



Interim report for FöreningsSparbanken (Swedbank)
January – June 2004
August 18, 2004

Continued strong results

First half year in summary:

- Profit for the period rose by 22 percent to SEK 3,626 M (2,983)
- Operating profit rose by 17 percent to SEK 5,286 M (4,529)
- The return on equity rose to 17.6 percent (15.3)
- Earnings per share rose by 22 percent to SEK 6.87 (5.65)
- Total income rose by 4 percent to SEK 12,694 M (12,254)
- Net interest income rose by 3 percent to SEK 8,249 M (7,991)
- Net commission income rose by 23 percent to SEK 3,313 M (2,701)
- Net profit on financial operations rose by 22 percent to SEK 502 M (412)
- Expenses excluding profit-based staff costs increased by 2 percent
- Loan losses decreased by 58 percent to SEK 283 M (672)
- A share repurchase program has begun
- An agreement was signed on the sale of FI-Holding

Profit trend for the Group in the first half year

Comparative figures refer to the first half year 2003 unless otherwise indicated.

The Group's operating profit for the first half year 2004 rose by 17 percent to SEK 5,286 M (4,529). Income rose by 4 percent to SEK 12,694 M (12,254), while expenses rose by 7 percent to SEK 7,292 M (6,807). Excluding profit-based staff costs, the increase was 2 percent. Loan losses decreased by 58 percent to SEK 283 M, against SEK 672 M for the first half year 2003. The return on equity rose to 17.6 percent (15.3), while earnings per share increased to SEK 6.87 (5.65).

Income rose 4 percent

The Group's income rose by SEK 440 M or 4 percent and amounted to SEK 12,694 M (12,254). Excluding the capital gain of SEK 489 M on the sale of shares in Erste Bank in the first half year 2003, income rose by SEK 929 M or 8 percent. Net interest income rose by 3 percent or SEK 258 M mainly due to higher lending volumes. Net commission income rose by 23 percent or SEK 612 M mainly from higher fund management and payment commissions. Net profit on financial operations rose by SEK 90 M mainly due to trading in equities and other financial instruments.

Net interest income

The Group's net interest income during the first half year amounted to SEK 8,249 M (7,991). In the Swedish Retail operations, net interest income amounted to SEK 6,036 M (6,074), a marginal decrease of SEK 38 M. Net interest income was affected positively by a further rise in volumes, mainly in mortgage loans and deposits. Low interest rates, on the other hand, had a negative effect on net interest income, mainly in the form of lower deposit margins. Successful trading in interest-bearing securities by Swedbank Markets raised net interest income by SEK 203 M. In International Banking, net interest income rose by SEK 31 M. Net interest income in Shared Services and Group Staffs increased by SEK 76 M.

Net commission income rose 23 percent

Net commission income rose by 23 percent or SEK 612 M to SEK 3,313 M (2,701). Higher use of debit and credit cards led to an increase in payment commissions of SEK 187 M or 21 percent to SEK 1,095 M (908). Asset management commissions rose by 29 percent or SEK 296 M to SEK 1,334 M. The increase was due to both strong gains in fund contributions and the appreciation of fund assets due to rising stock prices. Higher stock market activity led to a 75-percent jump in brokerage commissions to SEK 227 M.

Net profit on financial operations

Net profit on financial operations amounted to SEK 502 M (412). Profit from trading in equities and other financial instruments rose by SEK 153 M, while income from foreign exchange operations rose by SEK 38 M. Profit from trading in interest-bearing securities decreased by SEK 101 M.

Other income

Other income amounted to SEK 547 M (1,051) during the first half year. The second quarter of 2003 included a capital gain of SEK 489 M on the sale of shares in Erste Bank.

Expenses

The Group's expenses rose by SEK 485 M or 7 percent to SEK 7,292 M (6,807). Of this total, SEK 500 M (165) related to profit-based staff costs. Excluding these costs, expenses increased by 2 percent.

Staff costs

Staff costs rose to SEK 3,905 M (3,399). In the Swedish operations, staff costs amounted to SEK 3,384 M (2,935). Of the increase, SEK 309 M was attributable to profit-based staff costs. Excluding these expenses, staff costs in the Swedish operations climbed SEK 140 M or 5 percent due to contractual wage increases, among other things. In International Banking, staff costs amounted to SEK 521 M (464). Of the increase, SEK 26 M was profit-based staff costs.

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

	June 30 2004	Dec 31 2003	June 30 2003
Total number of employees	15,289	15,366	15,350
<i>of which Swedish operations</i>	<i>9,186</i>	<i>9,435</i>	<i>9,424</i>
<i>of which International banking operations</i>	<i>6,103</i>	<i>5,931</i>	<i>5,926</i>

Other expenses

Other expenses – i.e. other administrative expenses, depreciation of tangible fixed assets and amortization of goodwill – decreased slightly to SEK 3,387 M (3,408). Depreciation of tangible fixed assets decreased by SEK 56 M to SEK 293 M (349) and amortization of goodwill amounted to SEK 315 M (307) for the first half year.

IT expenses

IT expenses include all development and production expenditures as well as computer equipment service costs and depreciation. IT expenses for the first half year, after deducting IT-related income from partly owned banks and independent savings banks, amounted to SEK 1,066 M (1,161). The corresponding expense in the Swedish operations was SEK 934 M (1,015).

Loan losses declined

The loan loss level for the first half year 2004 fell to 0.07 percent (0.19). Loan losses declined by 58 percent to SEK 283 M (672). FI-Holding's loan losses amounted to SEK 21 M (60) and Hansabank's to SEK 113 M (125). The Group's doubtful claims, gross, amounted to SEK 3,497 M as of June 30, 2004, against SEK 3,862 M on December 31, 2003. Loan loss reserves amounted to SEK 5,007 M (5,053). A specification of loan losses and claims is provided in Notes 3 and 4.

Share of profits of associated companies improved

The share of profits of associated companies amounted to SEK 167 M (-246). The share of SpareBank 1 Gruppen's profit was SEK 13 M (-383) after profit improvements by Bank 1 Oslo and Odin Förvaltning. The year's share of SpareBank 1 Gruppen's loss refers to the period January-May. Due to reduced ownership interest, SpareBank 1 Gruppen is no longer consolidated as an associated company as of June 2004. During the second quarter of 2003 the share of profit from SpareBank 1 Gruppen was affected by SEK -311 M for a write-off of goodwill.

Tax expense 24 percent

Consolidated profit before tax amounted to SEK 5,286 M (4,479) and the tax expense was SEK 1,271 M (1,186), or an effective tax rate of 24 percent (26). The relatively low tax rates are mainly due to a different tax base in the Baltic states.

Profit trend for the Group in the second quarter

Operating profit for the second quarter rose by SEK 117 M or 5 percent compared with the second quarter of 2003 and amounted to SEK 2,663 M (2,546). Compared with the previous quarter operating profit rose by SEK 40 M.

Income

Income declined by SEK 104 M or 2 percent to SEK 6,344 M (6,448) compared with the second quarter of 2003. The second quarter of 2003 included a capital gain of SEK 489 M from the sale of shares in Erste Bank. Excluding the capital gain, income rose by 7 percent. Compared with the previous quarter income was unchanged.

Net interest income rose by SEK 187 M or 5 percent to SEK 4,145 M (3,958) compared with the second quarter of 2003. The improvement is mainly attributable to Swedbank Markets' fixed income trading. Compared with the previous quarter net interest income rose by SEK 41 M.

Net commission income rose by SEK 301 M or 21 percent to SEK 1,702 M (1,401) compared with the second quarter of 2003. Income from payment, lending and asset management operations developed positively. Compared with the previous quarter net commission income rose by SEK 91 M. The increase is mainly due to higher lending and payment commissions.

Net profit on financial operations decreased by SEK 104 M or 48 percent to SEK 114 M (218). Compared with the previous quarter net profit on financial operations decreased by SEK 274 M.

Other income decreased by SEK 488 M or 56 percent to SEK 383 M (871) compared with the second quarter of 2003. The second quarter of 2003 included a capital gain of SEK 489 M from the sale of shares in Erste Bank. Compared with the previous quarter other income rose by SEK 136 M mainly due to share dividends received.

Expenses

Expenses rose by SEK 216 M or 6 percent to SEK 3,625 M (3,409) compared with the second quarter of 2003. The change is mainly due to higher profit-based staff costs. Compared with the previous quarter expenses decreased by SEK 42 M.

Loan losses

Loan losses decreased by SEK 162 M or 57 percent to SEK 120 M (282) compared with the second quarter of 2003. Compared with the previous quarter loan losses decreased by SEK 43 M.

Share of profits of associated companies

Compared with the second quarter of 2003 the share of profits of associated companies increased by SEK 275 M to SEK 64 M (-211). The second quarter 2003 was affected by a write-down of goodwill related to SpareBank 1 Gruppen of SEK 311 M. Compared with the previous quarter the share of profits of associated companies decreased by SEK 39 M.

A quarterly profit trend for the Group can be found on page 12.

Interest rate risk

An increase in all market interest rates by one percentage point as of June 30, 2004 would have reduced the value of the Group's interest-bearing assets and liabilities, including derivatives, by SEK 1,670 M (1,770). The decrease in the value of positions in SEK would have been SEK 1,435 M (1,445) and positions in foreign currency SEK 235 M (325). An interest rate increase of one percentage point would have reduced the Group's net profit on financial operations by SEK 329 M (276) as of June 30, 2004. Comparative figures refer to December 31, 2003.

Capital adequacy

The capital adequacy ratio, which is calculated for the financial companies group, amounted to 10.3 percent (10.8) on June 30, of which the primary capital ratio was 6.8 percent (7.2).

During the first quarter of 2004 primary capital decreased by nearly SEK 1.6 billion due to the effects of the application of recommendation RR 29, Employee benefits. In March FöreningsSparbanken issued primary capital certificates amounting to GBP 200 million, equivalent to approximately SEK 2.7 billion.

During the second quarter primary capital decreased due to the exercise of a call option on shares in FI-Holding as an element in the company's sale as well as to FöreningsSparbanken's share repurchase.

Due to the reduced ownership interest in Sparebank 1 Gruppen, the company is no longer consolidated in the financial companies group as of June 30. Although the transaction reduced primary capital and the risk-weighted amount, its effect on FöreningsSparbanken's primary capital ratio and capital adequacy ratio as a whole is limited.

The risk-weighted amount for credit risks rose to SEK 585 billion (562) during the first half year. The change 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 3 billion to SEK 29 billion, mainly due to higher volumes.

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

Specification of capital adequacy

SEK M	June 30 2004	Dec 31 2003	June 30 2003
Primary capital	41,726	42,158	41,666
Supplementary capital	23,521	24,848	27,246
Less shares, etc.	-2,919	-4,282	-4,965
Expanded portion of capital base	780	971	1,030
Capital base	63,108	63,695	64,977
Risk-weighted amount for credit risks	585,101	561,860	551,780
Risk-weighted amount for market risks	28,695	25,660	30,856
Total risk-weighted amount	613,796	587,520	582,636
Capital adequacy ratio, %	10.3	10.8	11.2
Primary capital ratio, %	6.8	7.2	7.2

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

Business volumes

Savings and investments

Customers' total savings and investments in FöreningsSparbanken amounted to SEK 591 billion (557) as of June 30, 2004, an increase of SEK 34 billion or 6 percent since the beginning of the year. Customers' deposits, excluding repurchase agreements (repos), rose by SEK 12 billion or 4 percent to SEK 287 billion (275). Deposits in SEK amounted to SEK 223 billion (222) and deposits in foreign currency to SEK 64 billion (53). Robur's share of net contributions in the Swedish mutual fund market was 23 percent (19) for the first half year 2004. For new household deposits, the market share was 12.9 percent, against 23.8 percent for the full-year 2003.

Savings and investments, the Group

SEK billion	June 30 2004	Dec 31 2003	6-month change	June 30 2003
Deposits from the public				
Households	137.8	135.4	2.4	135.6
Other	85.7	87.0	-1.3	78.0
Households, foreign currency	18.9	16.7	2.2	15.9
<i>of which Hansabank</i>	18.9	16.7	2.2	15.7
Other, foreign currency	44.8	35.8	9.0	33.3
<i>of which Hansabank</i>	23.1	20.4	2.7	19.2
Subtotal	287.2	274.9	12.3	262.8
Discretionary asset management *	20.4	22.6	- 2.2	23.0
Fund management	273.6	248.6	25.0	223.9
Retail bonds, interest-bearing	1.5	2.9	- 1.4	2.8
Retail bonds, equity linked	8.7	7.6	1.1	6.4
Unit-linked insurance	41.6	37.0	4.6	34.2
Less unit-linked insurance in own companies	- 41.6	- 37.0	- 4.6	- 33.7
Total	591.4	556.6	34.8	519.4

* excluding investments in Robur's funds

Lending

The Group's total credit exposure, including contingent liabilities and derivatives, amounted to SEK 976 billion (906). Credit exposure in the Swedish market has risen since December 31, 2003 by SEK 32 billion and in other markets by SEK 38 billion.

The Group's lending to the public amounted to SEK 742 billion (721) as of June 30, an increase of SEK 21 billion or 3 percent from the beginning of the year. In the Swedish operations, lending rose to SEK 628 billion (614). Lending by Hansabank and FI-Holding amounted to SEK 114 billion (107). Of the change, SEK 1 billion was attributable to changes in exchange rates. Consumer loans amounted to SEK 352 billion (337), up approximately SEK 15 billion or 4 percent from the beginning of the year. The increase is largely due to mortgage lending by Spintab arranged through the Swedish branch network.

FöreningsSparbanken's subsidiary Spintab consolidated its position as Sweden's leading mortgage lender with a market share of 31 percent (31) as of June 30, 2004, including FöreningsSparbanken Jordbrukskredit.

Lending, the Group

SEK billion	June 30 2004	Dec 31 2003	6-month change	June 30 2003
Private individuals	351.8	337.5	14.3	321.4
<i>of which Spintab</i>	288.1	273.6	14.5	261.6
Real estate management	154.7	153.0	1.7	146.6
Retail, hotels, restaurants	28.0	27.6	0.4	26.8
Construction	10.5	10.9	-0.4	11.1
Manufacturing	50.9	49.5	1.4	51.0
Transportation	15.7	15.5	0.2	14.9
Forestry and agriculture	35.9	34.8	1.1	33.1
Other service businesses	26.9	18.1	8.8	19.4
Other business lending	53.9	60.0	-6.1	57.2
Municipalities *)	13.5	14.2	-0.7	13.6
Total lending to the public	741.8	721.1	20.7	695.1
Credit institutions incl. Nat'l Debt Office	90.6	54.7	35.9	68.0
Repurchase agreements (repos)	70.4	50.6	19.8	91.7
Total lending	902.8	826.4	76.4	854.8
<i>Of which lending to the public by:</i>				
<i>Hansabank</i>	45.8	39.3	6.5	33.6
<i>FI-Holding</i>	67.7	67.9	-0.2	70.2

*) Not including municipal companies.

Payments

Card payments

FöreningsSparbanken has 3 million bank cards in issue in the Swedish market. The trend toward increased card use is continuing. Compared with the first half of 2003 the number of card purchases by the Bank's customers rose by 18 percent and the number of card transactions cleared climbed 20 percent.

Giro payments

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

Electronic payments

With e-billing, bills are sent directly to the Internet bank, where customers can safely and conveniently approve payment. A total of 256 companies in Sweden offer the service, compared with 141 on June 30, 2003. The number of e-bills is rising steadily. During the first half year 466,000 e-bills were sent, compared with 349,000 in the first half year 2003.

Other

Agreement to sell FI-Holding

In June FöreningsSparbanken signed an agreement to sell all the shares in FI-Holding to Kaupthing Búnadarbanki hf. The sale is conditional on Kaupthing obtaining the necessary regulatory clearances and financing. As an element in the transaction, FöreningsSparbanken in June exercised its options to acquire the remaining shares in FI-Holding from the other co-owners. The acquisition cost was nearly SEK 2.4 billion. FI-Holding is thereafter a wholly owned subsidiary of FöreningsSparbanken.

The sale of FI-Holding generates a total of SEK 11.9 billion (DKK 9.7 billion) for FöreningsSparbanken, and the transaction is expected to result in a consolidated tax-exempt capital gain of SEK 1.3 billion. The gain is expected to be included in profit for the year's third quarter.

FI-Holding, which is included in the International Banking business area, had total assets of nearly SEK 84 billion as of June 30, 2004. Operating profit for the first half year was SEK 483 M (424). FöreningsSparbanken's profit for the period was affected by SEK 271 M (214) by the holding in FI-Holding.

The acquisition in June of the remaining shares in FI-Holding negatively affected FöreningsSparbanken's primary capital ratio by 0.4 percentage points, while the sale during the third quarter is expected to improve the primary capital ratio by 1.5 percentage points.

Share repurchase

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

Share repurchases began on June 18. Through June 30, 1,650,717 shares had been repurchased for a total of SEK 237.6 M.

Reduced ownership interest in Sparebank 1 Gruppen

In May FöreningsSparbanken sold 85,932 shares in Sparebank 1 Gruppen, thereby reducing its ownership interest in the Norwegian banking group from 25 percent to 19.5 percent. The capital gain amounted to SEK 10 M. Due to the reduced ownership interest, SpareBank 1 Gruppen is no longer consolidated as an associated company as of June 2004.

The cooperation agreement with SpareBank 1 is not affected by the sale of the shares. Cooperation with SpareBank 1 Gruppen will continue, and will further strengthen the interaction between FöreningsSparbanken's international branch in Norway, Swedbank Oslo, the wholly owned subsidiary EnterCard and partly owned First Securities

FöreningsSparbanken increases its interest in BGC Holding AB

FöreningsSparbanken has entered into an agreement with Nordea Bank AB to acquire 17 percent of the shares in BGC Holding AB, which owns Bankgirocentralen. As a result, FöreningsSparbanken will own 29.2 percent of the shares in BGC Holding AB.

Anders Sundström resigns from board of FöreningsSparbanken

Anders Sundström has accepted an offer to become the new CEO of Folksam, a major Swedish insurance company. Consequently he immediately resigned from the board of FöreningsSparbanken on May 12.

New chairman of Hansabank

In June Anders Sahlén stepped down as chairman of Hansabank and was replaced by Anders Ek, Executive Vice President of FöreningsSparbanken and Head of International Banking.

New CIO and new Head of Shared Services at FöreningsSparbanken

Christer Cragnell, formerly head of operations at Swedbank Markets, has been appointed the new Chief Information Officer (CIO) at FöreningsSparbanken. Fredrik Runnquist, formerly head of FöreningsSparbanken IT responsible for IT operations, has been appointed the new Head of Shared Services, which includes FöreningsSparbanken IT.

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.

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 due to 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 essentially the same in the Group as if it had been reported according to the previous method. Settlement of pensions within appropriations is no longer reported.

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

Transition to IASB's accounting standards

As of 2005 listed companies in the EU will prepare their consolidated accounts according to IASB's accounting standards (IFRS and 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.

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 half year 2004, consolidated operating profit would have improved by SEK 346 M due to the absence of goodwill amortization.

The EU has not yet adopted recommendations on disclosures (IAS 32) and valuation rules (IAS 39) for financial assets and liabilities. Suggested changes to IAS 39 have been circulated for comments. 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.

Key ratios for the Group

	Jan-June 2004	Jan-June 2003	Full-year 2003
Return on equity, %	17.6	15.3	15.9
Return on total equity, %	0.99	0.90	0.94
Earnings per share, SEK *	6.87	5.65	12.02
Earnings per share after dilution, SEK **	6.87	5.65	12.01
Equity per share, SEK *	77.28	73.32	79.42
Equity per share after dilution, SEK **	77.27	73.30	79.39
C/I ratio before loan losses	0.57	0.58	0.57
C/I ratio after loan losses	0.59	0.63	0.61
Capital adequacy ratio, %	10.3	11.2	10.8
Primary capital ratio, %	6.8	7.2	7.2
Loan loss ratio, net, %	0.07	0.19	0.14
Share of doubtful claims, %	0.23	0.26	0.28
Provision ratio for doubtful claims, % ***	143	139	131
No. of shares outstanding at end of period	526,158,126	527,808,843	527,808,843
Avg. no. of shares outstanding during the year	527,752,614	527,808,843	527,808,843
* No. of shares in calculation	527,752,614	527,808,843	527,808,843
** No. of shares after dilution	527,827,952	527,969,005	528,027,504
*** See Note 4			

Operational profit and loss account, the Group *

SEK M	Jan-June 2004	Jan-June 2003	%	Q2 2004	Q2 2003	%	Full-year 2003
<i>Interest receivable</i>	22,592	24,792	-9	11,106	12,206	-9	47,755
<i>Interest payable</i>	-14,343	-16,801	-15	-6,961	-8,248	-16	-31,554
Net interest income	8,249	7,991	3	4,145	3,958	5	16,201
Dividends received	83	99	-16	78	89	-12	105
<i>Commissions receivable</i>	4,393	3,615	22	2,258	1,877	20	7,661
<i>Commissions payable</i>	-1,080	-914	18	-556	-476	17	-1,922
Net commission income	3,313	2,701	23	1,702	1,401	21	5,739
Net profit on financial operations	502	412	22	114	218	-48	801
Other operating income	547	1,051	-48	305	782	-61	1,607
Total income	12,694	12,254	4	6,344	6,448	-2	24,453
General administrative expenses							
- Staff costs excl. profit-based costs	-3,405	-3,234	5	-1,696	-1,623	4	-6,571
- Profit-based staff costs	-500	-165		-213	-63		-407
- Other	-2,779	-2,752	1	-1,414	-1,401	1	-5,585
Total general administrative expenses	-6,684	-6,151	9	-3,323	-3,087	8	-12,563
Depreciation and write-off of tangible fixed assets	-293	-349	-16	-145	-169	-14	-664
Amortization of goodwill	-315	-307	3	-157	-153	3	-614
Total expenses	-7,292	-6,807	7	-3,625	-3,409	6	-13,841
Profit before loan losses	5,402	5,447	-1	2,719	3,039	-11	10,612
Loan losses, net, including change in value of property taken over	-283	-672	-58	-120	-282	-57	-987
Reversal of write-off of financial fixed assets							55
Share of profit/loss of associated companies	167	-246		64	-211		-116
Operating profit	5,286	4,529	17	2,663	2,546	5	9,564
Settlement of pensions		-50			-20		-19
Tax	-1,271	-1,186	7	-600	-682	-12	-2,567
Minority interest	-389	-310	25	-179	-146	23	-635
Profit for the period	3,626	2,983	22	1,884	1,698	11	6,343
Earnings per share, SEK **	6.87	5.65	22	3.57	3.22	11	12.02
Earnings per share after dilution, SEK **	6.87	5.65	22	3.57	3.22	11	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 10 for number of shares

Quarterly profit trend for the Group

SEK M	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002	Q3 2002
Net interest income	4,145	4,104	4,096	4,114	3,958	4,033	3,886	3,930
Net commission income	1,702	1,611	1,562	1,476	1,401	1,300	1,439	1,369
Net profit on financial operations	114	388	257	132	218	194	188	183
Other income	383	247	268	294	871	279	277	267
Total income	6,344	6,350	6,183	6,016	6,448	5,806	5,790	5,749
Staff costs	-1,696	-1,709	-1,687	-1,650	-1,623	-1,611	-1,680	-1,669
Profit-based staff costs	-213	-287	-140	-102	-63	-102	-106	-35
Other expenses	-1,716	-1,671	-1,841	-1,614	-1,723	-1,685	-1,671	-1,638
Total expenses	-3,625	-3,667	-3,668	-3,366	-3,409	-3,398	-3,457	-3,342
Profit before loan losses	2,719	2,683	2,515	2,650	3,039	2,408	2,333	2,407
Loan losses, net incl. change in value of property taken over	-120	-163	-155	-160	-282	-390	-360	-375
Write-off/reversal of write-off of financial fixed assets			32	23				-264
Share of associated companies' profit/loss	64	103	75	55	-211	-35	-125	-380
Operating profit	2,663	2,623	2,467	2,568	2,546	1,983	1,848	1,388

Business area report

SEK M	Swedish Retail Operations		Swedbank Markets		Asset Management and Insurance		International Banking		Shared Services and Group Staffs		Eliminations	
January - June	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Net interest income	6,036	6,074	554	351	18	26	1,553	1,522	80	4	8	14
Net commission income	1,713	1,357	320	292	669	549	590	487	14	16	7	0
Financial operations, net	65	57	170	158	6	8	185	129	76	60		0
Other income	419	322	43	75	19	16	165	115	1,480	2,228	-1,496	-1,606
Total income	8,233	7,810	1,087	876	712	599	2,493	2,253	1,650	2,308	-1,481	-1,592
Staff costs	-2,136	-1,934	-305	-274	-134	-128	-521	-464	-843	-629	34	30
IT expenses	-318	-368	-107	-131	-43	-37	-78	-74	-391	-484	356	433
Other expenses	-2,185	-2,053	-158	-160	-112	-115	-293	-279	-541	-613	1,091	1,129
Depreciation/amortization	-109	-128	-6	-8	-118	-119	-233	-248	-142	-153		
Total expenses	-4,748	-4,483	-576	-573	-407	-399	-1,125	-1,065	-1,917	-1,879	1,481	1,592
Profit before loan losses	3,485	3,327	511	303	305	200	1,368	1,188	-267	429		
Loan losses	-163	-594	10	-9			-134	-185	4	116		
Share of profit/loss of associated companies	64	48	3	-4			96	-299	4	9		
Operating profit/loss	3,386	2,781	524	290	305	200	1,330	704	-259	554		
Return on allocated equity, %	20.2	18.4	31.4	20.1	27.1	16.4	17.4	3.6	neg.	74.2		
C/I ratio before loan losses	0.58	0.57	0.53	0.65	0.57	0.67	0.45	0.47	1.16	0.81		
Full-time employees	6,722	7,018	544	562	253	255	6,103	5,926	1,667	1,589		

Business area accounting principles

The business area report is based on FöreningsSparbanken's organization and internal accounts and follows the same accounting principles as the Bank's other financial reports.

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

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

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

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

Swedish Retail Operations

Swedish Retail operations include customer responsibility for private and commercial customers, organizations, municipalities and county councils in Sweden as well as the Bank's own distribution channels in the form of branches, ATM's, and the telephone and Internet banks. Also included are the Customer Offerings and Products unit (with the subsidiaries Spintab, FSB Finans, Kundinkasso and EnterCard), FSB Boländirekt 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). As of the second quarter the business area also includes the treasury operations of Spintab (responsible for funding mortgage lending operations) and a net interest hedge arranged by treasury management within the Parent Company on behalf of Retail Operations. These areas were previously reported within the Treasury Management business area, which has been dissolved as of the current quarter. Historical figures have been restated.

The branch network in Sweden is organized in 75 local banks in six regions throughout the country. With 503 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 another 818 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 1.7 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. Approximately 40 percent of business customers in Sweden use the Internet bank.

Profit trend

SEK M	Jan-Jun 2004	Jan-Jun 2003	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003
Net interest income	6,036	6,074	3,001	3,035	3,165	3,049	3,030	3,044
Net commission income	1,713	1,357	879	834	814	812	712	645
Net profit on financial operations	65	57	31	34	30	35	30	27
Other income	419	322	218	201	182	149	187	135
Total income	8,233	7,810	4,129	4,104	4,191	4,045	3,959	3,851
Staff costs	-2,136	-1,934	-1,051	-1,085	-1,014	-956	-971	-963
IT expenses	-318	-368	-165	-153	-179	-187	-185	-183
Other expenses	-2,185	-2,053	-1,120	-1,065	-1,190	-1,048	-1,022	-1,031
Depreciation/amortization	-109	-128	-54	-55	-55	-57	-62	-66
Total expenses	-4,748	-4,483	-2,390	-2,358	-2,438	-2,248	-2,240	-2,243
Profit before loan losses	3,485	3,327	1,739	1,746	1,753	1,797	1,719	1,608
Loan losses	-163	-594	-82	-81	-132	-100	-291	-303
Share of profit/loss of associated companies	64	48	24	40	7	34	24	24
Operating profit/loss	3,386	2,781	1,681	1,705	1,628	1,731	1,452	1,329
Tax	-932	-774	-455	-477	-455	-490	-394	-380
Minority interest	-2	-2	-1	-1	4	-3	0	-2
Profit for the period	2,452	2,005	1,225	1,227	1,177	1,238	1,058	947
Allocated equity	24,325	21,806	24,325	24,325	21,806	21,806	21,806	21,806
Return on allocated equity, %	20.2	18.4	20.1	20.2	21.6	22.7	19.4	17.4
Income items								
Income from external customers	7,682	7,366	3,844	3,838	3,960	3,831	3,733	3,633
Income from transactions with other segments	551	444	285	266	231	214	226	218
Business volumes, SEK billion								
Lending	614	576	614	601	602	590	576	560
Deposits	245	228	245	237	238	238	228	226
Mutual funds & insurance	185	153	185	183	165	155	153	139
Other investment volume	8	10	8	12	11	10	10	9
Shares and participations in associated companies, SEK billion	1	1	1	1	1	1	1	1
Risk-weighted volume, SEK billion	406	384	406	398	390	384	384	369
Total assets, SEK billion	1,106	1,029	1,106	1,076	1,052	1,053	1,029	966
Total liabilities, SEK billion	1,082	1,007	1,082	1,052	1,030	1,031	1,007	945
Full-time employees	6,722	7,018	6,722	6,843	7,049	6,989	7,018	7,158

Operating profit amounted to SEK 3,386 M, an increase of SEK 605 M or 22 percent from the previous year.

Income rose by SEK 423 M or 5 percent to SEK 8,233 M mainly through higher payment, mutual fund and insurance commissions as well as the acquisition of EnterCard, whose income amounted to SEK 119 M. Net interest income has been affected positively by volume increases in deposits and lending, while margins declined mainly due to lower interest rates.

Expenses increased by SEK 265 M or 6 percent to SEK 4,748 M mainly due to increased profit-based compensation and EnterCard, where expenses amounted to SEK 59 M.

Loan losses amounted to SEK 163 M, a decrease of SEK 431 M or 73 percent compared with the previous year. The loan loss ratio was 0.05 percent (0.21).

The return on allocated equity was 20 percent (18).

Operating profit for the second quarter was in line with the first quarter.

The number of full-time positions was reduced by 296 compared with the previous year and by 121 compared with the previous quarter.

Swedbank Markets

Swedbank Markets comprises Investment Banking and Merchant Banking as well as responsibility for financial institutions. In addition to operations in Sweden 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, through 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

SEK M	Jan-Jun 2004	Jan-Jun 2003	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003
Net interest income	554	351	274	280	144	348	151	200
Net commission income	320	292	151	169	206	124	151	141
Net profit on financial operations	170	158	60	110	168	13	69	89
Other income	43	75	33	10	9	14	66	9
Total income	1,087	876	518	569	527	499	437	439
Staff costs	-305	-274	-145	-160	-152	-131	-129	-145
IT expenses	-107	-131	-48	-59	-45	-54	-67	-64
Other expenses	-158	-160	-83	-75	-70	-78	-84	-76
Depreciation/amortization	-6	-8	-3	-3	-3	-4	-4	-4
Total expenses	-576	-573	-279	-297	-270	-267	-284	-289
Profit before loan losses	511	303	239	272	257	232	153	150
Loan losses	10	-9	20	-10	-4	-4	0	-9
Share of profit/loss of associated companies	3	-4	1	2	3	-6	4	-8
Operating profit/loss	524	290	260	264	256	222	157	133
Tax	-146	-80	-72	-74	-74	-61	-43	-37
Minority interest								
Profit for the period	378	210	188	190	182	161	114	96
Allocated equity	2,405	2,093	2,405	2,405	2,093	2,093	2,093	2,093
Return on allocated equity, %	31.4	20.1	31.3	31.6	34.8	30.8	21.8	18.3
Income items								
Income from external customers	938	730	446	492	439	427	365	365
Income from transactions with other segments	149	146	72	77	88	72	72	74
Business volumes, SEK billion								
Lending	14	14	14	14	12	12	14	16
Deposits	0	0	0	1			0	
Mutual funds & insurance	1	1	1	1	1	1	1	1
Other investment volume	10	6	10	10	8	7	6	6

Shares and participations in associated companies, SEK billion	0	0	0	0	0	0	0	0
Risk-weighted volume, SEK billion	57	45	57	45	37	40	45	46
Total assets, SEK billion	319	246	319	276	232	253	246	247
Total liabilities, SEK billion	317	244	317	274	230	251	244	245
Full-time employees	544	562	544	536	535	568	562	558

Swedbank Markets' operating profit amounted to SEK 524 M, an increase of SEK 234 M or 81 percent compared with the previous year. Income from equity-related operations rose by 23 percent or SEK 85 M, while improving by 22 percent or SEK 105 M in fixed income and foreign exchange trading.

The return on allocated equity rose to 31 percent (20).

Operating profit was unchanged compared with the previous quarter.

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.

Profit trend

SEK M	Jan-Jun 2004	Jan-Jun 2003	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003
Net interest income	18	26	7	11	11	8	3	23
Net commission income	669	549	338	331	318	301	278	271
Net profit on financial operations	6	8	3	3	-3	3	16	-8
Other income	19	16	9	10	11	8	1	15
Total income	712	599	357	355	337	320	298	301
Staff costs	-134	-128	-65	-69	-55	-65	-62	-66
IT expenses	-43	-37	-25	-18	-20	-21	-19	-18
Other expenses	-112	-115	-55	-57	-79	-41	-65	-50
Depreciation/amortization	-118	-119	-59	-59	-60	-59	-59	-60
Total expenses	-407	-399	-204	-203	-214	-186	-205	-194
Profit before loan losses	305	200	153	152	123	134	93	107
Operating profit/loss	305	200	153	152	123	134	93	107
Tax	-95	-56	-52	-43	-34	-38	-26	-30
Profit for the period	210	144	101	109	89	96	67	77
Allocated equity	1,547	1,759	1,547	1,547	1,759	1,759	1,759	1,759
Return on allocated equity, %	27.1	16.4	26.1	28.2	20.2	21.8	15.2	17.5
Income items								
Income from external customers	1,409	1,159	708	701	662	629	624	535
Income from transactions with other segments	-697	-560	-351	-346	-325	-309	-326	-234
Business volumes, SEK billion								
Mutual funds & insurance	274	224	274	270	249	232	224	203
Other investment volume	21	24	21	22	22	24	24	18
Risk-weighted volume, SEK billion	0	0	0	0	0	0	0	0
Total assets, SEK billion	46	39	46	46	42	40	39	35
Total liabilities, SEK billion	44	37	44	44	40	38	37	33
Full-time employees	253	255	253	257	256	264	255	260

Fund savings, volumes and flows

Net contributions to Robur's mutual funds during the first half year 2004 totaled SEK 10.0 billion, against SEK 7.7 billion in the corresponding period of 2003. Of net contributions, SEK 3.2 billion (3.0) was from premium pension investments and SEK 2.2 billion (1.3) from unit-linked insurance in Robur Försäkring.

Robur's assets under management amounted to SEK 274 billion on June 30, 2004, compared with SEK 249 billion on December 31, 2003. The change is due to an appreciation in the value of fund assets of SEK 15 billion, mainly from rising stock prices during the year. After net fund contributions of approximately SEK 10 billion, the increase in fund assets during the period was SEK 25 billion. Institutional asset management operations managed SEK 41 billion (41), of which SEK 21 billion (18) was invested in Robur funds.

Robur's share of net contributions in the Swedish mutual fund market was 23 percent (19) for the first half year 2004. Its share of assets under management in the fund market was 28 percent (28) on March 31, 2004.

	June 30 2004	Dec 31 2003	June 30 2003
Fund management			
Assets under management (SEK billion)	274	249	224
<i>Of which:</i>			
<i>Swedish equities, %</i>	27.7	27.4	25.3
<i>Foreign equities, %</i>	36.8	36.3	35.7
<i>Interest-bearing securities, %</i>	35.5	36.3	39.0
Number of customers (thousands)	2,795	2,776	2,747
Unit-linked insurance			
Assets under management (SEK billion)	41.7	37.0	34.2
<i>Of which in Robur funds</i>	41.7	37.0	33.7
Number of policies (thousands)	725	680	673
Discretionary asset management			
Assets under management (SEK billion)	41	41	39
<i>Of which in Robur funds</i>	21	18	16

Unit-linked insurance

Sales (premiums paid) of unit-linked insurance amounted to SEK 3.8 billion (2.8) during the first half year 2004. Robur Försäkring's assets under management amounted to SEK 41.7 billion as of June 30, 2004, against SEK 37.0 billion on December 31, 2003.

The market share for new unit-linked insurance was 14 percent on June 30, 2004. Robur Försäkring had 725,000 (673,000) policies as June 30, in addition to around 1 million group life insurance policies.

Fund management results

All of Robur's equity funds posted positive returns during the first half year. Its Swedish funds rose in value by slightly over 12 percent, while its public savings funds returned nearly 10 percent. Robur's blend funds, which invest in both equities and fixed income instruments, posted a return exceeding 6 percent during the first half year, while its Swedish fixed income funds generated a return of nearly 2 percent.

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

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. Due to the reduced ownership interest in SpareBank 1 Gruppen, it is no longer consolidated as an associated company as of June 2004. In June FöreningsSparbanken signed an agreement to sell all the shares in FI-Holding, as described on page 7.

Profit trend

SEK M	Jan-Jun 2004	Jan-Jun 2003	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003
Net interest income	1,553	1,522	777	776	799	748	743	779
Net commission income	590	487	330	260	266	249	258	229
Net profit on financial operations	185	129	32	153	48	87	56	73
Other income	165	115	128	37	26	40	75	40
Total income	2,493	2,253	1,267	1,226	1,139	1,124	1,132	1,121
Staff costs	-521	-464	-272	-249	-276	-220	-237	-227
IT expenses	-78	-74	-43	-35	-48	-35	-37	-37
Other expenses	-293	-279	-150	-143	-173	-146	-146	-133
Depreciation/amortization	-233	-248	-114	-119	-113	-119	-121	-127
Total expenses	-1,125	-1,065	-579	-546	-610	-520	-541	-524
Profit before loan losses	1,368	1,188	688	680	529	604	591	597
Loan losses	-134	-185	-62	-72	-52	-103	-93	-92
Share of profit/loss of associated companies	96	-299	33	63	45	24	-244	-55
Operating profit/loss	1,330	704	659	671	522	525	254	450
Tax	-217	-234	-119	-98	-89	-78	-167	-67
Minority interest	-382	-310	-176	-206	-158	-164	-144	-166
Profit for the period	731	160	364	367	275	283	-57	217
Allocated equity	8,406	8,790	8,406	8,406	8,790	8,790	8,790	8,790
Return on allocated equity, %	17.4	3.6	17.3	17.5	12.5	12.9	neg.	9.9
Income items								
Income from external customers	2,493	2,253	1,267	1,226	1,139	1,124	1,132	1,121
Business volumes, SEK billion								
Lending	114	104	114	110	107	103	104	104
Deposits	42	35	42	40	37	35	35	35
Shares and participating interests in associated companies, SEK billion	1	1	1	1	1	1	1	2
Risk-weighted volume, SEK billion	145	152	145	155	149	147	152	154
Total assets, SEK billion	153	142	153	149	144	137	142	144
Total liabilities, SEK billion	145	133	145	141	135	128	133	135
Full-time employees	6,103	5,926	6,103	6,110	5,931	5,932	5,926	5,924

Operating profit for International Banking amounted to SEK 1,330 M, an increase of SEK 626 M or 89 percent from the previous year. Hansabank raised its operating profit by SEK 154 M or 24 percent to SEK 803 M, while FI-Holding's profit improved by SEK 32 M or 8 percent to SEK 447 M. SpareBank 1 Gruppen's operating profit, which in 2003 was charged with goodwill amortization of SEK 311 M, improved by SEK 437 M to SEK 52 M.

Income rose by SEK 240 M or 11 percent compared with the previous year to SEK 2,493 M. Expenses rose by SEK 60 M or 6 percent to SEK 1,125 M. Hansabank's acquisition of LDGD (the insurance company Lietuvos Draudimo Gvybybes Draudimas) has affected income by SEK 24 M and expenses by SEK 10 M. Loan losses decreased by SEK 51 M, of which FI-Holding by SEK 39 M, to SEK 134 M.

The return on allocated equity was 17 percent (4). For Hansabank the return was 29 percent (21) and for FI-Holding 11 percent (9).

Compared with the previous quarter operating profit decreased by SEK 12 M. Hansabank improved its operating profit by SEK 41 M, while FI-Holding's fell by SEK 87 M. The remaining increase relates mainly to dividends from banks within Sparebank 1 Gruppen.

The number of full-time employees rose by 177 compared with the previous year. The increase is due to the acquisition of LDGD.

Shared Services and Group Staffs

Shared Services and Group Staffs comprise IT and other shared services, Group Staffs and the Group's own insurance company (Sparia). The business area also includes a limited number of loan loss provisions that are not reported by units with customer responsibility. As of the second quarter the business area also includes the treasury operations of the Parent Company excluding a net interest hedge arranged on behalf of the Retail Operations. Historical figures have been restated

Profit trend

SEK M	Jan-Jun 2004	Jan-Jun 2003	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003
Net interest income	80	4	82	-2	-25	-39	22	-18
Net commission income	14	16	-2	16	-42	-9	12	4
Net profit on financial operations	76	60	-12	88	14	-6	47	13
Other income	1,480	2,228	739	741	755	874	1,343	885
Total income	1,650	2,308	807	843	702	820	1,424	884
Staff costs	-843	-629	-395	-448	-344	-395	-303	-326
IT expenses	-391	-484	-191	-200	-240	-233	-254	-230
Other expenses	-541	-613	-249	-292	-185	-237	-308	-305
Depreciation/amortization	-142	-153	-72	-70	-80	-72	-76	-77
Total expenses	-1,917	-1,879	-907	-1,010	-849	-937	-941	-938
Profit before loan losses	-267	429	-100	-167	-147	-117	483	-54
Loan losses	4	116	4		33	47	102	14
Reversal of write-off of financial fixed assets					32	23		
Share of profit/loss of associated companies	4	9	6	-2	20	3	5	4
Operating profit	-259	554	-90	-169	-62	-44	590	-36
Appropriations		-50			28	3	-20	-30
Tax	119	-42	98	21	-60	-2	-52	10
Minority interest	-5	2	-2	-3	-5	1	-2	4
Profit for the period	-145	464	6	-151	-99	-42	516	-52
Allocated equity	638	1,251	638	638	1,251	1,251	1,251	1,251
Return on allocated equity, %	neg.	74.2	3.8	neg.	neg.	neg.	165.0	neg.
Income items								
Income from external customers	343	774	187	156	124	151	663	111
Income from transactions with other segments	1,307	1,534	620	687	578	669	761	773
Business volumes, SEK billion								
Lending	0	1	0	1	0	1	1	3
Risk-weighted volume, SEK billion	6	5	6	7	6	6	5	7
Total assets, SEK billion	75	66	75	85	64	63	66	49
Total liabilities, SEK billion	74	65	74	84	63	62	65	48
Full-time employees	1,667	1,589	1,667	1,637	1,595	1,606	1,589	1,505

The business area reported an operating loss of SEK 259 M, a decrease of SEK 813 M compared with the previous year and an improvement of SEK 79 M compared with the previous quarter. The change year-to-year is mainly due to a capital gain of SEK 489 M from the sale of the shareholding in Erste Bank in 2003 and a decrease in loan loss reversals of SEK 112 M.

Eliminations

SEK M	Jan-Jun 2004	Jan-Jun 2003	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003
Net interest income	8	14	4	4	2	0	9	5
Net commission income	7	0	6	1	0	-1	-10	10
Other income	-1,496	-1,606	-744	-752	-715	-791	-801	-805
Total income	-1,481	-1,592	-734	-747	-713	-792	-802	-790
Staff costs	34	30	19	15	14	15	16	14
IT expenses	356	433	168	188	188	202	223	210
Other expenses	1,091	1,129	547	544	511	575	563	566
Total expenses	1,481	1,592	734	747	713	792	802	790
Business volumes, SEK billion								
Mutual funds & insurance	-186	-154	-186	-184	-166	-155	-154	-140
Other investment volume	-8	-7	-8	-9	-8	-7	-7	-6
Total assets, SEK billion	-607	-490	-607	-577	-532	-536	-490	-430
Total liabilities, SEK billion	-607	-490	-607	-577	-532	-536	-490	-430

Profit and loss account, the Group *

SEK M	Jan-June 2004	Jan-June 2003	%	Q2 2004	Q2 2003	%	Full- year 2003
<i>Interest receivable</i>	22,551	24,763	-9	11,085	12,200	-9	47,701
<i>Interest payable</i>	-14,370	-16,836	-15	-6,973	-8,265	-16	-31,615
Net interest income	8,181	7,927	3	4,112	3,935	4	16,086
Dividends received	81	99	-18	76	89	-15	104
<i>Commissions receivable</i>	4,162	3,421	22	2,140	1,771	21	7,239
<i>Commissions payable</i>	-1,014	-868	17	-523	-452	16	-1,820
Net commission income (Note 1)	3,148	2,553	23	1,617	1,319	23	5,419
Net profit on financial operations (Note 2)	490	402	22	121	199	-39	776
Other operating income	526	1,035	-49	287	775	-63	1,591
Total income	12,426	12,016	3	6,213	6,317	-2	23,976
General administrative expenses							
- Staff costs	-3,894	-3,374	15	-1,913	-1,675	14	-6,937
- Other	-2,726	-2,698	1	-1,378	-1,369	1	-5,516
Total general administrative expenses	-6,620	-6,072	9	-3,291	-3,044	8	-12,453
Depreciation and write-off of tangible fixed assets	-292	-348	-16	-144	-169	-15	-664
Amortization of goodwill	-315	-307	3	-157	-153	3	-614
Total expenses	-7,227	-6,727	7	-3,592	-3,366	7	-13,731
Profit before loan losses	5,199	5,289	-2	2,621	2,951	-11	10,245
Loan losses (Note 3)	-283	-672	-58	-120	-282	-58	-987
Reversal of write-off of financial fixed assets							55
Share of profit/loss of associated companies	167	-246		64	-211		-116
Operating profit in banking operations	5,083	4,371	16	2,565	2,458	4	9,197
Operating profit in insurance operations	203	158	28	98	88	11	367
Profit before appropriations and tax	5,286	4,529	17	2,663	2,546	5	9,564
Appropriations		-50			-20		-19
Tax	-1,271	-1,186	7	-600	-682	-12	-2,567
Minority interest	-389	-310	25	-179	-146	23	-635
Profit for the period	3,626	2,983	22	1,884	1,698	11	6,343
Earnings per share, SEK **	6.87	5.65	22	3.57	3.22	11	12.02
Earnings per share after dilution, SEK **	6.87	5.65	22	3.57	3.22	11	12.01

* Prepared according to the instructions of the Financial Supervisory Authority

** See key ratios on page 10 for number of shares

Profit and loss account, the Bank

SEK M	Jan-June 2004	Jan-June 2003	%	Q2 2004	Q2 2003	%	Full-year 2003
<i>Interest receivable</i>	8,544	9,584	-11	4,261	4,759	-10	18,316
<i>Interest payable</i>	-4,866	-6,110	-20	-2,383	-3,007	-21	-11,216
Net interest income	3,678	3,474	6	1,878	1,752	7	7,100
Dividends received	360	319	13	302	304	-1	5,515
<i>Commissions receivable</i>	2,681	2,252	19	1,343	1,169	15	4,764
<i>Commissions payable</i>	-551	-484	14	-281	-260	8	-1,008
Net commission income (Note 1)	2,130	1,768	20	1,062	909	17	3,756
Net profit on financial operations (Note 2)	316	258	22	88	127	-31	506
Other operating income	471	1,002	-53	256	749	-66	1,528
Total income	6,955	6,821	2	3,586	3,841	-7	18,405
General administrative expenses							
- Staff costs	-3,094	-2,659	16	-1,499	-1,309	15	-5,466
- Other	-2,167	-2,145	1	-1,101	-1,099		-4,324
Total general administrative expenses	-5,261	-4,804	10	-2,600	-2,408	8	-9,790
Depreciation and write-off of tangible fixed assets	-179	-215	-17	-89	-105	-15	-409
Amortization of goodwill	-50	-50		-25	-25		-101
Total expenses	-5,490	-5,069	8	-2,714	-2,538	7	-10,300
Profit before loan losses	1,465	1,752	-16	872	1,303	-33	8,105
Loan losses (Note 3)	-259	-494	-48	-124	-200	-38	-820
Write-off of financial fixed assets	-21	-311	-93	-21	-272	-92	-447
Reversal of write-off of financial fixed assets	7			7			55
Profit before appropriations and tax	1,192	947	26	734	831	-12	6,893
Appropriations	9	-50		14	-20		-568
Tax	-259	-182	42	-138	-142	-3	-1,728
Profit for the period	942	715	32	610	669	-9	4,597

Balance sheet

SEK M	Group			Bank		
	June 30 2004	Dec 31 2003	June 30 2003	June 30 2004	Dec 31 2003	June 30 2003
Loans to credit institutions (Note 4)	142,091	76,643	131,793	208,343	124,423	181,967
Loans to the public (Note 4)	760,722	749,752	722,989	207,700	212,055	204,228
Interest-bearing securities	90,981	77,174	77,759	96,561	81,908	80,039
- <i>Financial fixed assets</i>	977	1,233	1,627	276	802	881
- <i>Financial current assets</i>	90,004	75,941	76,132	96,285	81,106	79,158
Assets in insurance operations	43,458	38,199	35,200			
Other assets	55,173	60,566	65,881	67,025	77,983	73,235
Total assets	1,092,425	1,002,334	1,033,622	579,629	496,369	539,469
Amounts owed to credit institutions	105,146	95,441	107,390	134,629	115,756	141,639
Deposits and borrowings from the public	295,930	283,616	271,345	252,473	235,498	223,392
Debt securities in issue	503,636	442,103	473,904	82,617	42,471	67,578
Liabilities in the insurance operations	43,626	38,082	35,303			
Other liabilities	71,013	69,149	72,191	55,337	48,708	55,549
Subordinated liabilities	29,427	26,826	29,872	23,148	20,180	21,920
Minority interests	2,860	5,198	4,917			
Untaxed reserves				7,940	7,940	7,391
Shareholders' equity	40,787	41,919	38,700	23,485	25,816	22,000
Total liabilities, provisions and shareholders' equity	1,092,425	1,002,334	1,033,622	579,629	496,369	539,469
Assets pledged for own liabilities	101,994	97,730	92,211	59,871	60,290	57,518
Other assets pledged	12,267	11,988	7,481	12,263	11,984	7,457
Contingent liabilities	26,104	22,188	20,068	27,164	25,017	21,390
Commitments	4,018,822	3,283,527	2,967,259	3,660,410	2,973,326	2,674,752

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	-874	874		-891	891	
Share repurchase		-238	-238		-238	-238
Dividend		-3,035	-3,035		-3,035	-3,035
Translation difference		144	144			
Exchange rate difference subsidiary and associated company financing		-66	-66			
Profit for the period		3,626	3,626		942	942
Closing balance June 30, 2004	29,239	11,548	40,787	18,236	5,249	23,485

Statement of cash flows

SEK M	Group		Bank	
January – June	2004	2003	2004	2003
Liquid assets at beginning of year *	66,241	58,569	52,240	47,087
Operating activities				
Operating profit	5,286	4,529	1,192	947
Adjustments for non-cash items	-2,644	-421	6,727	6,829
Taxes	-751	-983	-707	-649
Change in receivables from credit institutions	-16,726	5,834	-33,738	-28,051
Change in loans to the public	-7,925	-18,236	7,521	6,520
Change in holdings of securities classified as current assets	-9,022	-12,313	-10,693	-2,992
Change in deposits and borrowings from the public, including retail bonds	17,067	9,497	23,735	7,348
Change in amounts owned to credit institutions	7,819	21,881	17,330	58,110
Change in other assets and liabilities, net	-1,627	-12,170	5,074	-9,053
Cash flow from operating activities	-8,523	-2,382	16,441	39,009
Investing activities				
Purchase of fixed assets	-3,424	-1,078	-4,038	-2,804
Sale of fixed assets	687	1,874	924	1,605
Cash flow from investing activities	-2,737	796	-3,114	-1,199
Financing activities				
Issuance of interest-bearing securities	143,771	112,472	13,416	808
Redemption of interest-bearing securities	-140,548	-63,618	-287	-79
Change in other funding	53,963	-2,534	17,511	9,777
Dividend paid	-3,035	-2,903	-3,035	-2,903
Share repurchase	-238		-238	
Cash flow from financing activities	53,913	43,417	27,367	7,603
Cash flow for the period	42,653	41,831	40,694	45,413
Exchange rate differences in liquid assets	178	48		
Liquid assets at end of period*	109,072	100,448	92,934	92,500
* of which securities pledged for OMHEX, etc.				
At beginning of period	3,207	4,800	3,207	4,800
At end of period	2,151	2,067	2,151	2,067

Note 1. Specification of net commission income

SEK M	Group		Group	
	Jan – June	Jan – June	Q2	Q2
	2004	2003	2004	2003
Payment processing commissions	1,603	1,397	837	729
Brokerage	227	130	92	66
Asset management	1,141	895	575	452
Other securities commissions	81	84	18	38
Other commissions receivable	1,110	915	618	486
Total commissions receivable	4,162	3,421	2,140	1,771
Payment processing commissions	-508	-489	-262	-260
Securities commissions	-100	-65	-51	-35
Other commissions payable	-406	-314	-210	-157
Total commissions payable	-1,014	-868	-523	-452
Total commissions, net	3,148	2,553	1,617	1,319

SEK M	Bank		Bank	
	Jan – June 2004	Jan – June 2003	Q2 2004	Q2 2003
Payment processing commissions	1,194	1,085	619	564
Brokerage	189	103	72	52
Asset management	623	483	314	249
Other securities commissions	80	76	18	35
Other commissions receivable	595	505	320	269
Total commissions receivable	2,681	2,252	1,343	1,169
Payment processing commissions	-422	-420	-215	-224
Securities commissions	-73	-45	-36	-26
Other commissions payable	-56	-19	-30	-10
Total commissions payable	-551	-484	-281	-260
Total commissions, net	2,130	1,768	1,062	909

Note 2. Specification of net profit on financial operations

SEK M	Group		Group	
	Jan – June 2004	Jan – June 2003	Q2 2004	Q2 2003
Capital gains/losses				
Shares and participating interests	124	-27	134	5
Interest-bearing securities	-274	295	160	172
Other financial instruments	1	14	-1	17
Total	-149	282	293	194
Unrealized changes in value				
Shares and participating interests	-52	31	-114	-43
Interest-bearing securities	319	- 149	-245	-44
Other financial instruments	-1	- 98	1	-73
Total	266	- 216	-358	-160
Change in exchange rates	373	336	186	165
Total	490	402	121	199

SEK M	Bank		Bank	
	Jan – June 2004	Jan – June 2003	Q2 2004	Q2 2003
Capital gains/losses				
Shares and participating interests	133	- 34	141	-1
Interest-bearing securities	-300	282	172	152
Other financial instruments	0	1	0	1
Total	-167	249	313	152
Unrealized changes in value				
Shares and participating interests	-54	38	-104	-30
Interest-bearing securities	310	- 226	-240	-81
Other financial instruments	0	0	0	0
Total	256	- 188	-344	-111
Change in exchange rates	227	197	119	86
Total	316	258	88	127

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

SEK M	Group		Group	
	Jan – June 2004	Jan – June 2003	Q2 2004	Q2 2003
<i>Specific provisions for claims assessed individually</i>				
The period's write-off for established loan losses	-530	- 620	-240	-363
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	355	360	144	179
The period's provisions for anticipated loan losses	-381	- 513	-164	-228
Recoveries from previous periods' established loan losses	233	233	111	96
Reversal of provisions for anticipated loan losses	165	164	90	84
The period's net expense	-158	- 376	-59	-232
<i>Collective provisions for individually assessed claims</i>				
Allocations to collective provisions	-60	-242	-29	-26
<i>Collectively valued homogenous groups of claims with limited value and similar credit risk</i>				
The period's write-off for established loan losses	-57	-51	-28	-25
Recoveries from previous years' established loan losses	4	5	3	2
Allocations/withdrawals from loan loss reserve	0	1	2	0
The period's net expense for collectively assessed claims	-53	-45	-23	-23
<i>Contingent liabilities</i>				
The period's net expense for discharged guarantees and other contingent liabilities	-12	-3	-9	-2
The period's net loan loss expense	-283	-666	-120	-283
Change in the value of property taken over	0	-6	0	1
Total loan losses, net, and change in value of property taken over	-283	-672	-120	-282
SEK M	Bank		Bank	
	Jan – June 2004	Jan – June 2003	Q2 2004	Q2 2003
<i>Specific provisions for claims assessed individually</i>				
The period's write-off for established loan losses	-335	- 328	-134	-156
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	225	189	73	58
The period's provisions for anticipated loan losses	-125	- 183	-83	-102
Recoveries from previous periods' established loan losses	65	66	30	18
Reversal of provisions for anticipated loan losses	56	38	36	21
The period's net expense	-114	- 218	-78	-161
<i>Collective provisions for individually assessed claims</i>				
Allocations to collective provisions	-103	-233	-22	-21
<i>Collectively valued homogenous groups of claims with limited value and similar credit risk</i>				
The period's write-off for established loan losses	-33	-35	-17	-18
Recoveries from previous years' established loan losses	1	1	1	0
Allocations/withdrawals from loan loss reserve	-6	-6	-5	-2
The period's net expense for collectively assessed claims	-38	-40	-21	-20
<i>Contingent liabilities</i>				
The period's net expense for discharged guarantees and other contingent liabilities	-4	3	-3	1
The period's net loan loss expense	-259	-488	-124	-201
Change in the value of property taken over	0	-6	0	1
Total loan losses, net, and change in value of property taken over	-259	-494	-124	-200

Note 4. Claims

(Loans to credit institutions and loans to the public)

SEK M	Group			Bank		
	June 30 2004	Dec 31 2003	June 30 2003	June 30 2004	Dec 31 2003	June 30 2003
Accrued acquisition value (before accounting for provisions)	907,820	831,448	859,838	418,945	339,423	389,084
Specific provisions for individually assessed claims	-1,199	-1,341	-1,256	-635	-787	-648
Provisions for collectively valued homogenous groups of claims with limited value and similar credit risk	-205	-211	-198	-114	-108	-108
Collective provisions for individually assessed claims	-3,603	-3,501	-3,602	-2,153	-2,050	-2,133
Total provisions	-5,007	-5,053	-5,056	-2,902	-2,945	-2,889
Book value	902,813	826,395	854,782	416,043	336,478	386,195
Book value of doubtful claims	2,093	2,304	2,196	911	1,015	1,127
Book value of unsettled claims not included in doubtful claims and for which accrued interest has been entered as income	410	396	578	79	124	150
Property taken over to protect claims:						
- Buildings and land	5	11	12	0	0	1
- Shares and participating interests	14	12	15	9	7	10
- Other	2	2	2	0	0	0
Total	21	25	29	9	7	11
Doubtful claims as % of total lending	0.23	0.28	0.26	0.22	0.30	0.29
Total provision ratio for doubtful claims, % *	143	131	139	175	154	153
Provision ratio for individually identified doubtful claims, %	40	40	40	45	47	40

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

Specification of claims

Sector/Industry SEK M June 30, 2004	Accrued acquisition value before accounting for provisions	Specific provisions for individually assessed claims	Collective provisions for individually assessed claims	Provisions for collectively valued 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	352,204	16	177	205	351,806	329	212
Real estate management	155,359	170	447		154,742	296	51
Retail, hotels, restaurants	28,551	104	420		28,027	133	10
Construction	10,620	12	81		10,527	40	0
Manufacturing	52,429	415	1,143		50,871	450	86
Transportation	15,836	54	91		15,691	122	0
Forestry and agriculture	35,946	27	72		35,847	70	2
Other service businesses	27,582	119	525		26,938	229	42
Other business lending	54,774	277	647		53,850	424	7
Municipalities	13,534				13,534		
Lending	746,835	1,194	3,603	205	741,833	2,093	410
Credit institutions incl. Nat'l Debt Office	90,555	5			90,550	0	
Repurchase agreements - credit institutions incl. Nat'l Debt Office	51,747				51,747		
Repurchase agreements - public	18,683				18,683		
Total lending to credit institutions and the public	907,820	1,199	3,603	205	902,813	2,093	410

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 June 30, 2004 the price of the FöreningsSparbanken share was SEK 143.50 and the warrant SEK 1.35.

Derivatives in the Group on June 30, 2004

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

Derivatives with positive fair values or nil value

SEK M	Interest-related		Currency-related		Equity-related		Other	
	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value
Derivatives reported entirely or partly on the balance sheet	17,215	15,272	6,767	4,991	1,092	1,075	21	20
Derivatives not reported on the balance sheet	42		151					

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	19,689	16,545	11,261	8,468	1,195	1,195	20	20
Derivatives not reported on the balance sheet			346					

Ratings, June 30, 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 – September 2004 on October 29, 2004
- Year-end report for 2004 on February 11, 2005

Stockholm, August 18, 2004

Jan Lidén

President and Chief Executive Officer

Audit report

We have reviewed this interim report in accordance with the recommendation issued by the Swedish Institute of Authorized Public Accountants. A review is considerably limited in scope compared 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 18, 2004

Deloitte & Touche AB

Ernst & Young AB

Jan Palmqvist

Authorized Public Accountant

Torbjörn Hanson

Authorized Public Accountant

Ulf Järlebro

Authorized Public Accountant

Appointed by the Swedish Financial
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