtful claims as % of total lending	0.29	0.28	0.28	0.27	0.30	0.31
Total provision ratio for doubtful claims *	129	131	133	166	154	151
Provision ratio for individually identified doubtful claims	38	40	39	44	47	39

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

Specification of claims

Sector/Industry SEK M March 31, 2004	Accrued acquisition value before accounting for provisions	Specific provisions for individually assessed claims	Collective provisions for individually assessed claims	Provisions for collectively valued homogenous 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
Consumers	342,536	44	162	205	342,125	323	202
Real estate management	152,264	212	501		151,551	380	24
Retail, hotels, restaurants	29,010	101	485		28,424	133	6
Construction	11,427	13	73		11,341	31	1
Manufacturing	51,681	378	1,214		50,089	503	148
Transportation	15,914	35	104		15,775	183	5
Forestry and agriculture	34,829	25	94		34,710	72	4
Other service businesses	17,635	76	308		17,251	195	39
Other business lending	62,795	380	638		61,777	622	8
Municipalities	13,414				13,414		
Lending	731,505	1,264	3,579	205	726,457	2,442	437
Credit institutions incl. Nat'l Debt Office	51,662	20			51,642	0	
Repurchase agreements - credit institutions incl. Nat'l Debt Office	56,454				56,454		
Repurchase agreements - public	11,373				11,373		
Total lending to credit institutions and the public	850,994	1,284	3,579	205	845,926	2,442	437

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 March 31, 2004 the price of the FöreningsSparbanken share was SEK 140 and the warrant SEK 3.30.

Derivatives in the Group on March 31, 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	23,388	21,153	10,554	7,495	1,213	1,194	5	4
Derivatives not reported on the balance sheet	105		858					

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	27,360	22,794	12,762	10,027	1,268	1,268	5	5
Derivatives not reported on the balance sheet	133		2					

Ratings, March 31 2004

	S&P		Moody's			Fitch		R/I
	Short	Long	Short	Long	BFSR*	Short	Long	
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-	-
FIH	-	-	P-1	A1	-	-	-	-

* Bank Financial Strength Rating

Financial information 2004

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:

- Interim report January – June 2004 on August 18, 2004
- Interim report January – September 2004 on October 29, 2004

Audit report

This year-end report has not been reviewed by the bank's auditors.

Stockholm, May 4, 2004

Jan Lidén

President and Chief Executive Officer

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