



Annual Report 2004



2004 in summary. 2004 was a successful year for FöreningsSparbanken, with strong development in both the Swedish and Baltic markets. Profit reached a record high. The Board of Directors is proposing an increase in the dividend to SEK 6.50 per share (5.75).

Profit for the year rose by 35 percent to SEK 8,592 M (6,343). Income rose by 8 percent to SEK 26,474 M (24,453), while expenses increased to SEK 14,368 M (13,841). Loan losses decreased by 50 percent to SEK 495 M (987). The return on equity rose to 20.5 percent (15.9) and earnings per share climbed to SEK 16.42 (12.02).

Profit was affected by a capital gain of SEK 1,290 M on the sale of FI-Holding in Denmark.

Income

Net interest income rose by SEK 72 M to SEK 16,273 M (16,201). Net interest income rose in both the Swedish retail operations and Hansabank. Higher lending volumes, mainly mortgage loans, and higher deposit volumes contributed to the improvement, while continued pressure on margins had the opposite effect.

Net commission income from, among other things, asset management, stock trading, card and payment services rose by 16 percent to SEK 6,658 M (5,739).

Net profit on financial operations rose by 31 percent to SEK 1,047 M (801).

Expenses

Expenses rose by 4 percent, but excluding profit-based staff costs and costs for personnel changes decreased by 2 percent. Expenses decreased mainly due to fewer employees and lower IT expenses.

Loan losses

The loan loss level fell to 0.07 percent (0.14). Doubtful claims decreased from SEK 3,862 M to SEK 2,579 M.

Business volumes and market shares

Excluding FI-Holding, lending rose by SEK 41 bn or 6 percent to SEK 694 bn. Mortgage lending by Spintab to retail customers rose by SEK 27 bn or 10 percent to SEK 301 bn. Finance company lending rose by SEK 3 bn or 17 percent to SEK 22 bn. Lending by Hansabank in the Baltic markets rose by SEK 13 bn or 34 percent to SEK 53 bn.

Customers' total savings and investments rose by SEK 39 bn or 7 percent to SEK 596 bn. Robur's assets under management rose by SEK 31 bn or 12 percent to SEK 280 bn. The outstanding volume of equity linked bonds in Sweden rose by slightly over SEK 2

bn or 30 percent to SEK 10 bn. Hansabank's deposits in the Baltic markets rose by SEK 6 bn or 32 percent to SEK 25 bn.

Spintab consolidated its position as Sweden's leading mortgage lender, with a market share of 31 percent (31). Robur's share of net fund contributions rose to 24 percent (20). FöreningsSparbanken continued to gain share in Sweden's corporate banking market and at year-end had 20 percent (20) of bank loans and 18 percent (16) of bank deposits.

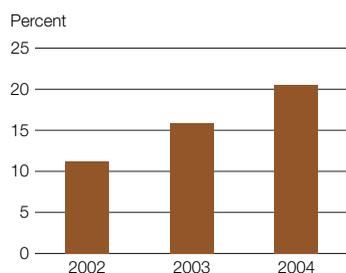
Hansabank consolidated its position as the leading bank in the Baltic region.

Satisfied customers

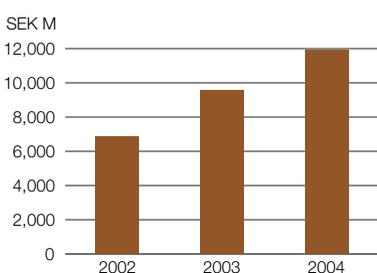
Satisfied customers are one of FöreningsSparbanken's highest priorities. In Sweden, the share of satisfied customers rose to 28 percent (24) in the retailmarket and to 23 percent (19) in the corporate market. For the second consecutive year FöreningsSparbanken was named Corporate Bank of the Year, and for the third consecutive year it was named Sweden's best bank for entrepreneurs.

Hansabank receives consistently high ratings by its customers.

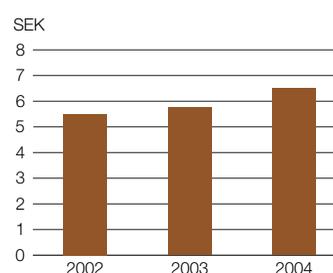
Return on equity



Operating profit



Dividend



FöreningsSparbanken in brief. FöreningsSparbanken is a bank with a full range of financial products and services. The Bank is active in Sweden, the other Nordic countries and the Baltic states.

FöreningsSparbanken's vision is to be the leading bank in the Nordic-Baltic region.

Business concept

FöreningsSparbanken's business concept is to offer a complete range of easy-to-use financial services designed to provide customers with lasting economic value.

FöreningsSparbanken should be regarded as the clear choice among banking alternatives for retail customers, businesses, the agricultural sector, municipalities, county councils and organizations.

Historical background

FöreningsSparbanken traces its origins to the savings bank movement

in the early 19th century and the cooperative bank movement a century later. FöreningsSparbanken was created in 1997 through a merger between Sparbanken Sverige and Föreningsbanken. Sparbanken Sverige, which was publicly listed in 1995, was in turn created through the merger of eleven of the largest regional savings banks and Sparbankernas Bank. Föreningsbanken, which was the result of the merger of 12 regional cooperative banks and Föreningsbankernas Bank in the early 1990's, was publicly listed in 1994.

Cooperations with independent savings banks and partly owned banks

There are currently 81 independent savings banks and seven savings banks

that have been converted to banking companies in Sweden. FöreningsSparbanken has cooperation agreements with 86 of them, where they sell FöreningsSparbanken's products and services under a common brand name, the Copper Coin. The savings banks account for about a fourth of total sales of FöreningsSparbanken's products.

The Group today

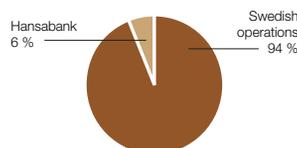
In addition to its Swedish operations, the Bank is active in the Baltic region through the subsidiary Hansabank and in Norway through an international branch, the partly owned brokerage firm First Securities and the wholly owned card company EnterCard. New branches are being established in the Danish and Finnish markets.

Quick facts FöreningsSparbanken 2004

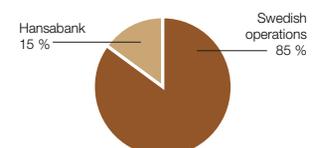
Customers		Volumes		Results	
Retail customers Sweden	4,100,000	Lending, SEK bn	694	Operating profit, SEK M	11,912
Retail customers Baltic	4,300,000	Deposits, SEK bn	277	Income, SEK M	26,474
Corporate customers Sweden	228,000	Fund assets, SEK bn	286	Expenses, SEK M	14,368
Corporate customers Baltic	164,000	Bank cards, million	5.3	Total assets, SEK bn	1,020
Employees and branches		Market shares		Key ratios	
Employees Sweden	9,081	Retail mortgage lending Sweden	33	Return on equity, %	20.5
Employees Baltic	6,069	Mortgage lending Baltic	38	C/I ratio before loan losses	0.54
Branches Sweden	492	Retail deposits Sweden	25	Earnings per share, SEK	16.42
Branches Baltic	283	Deposits Baltic	41	Primary capital ratio, %	8.2



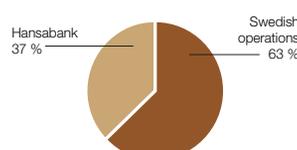
Lending December 31, 2004



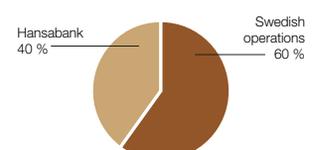
Income, 2004



Branches December 31, 2004



Employees December 31, 2004



OPERATING AREA	OPERATIONS	MARKET
<p>Swedish Retail</p>	<p>Swedish Retail operations comprise the sales organization in the Swedish market: branches, ATM's, telephone and Internet services. These operations are responsible for retail and commercial customers, organizations, municipalities and county councils. Also included is Customer Offerings and Products, a support function for the sales organization that develops and packages the products and services sold by the branches.</p> <p>The operating area also includes the Group's private banking operations in Luxembourg and EnterCard, a card company in the Norwegian market.</p> <p>Through its 492 branches in Sweden, FöreningsSparbanken has the largest branch network in the Swedish banking market.</p> <p>At year-end the operating area had 6,615 employees (previous year: 7,049).</p>	<p>Sweden Norway Luxembourg</p>
<p>Swedbank Markets</p>	<p>Swedbank Markets, FöreningsSparbanken's investment bank, is responsible for equity, fixed income and foreign exchange trading; project, export and business financing; and corporate finance services for its own customers and those of the Swedish Retail operations.</p> <p>Outside Sweden, Swedbank Markets operates through the partly owned brokerage firm First Securities in Norway, the international branches in Oslo, London and New York, and representative offices in Shanghai and Tokyo.</p> <p>At year-end the operating area had 534 employees (535).</p>	<p>Sweden Norway UK USA China Japan</p>
<p>Asset Management and Insurance</p>	<p>Asset Management and Insurance comprises the Robur Group and its operations in fund management, institutional and discretionary asset management, insurance and individual pension savings. Its products are sold and distributed by the Swedish Retail operations, independent savings banks and partly owned banks.</p> <p>At year-end the operating area had 249 employees (256).</p>	<p>Sweden</p>
<p>International Banking</p>	<p>International Banking comprises the subsidiary Hansabank in the Baltic states and the partly owned companies SpareBank 1 Gruppen in Norway and Aktia in Finland. Hansabank, with operations in Estonia, Latvia, Lithuania and Russia, offers a complete range of products and banking services for retail and commercial customers through an extensive network of branches and telephone and Internet banks. Hansabank is the market leader in the most important segments of the fast-growing Baltic markets.</p> <p>At year-end the operating area had 6,075 employees (5,931).</p>	<p>Norway Finland Estonia Latvia Lithuania Russia</p>
<p>Shared Services and Group Staffs</p>	<p>Shared Services and Group Staffs include the development of new and existing IT systems as well as service and operation of IT systems in the Group's Swedish operations and other common functions and Group Staffs.</p> <p>At year-end the operating area had 1,683 employees (1,595).</p>	<p>Sweden</p>

Financial summary 2004:

Operating profit rose by 25 percent to SEK 11,912 M (9,564)

Profit for the year rose by 35 percent to SEK 8,592 M (6,343)

The return on equity rose to 20.5 percent (15.9)

Earnings per share rose to SEK 16.42 (12.02)

Expenses rose by 4 percent to SEK 14,368 M (13,841)

Loan losses decreased by 50 percent to SEK 495 M (987)

Hansabank's operating profit rose to SEK 1,814 M (1,345)

Fund investments rose by 15 percent, lending by 6 percent and deposits by 1 percent

The Board of Directors recommends that the dividend be raised to SEK 6.50 per share (5.75).

Important events 2004:

The Danish subsidiary FI-Holding was sold

FöreningsSparbanken was named Corporate Bank of the Year for the second consecutive year

The Bank initiated a share repurchase program

Hansabank agreed to acquire Kvest Bank in Moscow

The establishment of a branch office in Copenhagen was initiated

The ownership interest in Sparebank 1 Gruppen in Norway was reduced to 19.5 percent

The ownership interest in Aktia in Finland was reduced to 19.9 percent.



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Good results mean a higher dividend. It is gratifying to be able to propose an increase in the dividend to SEK 6.50 per share. To ensure continued positive development, the Board refined the international strategy during the year and with customer orientation as the guideline, clarified the direction of the Swedish operations.

In Sweden, we look forward to another year of solid growth compared to the euro countries on average, even if the growth rate probably will be lower than in 2004. Internationally, the double deficits in the U.S., weak economic development in Europe's largest economies, a rapid growth rate in Eastern Europe, and economic expansion in China will provide the backdrop for development in the years ahead.

In 2003 the Board established an agenda with four priorities for its work. The first is to focus even more on the customer. The second is to set a clear national strategy. The third is to refine the international strategy. And the fourth is to ensure good corporate governance.

I am happy to note that during the year the Board took major steps in each of these priority areas.

The Board has established a strategic direction for the Group through 2006. The strategy, significant aspects of which are already being put into practical action, is essentially aimed at retaining or strengthening the Bank's positions in its traditional core businesses, while at the same time raising market shares in areas with good growth potential. The starting point is a greater customer orientation, to ensure that every aspect of the Bank's operations is based on customers' wishes and needs in terms of distribution forms as well as products and services.

Within the framework of the national strategy, which covers,



among other things, the cooperation with the independent savings banks and partly owned banks, a foundation has been laid for greater professionalism in a relationship that encompasses the savings banks' role as both a customer and partner to Förenings-Sparbanken.

The international strategy, which is designed to ensure that Förenings-Sparbanken remains the leading Nordic-Baltic bank, assumes three possible avenues for further growth: acquisitions of universal banks, acquisitions in specific product areas, or organic growth in major metropolitan areas in the Nordic region. As an element in our international strategy, we announced an offer on February 11, 2005 for the outstanding shares in Hansabank we do not already own.

To be able to continuously adapt the Bank's capital structure to its current capital needs, the Board was

authorized by the Annual General Meeting to repurchase up to 10 percent of its shares. As of year-end 14.9 million shares had been repurchased.

In the light of a very strong profit, the Board has recommended a dividend of SEK 6.50 per share, compared with SEK 5.75 in 2003. This represents a yield of 3.9 percent based on the share price at year-end.

The Bank will continue to develop in line with our established strategic direction and financial objectives, benefiting shareholders, customers and employees.

Stockholm, February 2005

Carl Eric Stålberg
Chairman of the Board

Long-term change process produces results. In 2004 FöreningsSparbanken was again the most profitable major Nordic bank. A positive profit trend and a number of awards show that we are headed in the right direction.

2004 was another successful year for FöreningsSparbanken, owing to a long-term, targeted change process. For the second consecutive year we were named Corporate Bank of the Year, and for the third consecutive year we received the award as the best bank by Sweden's entrepreneurs. The award as Competence Company of the Year is further proof of our successful strategy. In 2003 FöreningsSparbanken was the first listed Nordic banking group to receive ISO 14001 certification, and in 2004 our environmental work was recertified after an extensive audit.

Compared to our competitors, we are currently the most profitable bank, with a return on equity exceeding 20 percent. Income rose by 8 percent and the ratio between costs and income (C/I ratio) improved to 54 percent.

Based on the strategic direction laid down by the Board of Directors, the Bank has maintained an aggressive agenda with the goal of retaining or raising our market shares in core areas, lending, savings and investments, while at the same time increasing our presence in areas where we expect strong growth in the future.

These areas include pension solutions and cards. In pensions, we further strengthened our offer during the year and increased the pace of our marketing. In January 2005 we reached an agreement to establish a joint credit card venture together with Barclays Bank, currently the leading issuer of debit and credit cards in Europe. Our aim is to significantly raise our market shares in credit cards and consumer credits in the Nordic market.

In the corporate segment, we are continuing to enhance our offer for business customers with the aim



of strengthening our position as a corporate bank. Already, we see that our market shares in the corporate segment are increasing. In addition, corporate customers became even more satisfied in 2004, according to the Swedish Quality Index.

FöreningsSparbanken's customers now has access to twice as many branches as its closest competitor. Through a professional cooperation with the independent savings banks and partly owned banks, our customers have access to a full range of banking services nationwide.

Our strategy in Sweden is to strengthen our position in large cities and other growth markets, at the same time as we retain our presence in the rest of the country. Strong branches are and will remain the base of FöreningsSparbanken's Swedish operations. The branches are complemented by the Internet bank and telephone bank, which are being quickly integrated into a comprehensive system that provides first-class service to customers.

Outside the country's borders, FöreningsSparbanken offers extensi-

ve banking services. Our international branches in London, New York and Oslo and the representative offices in Tokyo and Shanghai will be complemented in 2005 with new offices in Copenhagen and Helsinki.

Our international operations have been streamlined through reduced ownership interests in Finland's Aktia Sparbank and Norway's SpareBank 1 Gruppen and the sale of Denmark's FI Holding. Together with our offer to acquire the outstanding shares in our partly owned subsidiary Hansabank, we are laying the foundation for a very strong banking alternative in our Nordic-Baltic home market.

I would like to extend my thanks to the Bank's employees and our local boards who made the fine results 2004 possible.

Stockholm, February 2005

A handwritten signature in blue ink, which appears to read "Jan Lidén". The signature is fluid and cursive.

Jan Lidén
President and CEO

Five-year summary

Key ratios

	2004	2003	2002	2001	2000
Profit					
Return on equity, %	20.5	15.9	11.0	14.7	19.7
C/I ratio before loan losses	0.54	0.57	0.63	0.60	0.57
Interest margin, %	1.44	1.47	1.43	1.38	1.35
Investment margin, %	1.54	1.59	1.58	1.54	1.51
Return on total capital, %	1.13	0.94	0.69	0.82	1.04
Capital adequacy					
Primary capital ratio, %	8.2	7.2	7.1	7.1	6.9
Capital adequacy ratio, %	11.6	10.8	10.8	11.3	10.8
Credit quality					
Loan loss ratio, net, %	0.07	0.14	0.23	0.21	0.19
Share of doubtful claims, %	0.18	0.28	0.27	0.32	0.22
Provision ratio for individually identified doubtful claims, %	40	40	40	41	48
Total provision ratio for doubtful claims, %	150	131	134	103	105
Customer satisfaction					
Percentage of satisfied private customers, Sweden ¹⁾	28	24	25	22	
Percentage of satisfied business customers, Sweden ¹⁾	23	19	21	17	
Index of satisfied private customers, Estonia ²⁾	8.3	8.4	7.8	7.8	
Index of satisfied business customers, Estonia ²⁾	8.2	8.2	7.8	7.9	
Index of satisfied private customers, Latvia ²⁾	6.6	6.7	6.7	6.6	
Index of satisfied business customers, Latvia ²⁾	6.3	6.0	6.5	6.1	
Index of satisfied private customers, Lithuania ²⁾	86				
Index of satisfied business customers, Lithuania ²⁾	85				

Other data

	2004	2003	2002	2001	2000
Private customers, millions	8.4	8.3	7.8	7.0	5.3
Commercial customers, thousands	400	400	400	370	320
Internet banking customers, thousands ³⁾	3,167	2,747	2,152	1,509	1,028
Telephone banking customers, thousands ³⁾	2,753	2,652	2,565	2,219	2,061
Employees	15,156	15,366	15,468	16,068	13,002
Branches ³⁾	1,064	1,105	1,169	1,284	1,088
ATMs ³⁾	2,105	2,097	2,029	1,932	1,636

Data per share

SEK	2004	2003	2002	2001	2000
Earnings per share	16.42	12.02	7.87	9.86	12.10
Earnings per share after dilution ⁴⁾	16.42	12.01	7.86	9.85	12.08
Equity per share	85.06	79.42	73.13	71.02	66.22
Equity per share after dilution ⁴⁾	85.04	79.39	73.11	70.92	66.11
Net asset value per share	92.90	77.32	77.49	71.92	77.80
Net asset value per share after dilution ⁴⁾	92.88	77.29	77.47	71.83	77.67
Adjusted equity per share	85.12	79.43	73.16	71.12	66.28
Cash flow per share	39.98	14.87	- 67.87	32.22	- 5.35
Cash dividend per share	6.50 ⁵⁾	5.75	5.50	5.50	5.50
Share price at year-end	165.50	141.50	103.00	130.00	144.50
Yield, %	3.9	4.1	5.3	4.2	3.8
P/E	10.1	11.7	13.1	13.2	12.1
Price/equity per share, %	194.6	177.5	140.8	183.0	218.2

¹⁾ Rating of 4 or 5 on a 5-point scale. ²⁾ Scales of 1 to 10 and 1 to 100. ³⁾ Includes independent savings banks and partly owned banks. ⁴⁾ In 2005 a maximum of 8,008,100 shares could be added if employee warrants are fully converted. ⁵⁾ According to Board of Directors' proposal.

Operational profit and loss account

SEK M	2004	2003	2002	2001	2000
Net interest income	16,273	16,201	15,549	15,016	13,589
Dividends received	90	105	90	148	247
Net commission income	6,658	5,739	5,764	6,072	6,784
Net profit on financial operations	1,047	801	441	1,110	1,694
Other operating income	2,406	1,607	1,157	1,063	1,689
TOTAL INCOME	26,474	24,453	23,001	23,409	24,003
Staff costs	- 7,694	- 6,978	- 7,005	- 6,614	- 6,448
Other expenses	- 5,537	- 5,585	- 5,279	- 5,873	- 6,000
Depreciation/amortization and write-down of tangible and intangible fixed assets	- 550	- 664	- 751	- 714	- 630
Amortization of goodwill	- 587	- 614	- 663	- 693	- 641
TOTAL EXPENSES	- 14,368	- 13,841	- 13,698	- 13,894	- 13,719
PROFIT BEFORE LOAN LOSSES	12,106	10,612	9,303	9,515	10,284
Loan losses, net, and change in the value of property taken over	- 495	- 987	- 1,603	- 1,337	- 1,115
Write-down of financial fixed assets			- 264	- 10	
Reversal of write-down of financial fixed assets		55			
Share of profit/loss of associated companies	301	- 116	- 588	- 129	197
OPERATING PROFIT	11,912	9,564	6,848	8,039	9,366
Appropriations		- 19	- 76	- 87	- 5
Taxes	- 2,564	- 2,567	- 1,983	- 2,123	- 2,476
Minority interest	- 756	- 635	- 637	- 625	- 501
PROFIT FOR THE FINANCIAL YEAR	8,592	6,343	4,152	5,204	6,384

Balance sheet

SEK M	2004	2003	2002	2001	2000
Loans to credit institutions	108,039	76,643	98,662	131,580	130,196
Loans to the public	726,701	749,752	703,397	662,236	629,737
Interest-bearing securities					
Treasury bills and other bills eligible for refinancing with central banks	15,858	14,136	15,885	22,922	29,145
Bonds and other interest-bearing securities	63,149	63,038	48,999	41,824	30,151
Shares and participating interests	6,898	5,413	6,561	7,699	11,330
Assets in insurance operations	43,366	38,199	32,242	42,614	45,505
Other assets	56,448	55,153	51,757	50,757	53,375
TOTAL ASSETS	1,020,459	1,002,334	957,503	959,632	929,439
Amounts owed to credit institutions	101,924	95,441	102,814	122,599	126,478
Deposits and borrowings from the public	285,540	283,616	263,419	247,190	247,438
Debt securities in issue	433,830	442,103	420,254	420,362	379,620
Liabilities in insurance operations	43,280	38,082	32,243	43,198	45,389
Other liabilities	85,831	74,347	72,516	57,196	66,201
Subordinated liabilities	26,430	26,826	27,655	31,604	29,359
Equity	43,624	41,919	38,602	37,483	34,954
TOTAL LIABILITIES, PROVISIONS AND EQUITY	1,020,459	1,002,334	957,503	959,632	929,439

Capital adequacy

SEK M	2004	2003	2002	2001	2000
Primary capital	42,995	42,158	40,266	38,938	35,045
Capital base	60,740	63,695	61,208	61,743	54,999
Risk-weighted assets	524,550	587,520	565,053	547,797	508,967

Market shares in Sweden. In the Swedish market, Förenings Sparbanken is the leader in household deposits and lending, fund investments and individual pension savings, as well as the leading card issuer.

Private market

FöreningsSparbanken	Date of market shares	Market shares, percent					Volumes, SEK billion				
		2004	2003	2002	2001	2000	2004	2003	2002	2001	2000
Deposits	12/04	25	26	25	25	26	135	134	124	116	109
Bank loans	12/04	19	21	21	22	24	57	62	59	60	61
Mortgage lending	12/04	32	33	34	34	36	294	267	242	222	203
Individual pension savings	09/04	35	34	34	34	34	12	9	7	8	9
Retail market bonds	12/04	23	24	22	22	23	12	10	9	8	11
Fund investments	09/04	28	28	29	30	32	280	249	206	263	288
Unit-linked insurance	09/04	18	19	21	23	25	41	37	33	43	46
Bank cards (thousands)		u.s.	u.s.	u.s.	u.s.	u.s.	3,017	2,887	2,725	2,585	2,457
Credit/debit cards (thousands)		u.s.	u.s.	u.s.	u.s.	u.s.	473	490	440	411	415

Corporate market

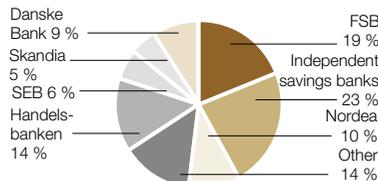
FöreningsSparbanken	Date of market shares	Market shares, percent					Volumes, SEK billion				
		2004	2003	2002	2001	2000	2004	2003	2002	2001	2000
Bank deposits	12/04	18	16	13	13	14	76	68	54	52	53
Bank loans	12/04	20	20	17	18	20	122	121	107	114	112
Mortgage lending	11/04	27	26	25	23	23	135	132	126	120	118
Leasing via finance companies	11/04	7	6	5	5	5	8	7	6	6	5
Installment purchases via finance companies	11/04	10	10	10	10	10	12	11	9	8	7
Factoring via finance companies	11/04	16	13	12	10	6	1	1	1	1	0

Market shares in Sweden (stock):

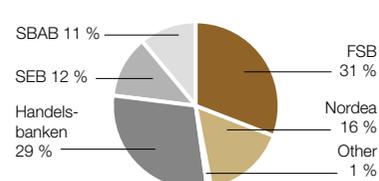
Private market, deposits



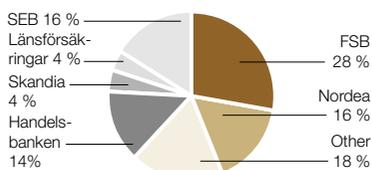
Private market, lending



Total, mortgage lending



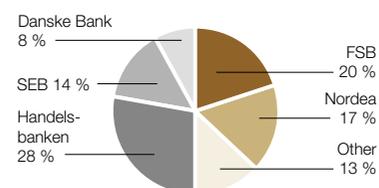
Fund management



Corporate market, deposits



Corporate market, lending



Market shares in Baltic states. In the Baltic market, Hansabank is the leading bank in the most important segments.

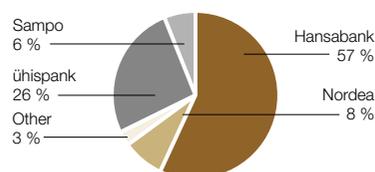
Private market

	Market shares, percent			Volumes, SEK billion		
	2004	2003	2002	2004	2003	2002
Hansabank, Estonia						
Deposits	64	65	67	10	8	8
Bank loans	53	55	60	3	3	2
Mortgage financing	50	51	56	7	5	4
Bank cards (number, thousands)	69	70	73	894	837	810
Hansabank, Latvia						
Deposits	25	23	21	5	3	2
Bank loans	21	19	21	1	0	0
Mortgage financing	25	23	26	3	1	1
Bank cards (number, thousands)	36	35	35	493	410	353
Hansabank, Lithuania						
Deposits	39	41	39	10	8	7
Bank loans	29	29	29	1	0	0
Mortgage financing	32	31	32	3	1	1
Bank cards (number, thousands)	32	36	38	870	823	601

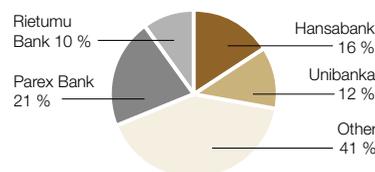
Commercial market

	Market shares, percent			Volumes, SEK billion		
	2004	2003	2002	2004	2003	2002
Hansabank, Estonia						
Deposits	47	49	49	10	8	7
Lending	45	47	49	15	12	11
Hansabank, Latvia						
Deposits	12	13	13	5	4	4
Lending	22	22	21	9	6	5
Hansabank, Lithuania						
Deposits	21	21	19	5	3	3
Lending	24	23	24	11	8	6

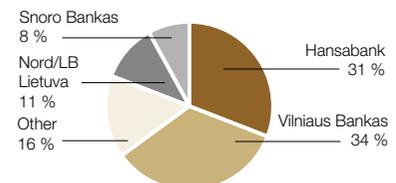
Estonia, deposits



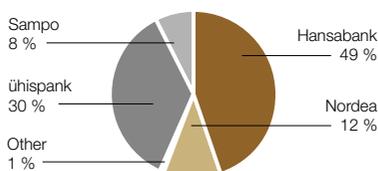
Latvia, deposits



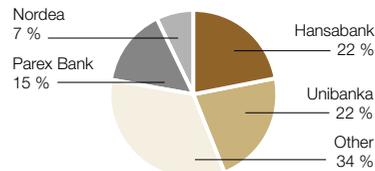
Lithuania, deposits



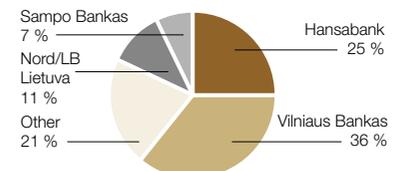
Estonia, lending



Latvia, lending



Lithuania, lending



Owners and share data. FöreningsSparbanken is one of the largest companies on Stockholmsbörsen. The share rose by 17 percent in 2004

A round lot of the Bank's share on Stockholmsbörsen (the Stockholm Stock Exchange) is 100 shares. There is one class of shares, Class A, which means that each share carries one vote and all shares have equal rights to participate in the Bank's assets and profits. Shares that have been repurchased by the Bank carry no voting rights.

Share price performance 2004

During the year Stockholmsbörsen's general index rose by 18 percent and the banking index gained 21 percent. At the same time the FöreningsSparbanken share climbed 17 percent. The total return – the appreciation in the share and reinvested dividends – was 21.6 percent. The share reached a yearly high of SEK 169.50 on December 2 and a low of SEK 133.50 latest on May 13.

Share repurchase

Within the framework of the authorization received from the 2004 Annual General Meeting, the Board of Directors resolved to repurchase a maximum of 26 million shares in

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.

At year-end 14,937,531 shares, representing 2.8 percent of the shares outstanding, had been repurchased for a total of SEK 2.2 billion. The Board decided in December to extend the share repurchases until the 2005 Annual General Meeting.

FöreningsSparbanken's Board will propose to the Annual General Meeting in 2005 that it continue to be authorized to repurchase shares up to 10 percent of all the shares. The proposal also includes an authorization to dispose of repurchased shares.

Market capitalization and turnover

At year-end 2004 FöreningsSparbanken was the ninth largest company on Stockholmsbörsen, with a market capitalization of SEK 87 billion. During the year the share was the 15th most actively traded on the exchange. The average turnover in FöreningsSparbanken shares was

SEK 304 million, or 2.1 million shares per day. During the year a total of 118,485 trades were settled, comprising slightly over 525 million shares with an aggregate value of SEK 77 billion.

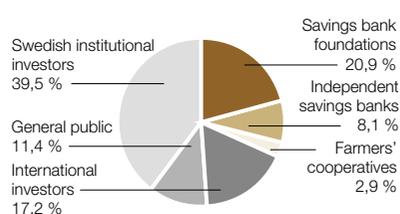
Socially responsible investors

FöreningsSparbanken has qualified for investments in a number of socially responsible and sustainability indexes, including the DJSI (Dow Jones Sustainability Index), FTSE4Good and OEKOM.

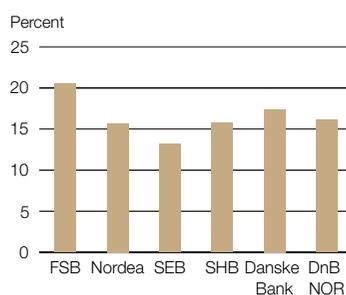
Employee warrant program

During the spring of 2000 employees of FöreningsSparbanken and its wholly owned Group companies and the board members of the local banks were offered the opportunity to buy warrants in FöreningsSparbanken. 8,008,100 warrants were subscribed. The price per option was SEK 15, and each option can be exercised to subscribe for one share at a price of SEK 187 during the period May-September 2005.

Shareholder categories, December 31, 2004



Return on equity 2004



No. of shareholders, December 31, 2004

Size of holding	No. of share-	
	holders	No. of shares
1 – 100	243,038	6,417,968
101 – 500	121,075	27,837,894
501 – 1,000	15,527	10,819,725
1,001 – 2,000	4,317	6,143,312
2,001 – 5,000	1,625	5,049,437
5,001 – 10,000	437	3,179,113
10,001 – 100,000	533	17,281,351
100,001 – 500,000	182	42,099,054
500,001 –	144	394,043,458
TOTAL	386,878	512,871,312
Of which, nominee-registered	21,536	363,137,921

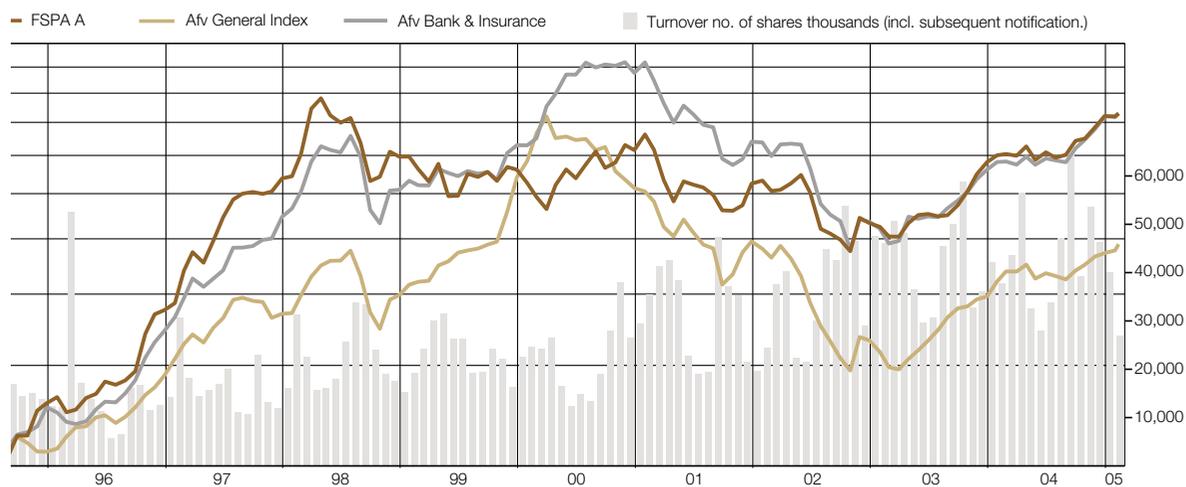
Shareholders, December 31, 2004

Percent of capital and voting rights	2004	2003
Savings bank foundations	20,9	21,1
Independent savings banks	8,1	7,6
Alecta	4,8	5,2
Robur funds	3,7	3,3
AMF Pension	3,2	3,2
Farmers' cooperatives	2,9	3,0
SHB/SPP funds	2,5	2,5
AFA Försäkring	2,4	1,9
FSB profit-sharing funds	1,9	1,6
Second Nat'l Pension Fund	1,6	1,4
Other Swedish institutional investors	19,4	18,7
General public	11,4	11,0
International investors	17,2	19,5
TOTAL	100,0	100,0

Changes in subscribed capital

Year	Transaction	Par value per share, SEK	Added/repurchased no. of shares	Accumulated no. of shares	Subscribed capital SEK M
1997	New share issue	20	72,717,269	350,897,971	7,018
1997	New share issue	20	974,591	351,872,562	7,038
1999	Bonus issue	20	175,936,281	527,808,843	10,556
2004	Share repurchase	20	- 14,937,531	512,871,312	10,556

FöreningsSparbanken share performance compared with bank index and general index



Business concept, vision and strategy. FöreningsSparbanken will be a leading retail bank in the Nordic-Baltic region.

BUSINESS CONCEPT

FöreningsSparbanken's business concept is to offer a complete range of easy-to-use financial services designed to provide customers with lasting economic value. The Bank should be regarded as the clear choice among banking alternatives for retail customers, businesses, the agricultural sector, municipalities, county councils and organizations.

VISION

FöreningsSparbanken's vision is to be the leading bank in the Nordic-Baltic region.

For customers, this means offering them the opportunity to meet all their financial needs on their terms.

For shareholders, the Bank's efforts to realize its vision translate into stable, competitive appreciation in value and dividend growth.

For employees, the Bank creates opportunities for personal development and security.

The Bank should be regarded as a responsible citizen.

SWEDISH STRATEGY

The Swedish market is the base and home market for the Bank's operations. FöreningsSparbanken will remain a full-service bank with a strong local presence throughout the country through its own branch network and in cooperations with the independent savings banks and partly owned banks. FöreningsSparbanken will offer customers in every segment an attractive range of financial products and services. Increased customer satisfaction is the key to FöreningsSparbanken's strategy.

Maintaining a strong market position

FöreningsSparbanken is currently Sweden's leading bank for private customers, small businesses, the forestry and agricultural sector, organizations and associations, municipalities and county councils. Together with the independent savings banks and partly owned banks, it also has a dominant position outside metropolitan areas. These strong market positions will be retained and developed.

Building in other areas

The strongest growth in the Swedish banking market is in metropolitan areas and among financially active, high-asset private customers and medium-sized and large companies. In these geographic markets and customer groups, FöreningsSparbanken will strengthen its position through added resources, structured routines, more active marketing, full-service solutions for various financial needs and new, customer-tailored products and services.

Increased market shares in selected product areas

FöreningsSparbanken is currently the market leader in most product areas in the private market. The goal is to retain this position. In the fast-growing area of pensions – comprising premium pensions, contractual pensions and individual pension savings – its market share is significantly lower. Using simplified working methods, system support and follow-ups, the Bank hopes to grow the market shares by more

FöreningsSparbanken's market position in Sweden

SAVINGS AND INVESTMENTS

1st household deposits
1st mutual fund investments
1st individual pension savings
3rd unit-linked insurance (new policies)
1st premium pension savings
5th-9th stock trading

SALARIES AND PAYMENTS

1st-2nd direct salary deposits
1st card clearance transactions
1st bank cards
1st -2nd giro payments

HOUSING

1st -2nd mortgage loans
1st -2nd real estate brokerage

MEETING PLACES

1st branches
1st Internet bank
1st telephone bank
1st ATM's

CORPORATE MARKET

4th deposits
2nd lending

actively integrating pension products into branch operations and the telephone bank's sales and by introducing new products.

The Bank is also the leader in many areas of the commercial market, although its shares are generally lower than in the private market. FöreningsSparbanken's objective is to improve its positions in the commercial market by strengthening branch operations, using more systematic routines, launching new products and expanding its offering in electronic channels.

Greater accessibility and more interaction with customers

The ways in which customers interact with the Bank and do their banking business are continuously changing. More often it is customers who initiate contact online, by telephone and using ATM's. For this reason, the Bank's offerings and the functionality of these channels must be steadily improved to meet and surpass customers' needs and expectations.

The role of bank branches is being streamlined to include responsibility for private and business customers, qualified advice, sales and service. Most meetings with customers will be initiated by advisors and will result in specific offerings based on customers' needs. Customer should regard the Bank as a professional advisor who knows them and understands their entire situation.

Cost efficiency

To provide competitive customer offerings with attractive terms requires that the business is run as cost efficiently as possible. For this reason, distribution and production as well as administrative processes are frequently reassessed to improve cost efficiencies.

INTERNATIONAL STRATEGY

FöreningsSparbanken's home market is the Nordic-Baltic region. There is considerable potential for higher income outside Sweden. The priority geo-

graphic areas are the Nordic markets and the fast-growing Baltic banking market, where FöreningsSparbanken already has a leading position through the subsidiary Hansabank.

The strategy offers three possible avenues to expand in the Nordic-Baltic region:

- Acquisitions of retail banking operations where FöreningsSparbanken gains a controlling ownership position. Any acquisition eventually must contribute the Group's return on equity;
- Acquisitions of operations in specific product areas where the Bank can utilize economies of scale, enhance customer value or add a complementary distribution channel;
- Organic growth in metropolitan areas in the Nordic region.

Financial objectives. For the second consecutive year FöreningsSparbanken was the most profitable major bank in the Nordic region.

Return on equity

The Group's return on equity shall exceed the average for all major, publicly listed Nordic banks. The peer group is SEB, Handelsbanken, Nordea, Danske Bank and DnB NOR. The return on equity should also be at least 20 percent higher than the long-term risk-free interest rate plus a normal risk premium. At the interest rates in effect in January 2005, when the interest rate on long-term government loans was approximately 4 percent, this corresponds to a return on equity of approximately 13 percent. FöreningsSparbanken's return on equity in 2004 was 20.5 percent (15.9), while the average for the peer group was 15.8 percent (13.4).

Operational efficiency

Operational efficiency is measured as the relation between costs and income, the so-called C/I ratio. The long-term objective is that the Group's C/I ratio before loan losses shall fall below 0.5. In 2004 the C/I ratio was 0.54 (0.57).

Capital adequacy

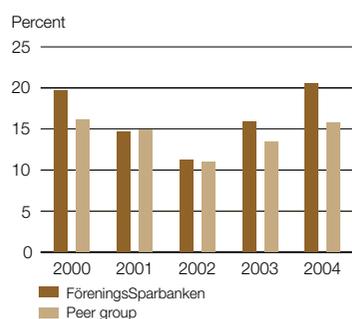
FöreningsSparbanken's capital adequacy ratio shall correspond to no less than the level that at any given time is considered suitable in order to maintain long-term financial stability and to develop operations. The primary capital ratio shall be 7 percent over the long term. At year-end the primary capital ratio was 8.2 percent (7.2).

Dividend

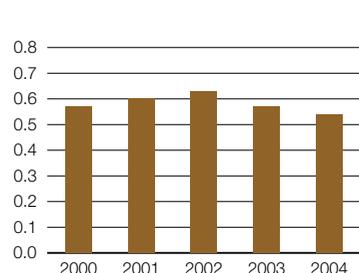
Over the long term the dividend should correspond to at least 40 percent of after-tax profit. The size of the annual dividend is based on the most recent dividend while also taking into consideration the expected profit trend, the capital that is expected to be needed to develop operations and the market's yield requirements.

The Board of Directors' dividend proposal for 2004 is SEK 6.50 per share, corresponding to a payout ratio of 39.6 percent (47.8).

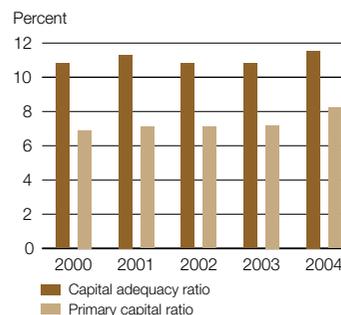
Return on equity



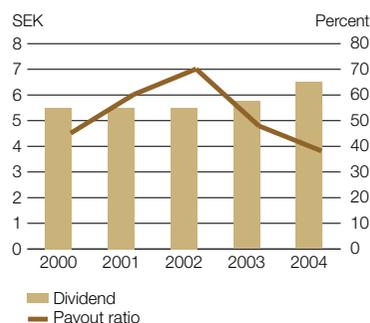
C/I ratio before loan losses



Capital adequacy



Dividend and payout ratio



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Bastugatan 8
11.15 - 1



Independent savings banks and partly owned banks. The savings bank cooperation is an important part of FöreningsSparbanken's Swedish operations and accounts for approximately one fourth of the Bank's product sales.

The longstanding cooperation between FöreningsSparbanken, independent savings banks and partly owned banks in the Swedish market is based on a shared history and values.

The cooperation gives FöreningsSparbanken's customers access to a nationwide network by allowing them to use the savings banks' branches. The savings banks, for their part, are able to offer their customers the entire range of products and services from FöreningsSparbanken and its subsidiaries. The cooperation also provides economies of scale, so development costs, for example, can be distributed over a larger business volume.

Together, the independent savings banks and partly owned banks account for approximately one fourth of the Group's product sales in the Swedish market. FöreningsSparbanken has a customer base of slightly over 4 million customers. Together with the

independent savings banks and partly owned banks, the customer base is 5.8 million in Sweden. A large part of the Bank's reputational capital and image have been built through the efforts of the savings banks.

The cooperation between FöreningsSparbanken and the 86 banks, 79 of which are independent savings banks and seven partly owned banks, is governed by an agreement. The current agreement was signed in June 2000 and extended according to a supplemental accord to year-end 2006, after which it can be extended for two-year periods.

The independent savings banks together are also one of the largest shareholders in FöreningsSparbanken, with a combined 8.1 percent of the voting rights.

Coordinated market presence

A fundamental principle of the cooperation is that the parties will act in concert on a nationwide basis in com-

petition with other banks. Operations are based on a strong local presence. An important aspect of the cooperation is a coordinated market presence with a unified yet locally adapted brand.

The independent savings banks and partly owned banks sell, on a commission basis, the products from FöreningsSparbanken's subsidiaries, including Spintab, Robur and FöreningsSparbanken Finans. In addition to marketing and product issues, close collaboration is maintained in a number of administrative areas. For example, FöreningsSparbanken is the clearing bank for the independent savings banks and partly owned banks and provides them with a wide range of administrative and IT services.

Partly owned Swedish banks

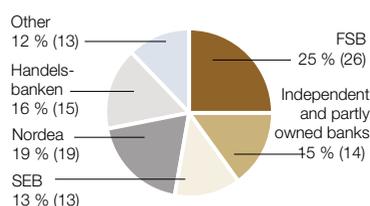
At year-end 2004 FöreningsSparbanken was co-owner of seven former savings banks that have converted to banking companies. The other co-owners are local savings bank foundations.

Independent savings banks and partly owned banks

SEK bn	2004	2003
Deposits	99	95
Lending	101	91
Lending via Spintab	90	86
Savings via Robur	70	63
Business volume	360	335
Aggregate assets	128	121
No. of employees	3,303	3,290

Including FöreningsSparbanken Öland AB, which is part of the FöreningsSparbanken Group (ownership interest of 60 percent).

Market shares for household deposits December 31, 2004 (December 31, 2004)



Development of savings bank alliance

As part of the Board's strategy work, overall guidelines have been established for the future cooperation with the independent savings banks and partly owned banks.

The Bank's long-term strategic aim is to maintain a unified approach to business and operational development with the savings banks while retaining a local connection.

FöreningsSparbanken's Board is positive to enquiries on ownership of savings banks converted to banking companies. The preference is for full ownership.

Bergslagens Sparbank

SEK M	2004	2003
Income	105	97
Expenses	- 81	- 80
Loan losses	- 10	- 14
Operating profit	14	3
Loans to the public	1,071	991
Deposits and borrowings from the public	1,863	1,751
Capital adequacy ratio, %	16.0	16.8
Number of employees	69	69
Number of branches	7	7

FöreningsSparbanken's ownership interest as of Dec. 31, 2004 is 48 percent.

FöreningsSparbanken Sjuhärad

SEK M	2004	2003
Income	383	351
Expenses	- 240	- 228
Loan losses	- 7	- 9
Operating profit	136	114
Loans to the public	5,876	5,524
Deposits and borrowings from the public	5,839	5,378
Capital adequacy ratio, %	11.4	12.7
Number of employees	197	203
Number of branches	14	15

FöreningsSparbanken's ownership interest as of Dec. 31, 2004 is 47.5 percent.

FöreningsSparbanken Öland

SEK M	2004	2003
Income	85	82
Expenses	- 68	- 69
Loan losses	- 2	- 2
Operating profit	15	11
Loans to the public	1,734	1,575
Deposits and borrowings from the public	1,346	1,250
Capital adequacy ratio, %	14.9	16.1
Number of employees	72	63
Number of branches	6	6

FöreningsSparbanken's ownership interest as of Dec. 31, 2004 is 60 percent.

Eskilstuna Rekarne Sparbank

SEK M	2004	2003
Income	153	147
Expenses	- 119	- 116
Loan losses	0	- 1
Operating profit	34	30
Loans to the public	2,453	2,187
Deposits and borrowings from the public	2,638	2,516
Capital adequacy ratio, %	13.6	15.1
Number of employees	102	99
Number of branches	3	5

FöreningsSparbanken's ownership interest as of Dec. 31, 2004 is 50 percent.

FöreningsSparbanken Söderhamn

SEK M	2004	2003
Income	62	47
Expenses	- 45	- 39
Loan losses	- 1	- 2
Operating profit	16	6
Loans to the public	738	680
Deposits and borrowings from the public	857	804
Capital adequacy ratio, %	19.8	16.6
Number of employees	32	32
Number of branches	2	2

FöreningsSparbanken's ownership interest as of Dec. 31, 2004 is 40 percent.

Färs & Frosta Sparbank

SEK M	2004	2003
Income	398	389
Expenses	- 309	- 300
Loan losses	- 23	- 12
Operating profit	66	77
Loans to the public	7,271	6,042
Deposits and borrowings from the public	6,659	6,130
Capital adequacy ratio, %	14.4	15.3
Number of employees	220	226
Number of branches	19	19

FöreningsSparbanken's ownership interest as of Dec. 31, 2004 is 30 percent.

FöreningsSparbanken Vimmerby

SEK M	2004	2003
Income	47	45
Expenses	- 36	- 36
Loan losses	1	
Operating profit	12	9
Loans to the public	697	628
Deposits and borrowings from the public	731	761
Capital adequacy ratio, %	15.9	15.4
Number of employees	25	24
Number of branches	2	2

FöreningsSparbanken's ownership interest as of Dec. 31, 2004 is 40 percent.

Employees. Its employees' understanding of customers' needs is the Bank's most important success factor. The efforts to continuously ensure access to employees with key competencies are therefore a strategic priority. During the year the Bank was named Competence Company of the Year 2004.

The competencies of its employees are FöreningsSparbanken's single most important competitive factor.

Continuously enhancing and correctly dimensioning the aggregated competence of its staff is imperative if the Bank is to realize its business concept over the long term. Ensuring that it has the skills it needs is therefore fundamental to the Bank's position in the market.

Competence Company of 2004

FöreningsSparbanken was named Competence Company of the Year in 2004. The award is given to the company that meets its competence needs and develops its human resources in the way that best supports its mission and facilitates business objectives.

Sweden's 13th best employer

FöreningsSparbanken's aim is to consistently be one of the 20 best companies to work for in Sweden. In the Universum "Business barometer" in 2004, the Bank climbed from 17th to 13th place.

It is even more important, however, that employees consider the

Bank to be a good employer, which the positive figures in the year's human capital survey indicate.

Human capital increases

For more than ten years, FöreningsSparbanken has continuously measured human capital in its Swedish operations. Among the indexes it uses are the "Satisfied Employee Index," which measures employees' opinions of their personal situation in the company; "Value-adding ability," which measures employees' opinions of their ability to create value for customers, and "Well-being," which measures employees' opinions on health-related issues. Human capital remains high, and most of the indexes the Bank uses trended higher during the year. See the table below.

Absenteeism drops

To ensure a systematic, long-term approach to health concerns, the Bank has introduced a new organization that integrates health and wellness issues with occupational health issues.

Absenteeism in the Swedish operations continues to decline and is

now 4.3 percent (4.6). The share of long-term healthy employees has increased to 74.8 percent (73.2).

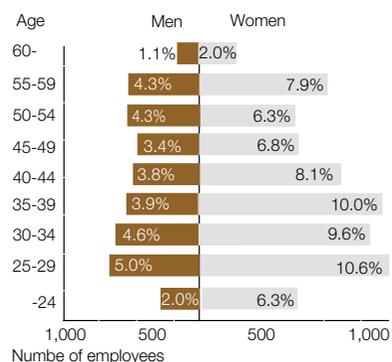
Rehabilitation for employees in the Swedish operations on long-term sick leave has eliminated approximately 70 percent of these cases. Of these employees, about 60 percent have returned to work full- or part-time.

New gender equality and diversity policy

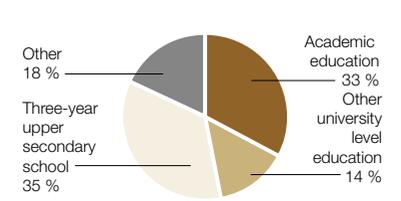
During the year the Board of Directors adopted a new gender equality and diversity policy for the Swedish operations. The policy reflects the strategic importance FöreningsSparbanken attaches to these issues. The gender equality objective for 2004 – to raise the share of women in managerial and specialist positions from 35 percent to 38 percent – was achieved. Gender equality and diversity plans were reviewed and approved during the year by the Equality Ombudsman and the Ombudsman against Ethnic Discrimination.

Together with 14 other companies, the Bank took part during the year in the EU's "Women to the

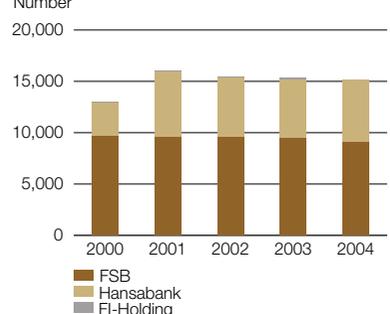
Group employees by age and gender in Sweden, December 31, 2004



Education level of Group employees December 31, 2004



Number of full-time positions in the Group



Top” project, which hopes to accelerate the process of promoting more women to top positions in business and the public sector.

Competence development

In the Swedish part of the Group, total training investments amounted to SEK 122 M, or about SEK 9,500 per employee.

The following areas were priorities during the year:

- Further implementing defined roles in the branch operations and ensuring that they serve as the basis for competence development
- Training and knowledge audits for around 6,000 employees based on the new Financial Advisory Services to Consumers Act
- Conducting certification programs for personal and business financial advisors
- Measures to raise the number of employees with individual development plans
- Measures to raise efficiency and reduce training costs by using alternative forms of learning, e.g. e-learning.

Leadership

FöreningsSparbanken has extensive programs for its managers, including programs to ensure that it generates new leaders at all levels and personal development programs to help managers in their current positions.

Employee turnover

External employee turnover in Sweden was 5 percent (6) in 2004. Internal

employee turnover was 14 percent (15).

The personnel reduction program to date has affected slightly over 300 employees, as planned. The program has not required any lay-offs. The cost in 2004 was SEK 241 M.

In 2004 an internal job office was established to promote job rotation and reallocate resources. In the future it will also work with employees who need a new career. To date the office has helped over 100 employees.

Priorities in 2005

To ensure satisfied customers, satisfied employees and strong profitability, the following areas will be priorities:

- local competence plans, mainly in the corporate segment
- strategic competence planning
- local management development
- wellness and occupational health.

Hansabank Group

The Hansabank Group remains the most popular employer in the Baltic region.

The number of full-time employees rose to 6,215, up 449 from 2003. Of its staff, 79 percent are women and 21 percent men. Around 80 percent of employees are younger than 40 and 73 percent have an academic or college-level education. The fact that it has so many young, well-educated employees gives Hansabank good potential in the future.

2004 was the first year after Hansabank’s changeover to a country-based organizational model. The

new organization has provided a clearer management structure with a more transparent decision-making process.

It was also a year of challenges for Hansabank. Among them were:

- Management renewal and integration of the life insurance operations acquired in Lithuania. These development projects affected the earnings of the Lithuanian operations positively in 2004.
- Decision to start banking operations in Russia. The Moscow office had 24 managers and specialists at year-end 2004. There were many applicants for every position, proof that Hansabank is also seen as an attractive employer in Moscow.
- During the fall a group-wide management recruitment project was initiated to ensure long-term access to management resources and strengthen the bank’s image as the most popular employer in the region. The purpose of the project is to determine Hansabank’s specific leadership needs and establish a permanent system to evaluate leaders.
- Competence, profitability and integrity have historically been Hansabank’s trademarks. In its future, long-term development, customer focus and employee development will also be important parameters.

Human capital development

Local bank in Sweden	2004	2003
Employee Index	68	65
Leadership	76	74
Well-being	75	75
Value-creating, private customers	81	75
Value-creating, commercial customers	74	75

Sustainability and the environment. Environmental work is an integral part of FöreningsSparbanken's operations.

The Bank's impact on the environment is both direct and indirect. The direct impact is mainly from business travel by employees and the consumption of paper and electricity. This is limited, however.

The Bank has an indirect impact by encouraging others, such as customers and suppliers, to reduce their affect on the environment. This is where the Bank has the most influence. The indirect environmental impact is based on the products customers choose and how they conduct their banking business. Those who use the Internet or telephone for routine banking help the environment by avoiding travel to and from the Bank.

Environmental analyses are an integral part of business loan evaluations. They can also determine whether it makes business sense to grant loans for environmental improvements.

The Bank also markets products with a direct environmental connection, including a WWF affinity card and funds whose investments are based on special environmental criteria.

Environment and profitability

Environmental work should promote sustainable development while generating profitability. The Bank believes that structured, systematic environmental work leads to new business opportunities, while at the same time reducing costs and risks.

Successfully conducted and communicated environmental work can produce competitive advantages and are important in creating a positive image of FöreningsSparbanken.

Many of the Bank's customers also make environmental demands. It is not uncommon that they require suppliers to have an environmental management system if they are going to do business with them. This applies to the financial sector as well.

Structured and well-documented environmental work qualifies the Bank's share for a broad spectrum of mutual funds that invest in socially responsible companies.

Sustainability and the environment

Long-term sustainable development and a connection with its communities have always been among the Bank's fundamental values.

The Bank also supports the Global Compact, the UN's voluntary initiative for companies to support basic human rights, workplace conditions according to ILO Convention standards and the environment.

A sustainability perspective means taking responsibility for your business in a way that goes beyond laws and regulations. This requires oversight and transparency – in other words, corporate governance.

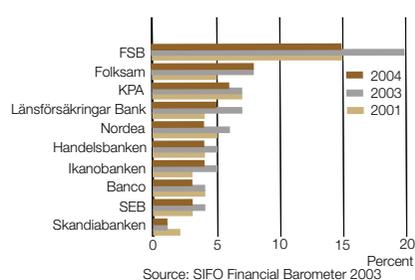
ISO 14001

FöreningsSparbanken has an environmental management system for its Swedish operations. Its aim, by utilizing a structured approach, is to reduce the Bank's environmental impact in a professional manner. Since 2003 the Bank's environmental management system has been certified according to the international ISO 14001 standard.

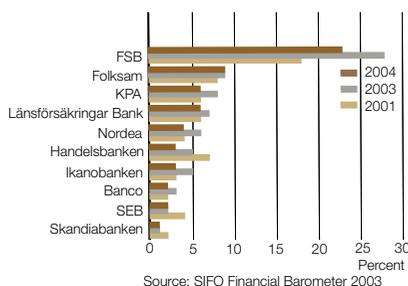
In connection with the introduction of its environmental management system, extensive training was provided for all employees and special environmental coordinators were appointed for every unit.

The environmental management system was reviewed in 2004 by

According to customers, FöreningsSparbanken works harder with environmental issues than any other company



According to customers, FöreningsSparbanken takes its social responsibility more seriously than any other company



external and internal environmental auditors, qualifying the Bank to maintain its certification.

All 133 franchises of FöreningsSparbanken Fastighetsbyrå were also environmentally certified in 2004.

Environmental and sustainability objectives

The Bank's most important objective

is to maintain its certification. This provides a guarantee that every one of its units sets its own environmental objectives, which are followed up and lead to continuous improvements. The Bank has also set as an overall objective that 25 percent of its customers who participate in the annual Financial Barometer survey name it as the bank that takes the

greatest responsibility for the environment. In 2004, 17 percent cited FöreningsSparbanken as the company that works the hardest with environmental issues.

In 2005 even greater focus will be placed on clarifying the significance of the Bank's environmental work internally and externally.

In 2004 the Bank was engaged in a number of projects involving sustainability and the environment

- The Internet bank's efforts to improve accessibility for visually impaired customers.
- "Payments through Internet" -school" for pensioners in cooperation with the Swedish Pensioners' National Organization, PRO, and the workers' educational association ABF.
- New gender equality and diversity policy established by the Board of Directors
- The Towns in Cooperation development partnership, initiated by the Bank.
- Participation in the "Rosengård's Friends" association in Malmö.
- The Bank presented the award for best annual report in the NGO sector in cooperation with Öhrings PricewaterhouseCoopers. The award for 2004 went to Save the Children Sweden.
- Together with the Confederation of Professional Employees (TCO), the Bank is pursuing a project to promote local and regional growth.
- In Göteborg, the Bank is participating in a car pool, which is expected to reduce business travel by up to 20 percent and help the environment. The pool includes vehicles powered by both gasoline and alternative fuels.
- The Telephone bank has been successful in marketing and selling the WWF affinity card and environmental funds.
- The Bank participated in World Environment Day.
- FöreningsSparbanken Fastighetsbyrå created an environmental product together with Anticimex. Scheduled for launch in 2005, it is designed to reduce household energy consumption.

Indirect impact in Sweden

Products and services	Environmental impact	2004	2003
Environmental analysis in corporate lending	With help of an environmental analysis model, companies' environmental work is analyzed from a risk perspective. This provides an incentive for commercial customers to review their environmental impact.	Around 228,000 commercial customers	Around 228,000 commercial customers
Environmental & socially responsible funds	Funds invested in companies engaged in credible sustainability work.	3 % of Robur's total assets under management. Volume has increased by 8 % to SEK 8.5 bn	3 % of Robur's total assets under management
WWF card	SEK 50 of the annual fee and SEK 1 per payment are donated to the World Wildlife Fund, WWF, which works to reduce CO ₂ emissions and preserve biological diversity.	SEK 3.0 M to WWF 26,764 active cards	SEK 2.1 M to WWF 21,011 active cards
Share of all giro payments made online	Affects travel and paper consumption.	49 percent	46 percent

Direct environmental impact in Sweden

	2004	CO ₂	2003	CO ₂	2002	CO ₂
Electricity	52.8 GWh		49.5 GWh		48.9 GWh	
	5.5 MWh/empl		5.1 MWh/empl		4.9 MWh/empl	
	128.8 kWh/sq.m.		121.7 kWh/sq.m.		119.7 kWh/sq.m.	
Stationery (purchases)						
– paper	96.3 kg/empl		94 kg/empl		52 kg/empl	
– envelopes	24.3 kg/empl		47 kg/empl		20 kg/empl	
– forms	21.5 kg/empl		18 kg/empl		25 kg/empl	
– supplies	2,980 SEK/empl		2,112 SEK/empl		1,275 SEK/empl	
Business travel						
– cars	674 km/empl	133 kg/empl	656 km/empl	132 kg/empl	677 km/empl	136 kg/empl
– rental cars	335 km/empl	66 kg/empl	276 km/empl	53 kg/empl	325 km/empl	65 kg/empl
– air	1,173 km/empl	192 kg/empl	725 km/empl	130 kg/empl	1,137 km/empl	85 kg/empl
– rail	555 km/empl	0.003 kg/empl	600 km/empl	0,003 kg/empl	616 km/empl	0.004 kg/empl
Security transports	2,133,000 km	512 tons	1,872,000 km	421 tons	1,560,000 km	352 tons

Board of Directors' report

FöreningsSparbanken consists of FöreningsSparbanken AB ("The Bank") and its subsidiaries and associated companies. The Group's structure, with the Parent Company and the most important wholly and partly owned companies, is shown in the illustration below.

Notes 29 and 30 to the balance sheet contain a specification of the holdings of shares in associated companies and Group companies. A summary of the Group's financial development with key ratios, profit and loss accounts and balance sheets for the past five years is shown on pages 6 and 7.

Changes in accounting principles

The recommendations of the Swedish Financial Accounting Standards Council that entered into force on January 1, 2004 have been taken into account but have not had a significant impact on profit and equity, with the exception of the changes owing to the application

of the Swedish Financial Accounting Standards Council's recommendation RR 29, Employee Benefits.

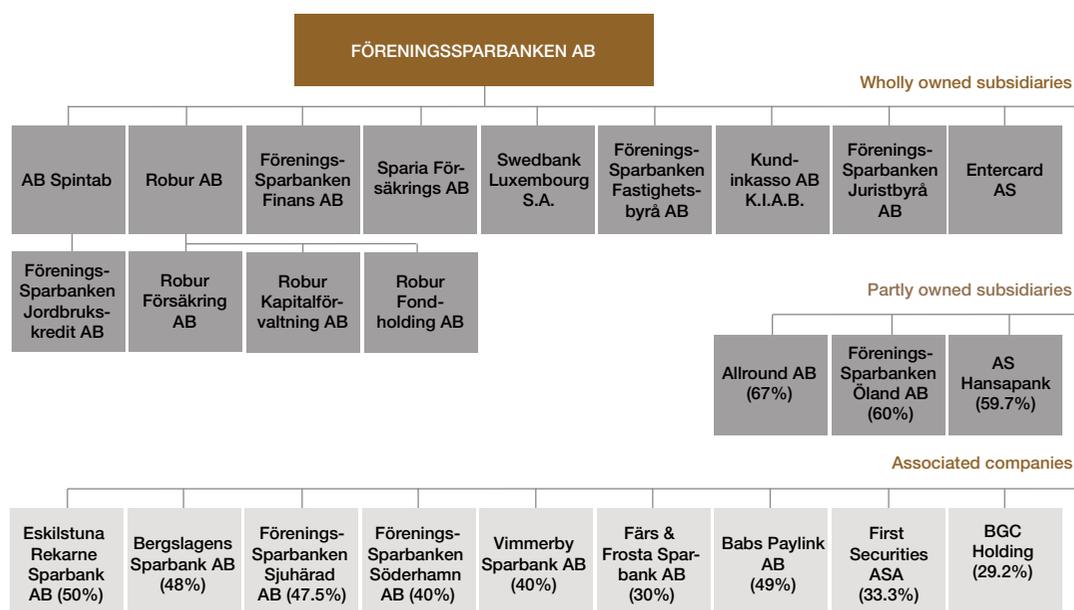
The recommendation, which entered into force on January 1, 2004, describes how various forms of employee compensation should be reported and, for the FöreningsSparbanken Group, affects the valuation and reporting of the Group's defined-benefit pension obligations. The change in accounting principle took effect on January 1, 2004, which is why the opening equity 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 liabilities rose by SEK 1,537 M, consisting of pension debt less assets under management, payroll tax provisions and deferred income tax. The Group's opening balance of assets decreased by SEK 26 M due to the change in the share of equity in

associated companies. The Group's opening equity balance was thereby reduced by SEK 1,563 M.

The reported pension cost for 2004 was essentially 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, 2.50 percent; inflation, 2.00 percent; debt as of December 31, 2004 is discounted by 4.50 percent; the year's interest expense is calculated as 4.88 percent; and the anticipated long-term return on assets held separately to cover pension obligations is estimated, after tax and expenses, at 5.00 percent.



See also the accounting principles on page 52.

Operational profit and loss account

In addition to the profit and loss account prepared in accordance with the instructions of the Financial Supervisory Authority, FöreningsSparbanken's interim reports and annual report contain an operational profit and loss account. The operational profit and loss account comprises the same legal entities and follows the same accounting principles as the profit and loss account prepared in accordance with the instructions of the Financial Supervisory Authority, with the exception that the respective items for insurance operations are integrated in the income and expenses of the other operations. A bridge between the two profit and loss accounts is shown on page 26. Descriptions in the running text of this Board of Directors' report are based on the operational profit and loss account unless indicated otherwise. The business area report is also based on the operational figures.

CHANGES IN THE GROUP STRUCTURE

Sale of FI-Holding

In June FöreningsSparbanken signed an agreement to sell all the shares in FI-Holding to Kaupthing Búnadarbanki hf. As an element in the transaction, FöreningsSparbanken 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.

The sale of FI-Holding generated proceeds of SEK 11.9 billion (DKK 9.7 billion) for FöreningsSparbanken, and the transaction is expected to result in

a tax-exempt capital gain of SEK 1.3 billion for the Group. FI-Holding is included in FöreningsSparbanken's profit through August 2004 (Note 53).

Reduced ownership in SpareBank 1 Gruppen

In May FöreningsSparbanken sold 85,932 shares in SpareBank 1 Gruppen, thereby reducing its interest in the Norwegian banking group from 25 percent to 19.5 percent. The capital gain was SEK 10 M. Due to the reduced ownership, SpareBank 1 Gruppen is not consolidated as an associated company as of June 2004.

Reduced ownership in Aktia

In December FöreningsSparbanken sold 1,600,000 shares in Aktia Sparbank, reducing its interest in the Finnish bank from 24.4 percent to 19.85 percent. The capital gain was SEK 16 M. Due to the reduced ownership, Aktia is not consolidated as an associated company as of December 2004.

Increased interest in BGC Holding AB

In August FöreningsSparbanken acquired an additional 17 percent of the shares in BGC Holding AB, which owns Bankgirocentralen. As a result, FöreningsSparbanken owns 29 percent of the shares in BGC Holding AB, which is reported as of the purchase date as an associated company.

Merger with FöreningsSparbanken Boländirekt Bank (formerly HSB Bank)

The wholly owned subsidiary FöreningsSparbanken Boländirekt Bank was merged with FöreningsSpar-

banken in late 2004. The merger applied retroactively to January 1, 2004.

OTHER IMPORTANT CHANGES IN 2004

Jan Lidén new CEO 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 served as Deputy President and CEO and Head of the Stockholm region as well as Acting CFO.

Share repurchase

The Annual General Meeting in 2004 resolved to authorize the Board to decide, until the next year's Annual General Meeting, to repurchase and transfer the Bank's shares, over and above the trading done by the securities operations. According to the authorization, the Bank's holding of its own shares, including those acquired in the securities operations, may at no time exceed ten percent of the total number of shares outstanding. Purchases must be made on the Stockholm Stock Exchange at a price that on the purchase date falls in the range between the highest purchase price and the lowest sales price.

Within the framework of the authorization received from the Annual General Meeting, the Board resolved on May 3 to repurchase a maximum of 26 million shares in 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 December 31, 14,937,531 shares had been repurchased for a total of SEK 2,218 M.

The Board decided in December 2004 to extend the period to repurchase a maximum of 26 million shares until the Annual General Meeting in 2005.

FöreningsSparbanken named Commercial Bank of the Year 2004

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

FöreningsSparbanken opens offices in Copenhagen and Helsinki

FöreningsSparbanken is establishing banking operations in Denmark. Operations will begin in the spring

of 2005 with one branch centrally located in Copenhagen. The branch will offer the Bank's products and services to private and business customers. FöreningsSparbanken is also opening an affiliate in Helsinki, Finland. The office, which is set to begin operations in the second half of 2005, will primarily offer qualified financial services to Swedish corporate clients with operations in Finland, as well as Finnish companies with ties to Sweden.

Proposed dividend raised 13 percent to SEK 6.50 per share

The Board is recommending that the Annual General Meeting in 2005 approve a cash dividend of SEK 6.50 per share (5.75). The proposed record day for the 2004 dividend is April 26, 2005. The last day for trading in the Bank's share with the right to the dividend is April 21, 2005. If the Annual General Meeting adopts the Board's recommendation, the dividend is expected to be paid by VPC on April 29, 2005.

Amended rules for Kopparmyntet profit-sharing system

An allocation is made to the

Kopparmyntet profit-sharing fund when FöreningsSparbanken's return on equity exceeds a weighted average for large, publicly listed Nordic banks. 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 was previously 25 percent. If the objective was not met, the allocation to Kopparmyntet would be reduced by half. In March FöreningsSparbanken's Board decided that the market share objective for new sales of savings products in the Swedish market in 2004 would be no less than 21 percent. If the objective is not met, any allocation to Kopparmyntet for 2004 would be reduced by 25 percent.

HIGHLIGHTS AFTER DECEMBER 31, 2004

Credit card operation launched with Barclays

FöreningsSparbanken and the British bank Barclays are establishing a joint venture to sell and distribute credit cards in Sweden and Norway. The company will offer competitive cards and card-based consumer credits, with the goal of eventually beco-

Quarterly profit trend for the Group

SEK M	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003
Net interest income	3,923	4,101	4,145	4,104	4,096
Net commission income	1,685	1,660	1,702	1,611	1,562
Net profit on financial operations	421	124	114	388	257
Other income	301	1,565	383	247	268
TOTAL INCOME	6,330	7,450	6,344	6,350	6,183
Staff costs	- 1,783	- 2,006	- 1,909	- 1,996	- 1,827
Other expenses	- 1,709	- 1,578	- 1,716	- 1,671	- 1,841
TOTAL EXPENSES	- 3,492	- 3,584	- 3,625	- 3,667	- 3,668
PROFIT BEFORE LOAN LOSSES	2,838	3,866	2,719	2,683	2,515
Loan losses, incl. change in value	- 99	- 113	- 120	- 163	- 155
Reversal of write-down of financial fixed assets					32
Share of associated companies' profit/loss	20	114	64	103	75
OPERATING PROFIT	2,759	3,867	2,663	2,623	2,467

ming the market leader in the entire Nordic region.

The Stockholm-based company will consist of FöreningsSparbanken's Swedish credit card operations and its wholly Norwegian subsidiary EnterCard AS. The new company will be jointly owned by FöreningsSparbanken and Barclays, with FöreningsSparbanken retaining 60 percent of the votes and capital and Barclays 40 percent. Profit shares will be divided equally between the parties. On key issues, the two parties will share decision-making.

FöreningsSparbanken will handle marketing and sales in the Swedish market, while EnterCard will serve the Norwegian market, including savings bank customers. These channels will be complemented by existing and future partnerships as well as direct marketing to consumers.

The sale of FöreningsSparbanken's credit card operations to the new company for an approximate price of SEK 1.0 billion creates an estimated capital gain of SEK 800 M for the Bank. The gain is expected to affect third-quarter results for 2005. The establishment of the new company requires regulatory approval.

FöreningsSparbanken AB makes cash offer of EUR 11.00 per share in Hansabank

In February 2005 FöreningsSparbanken announced an offer of EUR 11.00 in cash for each share in Hansabank it does not already own. The Bank currently owns 59.7 percent of the shares in Hansabank. The offer is conditional on an acceptance level of 95 percent of the total number of shares in Hansabank and certain other customary conditions.

The total value of the offer amounts to approximately EUR 1,407 million. Hansabank is listed on the Tallinn Stock Exchange.

The formal offer will be made public through a notice and prospectus, which are subject to approval by the Estonian Financial Supervision Authority (FSA). Approval is expected in late February 2005.

Hansabank is an important part of the FöreningsSparbanken Group strategically and financially. FöreningsSparbanken regards Estonia, Latvia and Lithuania as home markets and key countries in its international strategy. The acquisition therefore fits the Bank's strategy and serves as a cornerstone in its goal to become the leading Nordic-Baltic bank with a strong presence in its Swedish and new Baltic home markets.

Profit and loss account, bridge between operational and legal

Group SEK M	2004			2003		
	Operational	Adjustment	Legal	Operational	Adjustment	Legal
Interest receivable	42,515	- 81	42,434	47,755	- 54	47,701
Interest payable	- 26,242	- 51	- 26,293	- 31,554	- 61	- 31,615
NET INTEREST INCOME	16,273	- 132	16,141	16,201	- 115	16,086
Dividends received	90	- 2	88	105	- 1	104
Payment processing commissions	3,365	1	3,366	2,930		2,930
Securities commissions	3,289	- 386	2,903	2,692	- 313	2,379
Other commissions	2,265	- 84	2,181	2,039	- 109	1,930
TOTAL COMMISSIONS RECEIVABLE	8,919	- 469	8,450	7,661	- 422	7,239
Payment processing commissions	- 1,068		- 1,068	- 993		- 993
Securities commissions	- 208		- 208	- 146		- 146
Other commissions	- 985	133	- 852	- 783	102	- 681
TOTAL COMMISSIONS PAYABLE	- 2,261	133	- 2,128	- 1,922	102	- 1,820
NET COMMISSION INCOME	6,658	- 336	6,322	5,739	- 320	5,419
NET PROFIT ON FINANCIAL OPERATIONS	1,047	- 17	1,030	801	- 25	776
Capital gains, financial fixed assets	1,326	3	1,329	542	- 1	541
IT services	698		698	775		775
Other operating income	382	- 59	323	290	- 15	275
OTHER OPERATING INCOME	2,406	- 56	2,350	1,607	- 16	1,591
TOTAL INCOME	26,474	- 543	25,931	24,453	- 477	23,976
Staff costs	- 7,694	62	- 7,632	- 6,978	41	- 6,937
Rents, other expenses for premises	- 1,219	2	- 1,217	- 1,148	1	- 1,147
IT expenses	- 1,244	24	- 1,220	- 1,333	26	- 1,307
Telecommunications, postage	- 432	4	- 428	- 443	1	- 442
Consulting and outside services	- 668	87	- 581	- 660	51	- 609
Advertising, public relations, marketing	- 353	4	- 349	- 410	6	- 404
Other administrative expenses	- 1,546	- 27	- 1,573	- 1,446	- 27	- 1,473
Other overhead expenses	- 75	10	- 65	- 145	11	- 134
TOTAL ADMINISTRATIVE EXPENSES	- 13,231	166	- 13,065	- 12,563	110	- 12,453
Depreciation/amortization and write-down of tangible and intangible fixed assets	- 1,137	1	- 1,136	- 1,278		- 1,278
TOTAL EXPENSES	- 14,368	167	- 14,201	- 13,841	110	- 13,731
PROFIT BEFORE LOAN LOSSES	12,106	- 376	11,730	10,612	- 367	10,245
Loan losses, net	- 495		- 495	- 979		- 979
Change in value of property taken over				- 8		- 8
Reversal of write-down of financial fixed assets				55		55
Share of profit of associated companies	301		301	- 116		- 116
OPERATING PROFIT	11,912	- 376	11,536	9,564	- 367	9,197
Operating profit in insurance operations		376	376		367	367
PROFIT BEFORE APPROPRIATIONS AND TAXES	11,912		11,912	9,564		9,564

According to the instructions of the Financial Supervisory Authority, insurance companies whose assets do not exceed 20 percent of the Group's assets are consolidated in a simplified manner. This means that the insurance operations' results are reported on a separate line in the legal profit and loss account and that their assets and liabilities are reported separately in the consolidated balance sheet.

The operational profit and loss account comprises the same legal entities and follows the same accounting principles as the legal profit and loss account, except that the respective items for insurance operations are

integrated in the income and expenses of the other operations. A bridge between the operational and legal profit and loss accounts is shown above.

The figures in the "Adjustment" columns are inverted and indicate the share of consolidated profit and loss items represented by the insurance companies. The largest share pertains to Robur Försäkring.

The descriptions in the running text of the Board of Directors' report are based on the operational profit and loss account unless indicated otherwise. The business area report is also based on the operational figures.

Financial analysis

STRONG PROFIT TREND

Operating profit rose by 25 percent to SEK 11,912 M (9,564). Excluding capital gains of SEK 1,290 M on the sale of FI-Holding and SEK 489 M on the sale of shares in Erste Bank in 2003, the increase in operating profit was 17 percent. Income rose by 8 percent to SEK 26,474 M (24,453) and expenses rose by 4 percent to SEK 14,368 M (13,841). Excluding profit-based staff costs and costs for personnel changes, expenses decreased by 2 percent. Loan losses decreased by 50 percent to SEK 495 M (987). The return on equity rose to 20.5 percent (15.9), while earnings per share increased to SEK 16.42 (12.02).

In September the sale of FI-Holding to Kaupthing Bank was finalized. FI-Holding is included in the profit and loss account for the first eight months of the year with operating profit of SEK 632 M (SEK 868 M for full-year 2003).

Net interest income

Net interest income rose to SEK 16,273 M (16,201). In the Swedish Retail operations, net interest income rose by SEK 150 M to SEK 12,438 M (12,288). Net interest income was positively affected by further increases in lending and deposit volumes. Low interest rates, on the other hand, continued to have a negative effect on net interest income, mainly in the form of lower deposit margins. Swedbank Markets' net interest income decreased by SEK 36 M. In International Banking, net interest income fell SEK 201 M, but rose by SEK 284 M excluding FI-Holding. The volume increase in Hansabank improved net interest income, although lower deposit and lending margins reduced the increase. In Treasury and central units, net interest income rose by SEK 174 M.

The Group's interest margin was 1.44 percent (1.47) and its investment margin 1.54 percent (1.59). The corresponding margins for the Spintab Group were 0.96 percent (1.01) and 1.11 percent (1.17).

Dividends received

Dividends received amounted to SEK 90 M (105).

Net commission income

Net commission income rose by 16 percent or SEK 919 M to SEK 6,658 M (5,739). Greater use of debit and credit cards and an increase in clearance volumes raised payment commissions by 19 percent or SEK 360 M to SEK 2,297 M (1,937). Asset management commissions rose by 20 percent or SEK 457 M to SEK 2,713 M (2,256). The increase was due to strong gains in fund contributions and an appreciation in fund assets from rising stock prices. Higher stock market activity led to a 34 percent jump in brokerage commissions to SEK 407 M (303).

Net profit on financial operations

Net profit on financial operations rose by 31 percent to SEK 1,047 M (801). Profit from equities and equity-related instruments rose by SEK 212 M, while profit from interest-bearing securities and other financial instruments rose by SEK 92 M. Income from foreign exchange operations decreased by SEK 58 M.

Other income

Other income rose by 50 percent to SEK 2,406 M (1,607). Income in 2004 was affected by a capital gain of SEK 1,290 M on the sale of FI-Holding. The previous year included a capital gain of SEK 489 M on the sale of shares in Erste Bank.

Expenses

The Group's expenses rose by 4 percent of SEK 527 M to SEK 14,368 M (13,841). Excluding profit-based staff costs of SEK 1,022 M (407) and costs for personnel changes of SEK 274 M (66), expenses decreased by 2 percent.

Although business volumes expanded greatly, expenses in the Swedish operations have remained at an unchanged level since 2000 excluding profit-based compensation.

Staff costs

Staff costs rose to SEK 7,694 M (6,978). In the Swedish operations, staff costs amounted to SEK 6,673 M (6,018). Excluding profit-based staff costs of SEK 823 M (298) and costs for personnel changes of SEK 274 M (66), staff costs decreased by 1 percent or SEK 78 M. Included in profit-based costs is the allocation to the employee profit-sharing fund, Kopparmyntet, of SEK 567 M (148). In International Banking, staff costs amounted to SEK 1,021 M (960). In Hansabank, staff costs rose by SEK 113 M. Of the increase, SEK 90 M was profit-based staff costs. The sale of FI-Holding reduced staff costs by SEK 54 M and the number of employees by 153.

Other expenses

Other expenses – i.e. other administrative expenses, depreciation of tangible fixed assets and amortization of goodwill – decreased slightly to SEK 6,674 M (6,863). Depreciation

Change in the number of employees

	2004	2003
Total number of employees	15,156	15,366
of whom in Swedish operations	9,081	9,435
of whom in international banking operations	6,075	5,931

of tangible fixed assets decreased by SEK 114 M to SEK 550 M (664) and amortization of goodwill amounted to SEK 587 M (614).

IT expenses

IT expenses include all development and production expenditures as well as computer equipment service costs and depreciation. IT expenses decreased by 8 percent to SEK 2,140 M (2,315). The corresponding expense in the Swedish operations was SEK 1,878 M (2,021).

During the year development costs of SEK 69 M for the Economic Capital project were capitalized.

Loan losses

The loan loss level fell to 0.07 percent (0.14). Loan losses declined by 50 percent to SEK 495 M (987, excluding FI-Holding 903). In the Swedish operations, loan losses amounted to SEK 289 M (731), with a loan loss level of 0.05 percent (0.11). Hansabank's loan losses amounted to SEK 206 M (256), with a loan loss level of 0.50 percent (0.81).

Share of profit/loss of associated companies

The share of profits of associated companies amounted to SEK 301 M (-116). During the year BGC Holding was added as an associated company, which affected profit positively by SEK 32 M. The previous year's result was affected negatively by the shareholding in SpareBank 1 Gruppen, which was written off by SEK 311 M. Due to reduced ownership interests, SpareBank 1 Gruppen is no longer reported as an associated company as of June 2004, nor Aktia as of December 2004.

Tax expense

Profit before tax amounted to SEK 11,912 M (9,545) and the tax expense was SEK 2,564 M (2,567), or an effective tax rate of 22 percent (27). The low tax rate in 2004 is mainly because

the capital gain on the sale of FI-Holding is tax exempt.

CONSOLIDATED BALANCE SHEET

The Group's assets amounted to SEK 1,020 billion (1,002) at year-end 2004. FI-Holding, which was sold in 2004, affected total assets in the previous year by SEK 79 billion. Excluding FI-Holding, total assets rose by SEK 97 billion or 10 percent.

Lending

The Group's total credit exposure, including contingent liabilities and derivatives, amounted to SEK 894 billion (906). Credit exposure in the Swedish market has risen by SEK 31 billion since December 31, 2003 and decreased in other markets by SEK 43 billion, mainly due to the sale of FI-Holding.

The Group's total loans to the public and credit institutions other than banks and the National Debt Office, excluding repurchase agreements, amounted to SEK 694 billion (653 excluding FI-Holding) at year-end 2004. Lending thus rose by SEK 41 billion or 6 percent, of which Spintab accounted for SEK 27 billion and Hansabank for SEK 14 billion.

Nearly half the loans, or SEK 368 billion (337), is to private customers, with mortgage loans from Spintab accounting for SEK 301 billion (274). Lending to private customers thus rose by 10 percent. Commercial lending amounted to SEK 312 billion (302).

Fixed income securities

FöreningsSparbanken's holding of fixed income securities, including Treasury bills and other bills eligible for refinancing with central banks, amounted to approximately SEK 79 billion (77) at year-end.

Assets in the insurance operations

Assets in the insurance operations rose by SEK 5 billion or 14 percent to

SEK 43 billion (38), mainly due to the rise in stock prices in 2004.

Deposits and borrowings from the public

The Group's deposits and borrowings from the public amounted to SEK 286 billion (284) at year-end 2004. Excluding repos, deposits from the public rose by SEK 2 billion. In Hansabank, the increase was SEK 8 billion.

Debt securities in issue and subordinated liabilities

At year-end debt securities in issue amounted to SEK 434 billion (442). The decrease was mainly due to the sale of FI-Holding. The Group's debt securities are primarily issued by Spintab to finance fixed-rate mortgage loans. The interest fixing periods of Spintab's funding are well matched with its lending. The average remaining interest fixing period on Spintab's funding was 1.4 years (1.4). For the Group as a whole, the average remaining interest fixing period for debt securities in issue was 1.4 years (1.7).

In addition to bond loans and commercial paper programs, the Bank, Spintab and Hansabank issue fixed-term and undated subordinated liabilities. Together, this type of liability amounted to nearly SEK 26 billion (27) at year-end.

Ratings December 31, 2004

	FSB	Spintab	Hansabank
Moody's			
Short-term	P-1	P-1	P-1
Long-term	Aa3	Aa3	A1
Bank Financial Strength	B		C
Fitch			
Short-term	F1	F1+	F1
Long-term	A+	AA-	A
R & I	AA-		
S & P			
Short-term	A-1	A-1	
Long-term	A		

CAPITAL BASE AND CAPITAL ADEQUACY

The calculation of the capital base and capital adequacy (Note 51) is based on the concept of the "financial companies group," not the group definition according to the Annual Accounts Act. The financial companies group includes financial companies in which the ownership interest is at least 20 percent. Insurance companies are not included. As of December 31, 2004 the FöreningsSparbanken financial companies group included the FöreningsSparbanken Group, Eskilstuna Rekarne Sparbank AB, Färs & Frosta Sparbank AB, FöreningsSparbanken Sjuhärad AB, FöreningsSparbanken Söderhamn AB, Bergslagens Sparbank AB, Vimmerby Sparbank AB, Bostocken AB and First Securities A/S in Norway.

The Group's capital base amounted to SEK 60.7 billion (63.7). Primary capital rose by SEK 0.8 billion to SEK 43.0 billion (42.2), while supplementary capital and other items included in the capital base decreased by SEK 3.8 billion. On December 31, 2004 the capital adequacy ratio was 11.6 percent (10.8) and the primary capital ratio was 8.2 percent (7.2). The risk-weighted amount for credit risks decreased during the year to SEK 503.2 billion (561.9), mainly due to the sale of FI-Holding. The risk-weighted amount for market risks decreased by SEK 4.3 billion to SEK 21,4 billion (25.7). As of December 31, 2004 the Bank's capital adequacy ratio for general interest rate risk, share price risk and currency risk is calculated according to the Value-at-Risk (VaR) model. See also Note 56.

Proposal for new capital adequacy rules

In 2004, after many years of work, the Basle Committee on Banking Supervision published its new proposal for uniform international capital adequacy requirements, popularly

known as the Basel II rules. The current Basel I rules are applied in over 100 countries, and the new rules are also expected to be widely accepted. The EU's Council of Ministers and Parliament are currently reviewing a draft proposal from the EU Commission how the rules can be incorporated into EU legislation. The goal is to have the rules implemented in the EU so that they can enter into force in 2007.

The review of the current rules comes as a consequence of the rapid development in recent years of methods used by banks to quantify capital requirements, a trend which is still under way. The objective of the review is to adapt capital adequacy rules so that capital requirements better reflect a bank's real risks than is the case today.

The new rules propose that capital adequacy requirements be tied more to a bank's own risk measurements and assessments of risk capital needs. It is also proposed that an evaluation of banks' internal processes for estimating capital needs be a key element in the supervisory process.

According to the proposal, capital requirements for credit risks can be based on a bank's internal credit risk classification if approved by supervisory authorities. For banks that do not meet the standard for approval, the requirement will instead be based on standard rules in the same way as today.

The Basel Committee and EU are also proposing to introduce capital adequacy requirements for operational risks. In this case as well, banks have the option, with the approval of the Financial Supervisory Authority, to calculate their capital requirements for operational risks based on more advanced measurement methods that utilize internal loss statistics. The calculation of capital requirements for operational risks is otherwise based on standards.

The new capital adequacy requirements will be designed in such a way as to create incentives for banks to develop internal methods to measure capital requirements for credit risks and operational risks in the same way that was previously the case for market risks.

FöreningsSparbanken is currently conducting a comprehensive review and adapting the Group's risk classification for loans. The purpose is to meet the necessary requirements so that the Bank will receive approval to calculate its capital adequacy requirements for credit risks in the financial companies group based on the internal risk classification.

Work has also begun to systematically collect information on internal losses resulting from operational risks. This information will serve long-term as part of the basis for a more advanced measurement of the Group's capital requirements for operational risks.

For market risks, the current rules already offer the option to calculate capital requirements with an internal Value at Risk (VaR) model. During the year FöreningsSparbanken received approval from the Financial Supervisory Authority for its model for this purpose.

FINANCIAL REPORTING ACCORDING TO IFRS

General

From 2005 all listed companies in the European Union (EU) must prepare their consolidated accounts according to the standards adopted by the EU – the International Financial Reporting Standards, IFRS. The standards are issued by the International Accounting Standards Board (IASB) and become mandatory for listed companies once approved by the EU. The introduction of IFRS principles in reports in 2005 means that comparative periods in 2004 must be restated according to the accounting

principles valid as of year-end 2005. The reported amounts in the tables below will therefore change. There is an exemption from the requirement to restate comparative periods according to the new standards as pertains to IAS 39 Financial Instruments: Recognition and Measurement. Since this standard is of great significance to FöreningsSparbanken's accounts, it is commented on separately below.

Significant differences in reported profit and financial position 2004

The introduction of IFRS principles does not have a major effect on reported profit for 2004 or the Bank's financial position on December 31, 2004. The reported profit increases due to IFRS 3, Business combinations, which replaces goodwill amortization with impairment testing. The introduction of IFRS also requires that reported profit and equity contain the minority interest in subsidiaries' profit and equity. Details must be provided in the profit and loss account on how much of profit is attributable to shareholders and how much to the minority.

IAS 39

IAS 39 covers the reporting of financial instruments, i.e. primarily financial receivables (lending and securities), liabilities (funding) and derivatives. According to the wording of IAS 39 as issued by the IASB, there is a fair value option whereby receivables and

liabilities may, at initial recognition, be reported at accrued acquisition value or fair value. Derivatives are always reported in the balance sheet at fair value with the change in value in the profit or loss statement or – with certain types of documented hedge accounting – directly in equity.

The EU did not approve the version of IAS 39 issued by the IASB and made a significant change when the recommendation was introduced in EU legislation. The fair value option was eliminated for the valuation of liabilities, so that liabilities – with the exception of those categorized as trading and those reported as hedges – are reported at accrued acquisition value. The option to value financial liabilities at fair value is imperative if FöreningsSparbanken is to provide a fair and accurate account of its operations involving fixed-rate financial instruments. Without the option to report lending, the matching funding and related derivatives at fair value, situations would arise where earnings would be more volatile than economic conditions would imply.

The EU's hope, however, is that this difference will be temporary and that IAS 39 will also reword the option to report financial instruments at fair value so that the recommendation can be fully implemented by EU.

Financial position on January 1, 2005

The opening balance sheet as of January 1, 2005 differs from the clo-

ing balance sheet as of December 31, 2004 according to the above due to the introduction of IAS 39 in the form now adopted by the EU.

The change mainly relates to the fact that derivatives that were earlier reported according to principle for deferred hedge accounting are now reported in the balance sheet at fair value.

Financial liabilities in foreign currency hedged with derivatives and previously reported at acquisition value will be reported at the currency's closing day rate in the future.

For subordinated liabilities where the interest rate risk is hedged with derivatives, hedge accounting at fair value will be applied.

The option to report receivables at fair value is being used for certain fixed rate claims where the interest rate risk is hedged with derivatives.

IAS 39 also requires that shares and participating interests that are not reported according to equity method are valued at fair value. Certain holdings were reported according to previous accounting principles as fixed assets valued at acquisition value.

Primary capital and the capital adequacy ratio are not expected to be significantly affected by the transition to IFRS.

OUTLOOK FOR 2005

FöreningsSparbanken's profit is greatly affected by macroeconomic changes it has no control over. The Group's profit is affected by, among other things, changes in market interest rates, stock prices and exchange rates. For this reason, the Bank has not issued a profit forecast, although it does provide a sensitivity analysis in Note 58 showing how various sources of income and expenses in 2003 and 2004 are affected by changes in the market.

Differences in reported profit and financial position 2004

SEK bn	Profit for the year	Equity
Reporting according to year-end report	8.6	43.6
Goodwill amortization	0.6	0.6
Reporting of minority interest	0.7	3.2
REPORTED ACCORDING TO IFRS PRINCIPLES	9.9	47.4

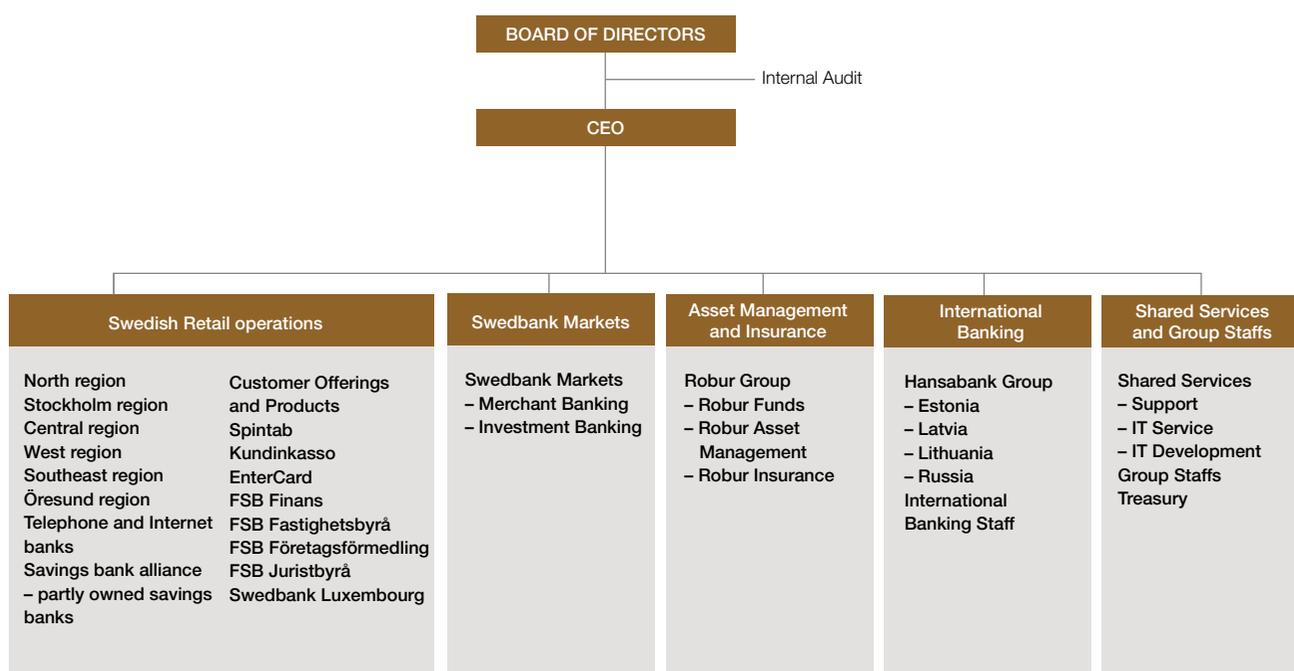
Financial position January 1, 2005

SEK bn	Equity
Reported according to IFRS	47.4
Reporting of derivatives	- 6.6
Currency revaluation of financial liabilities	5.7
Hedge reporting of financial liabilities at fair value	- 1.3
Claims at fair value	0.6
Valuation of shares	0.5
Tax on the above changes in value	0.3
OPENING BALANCE 2005	46.6



VISNING PÅGÅR

FöreningsSparbanken's business areas



Business area accounting principles

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

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

The Group's 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 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. The retail operations are the Bank's distribution network in the Swedish market. Satisfied customers are the highest priority. Operating profit rose by 15 percent to SEK 7,079 M.

The Sweden Retail operations are FöreningsSparbanken's largest business area. It encompasses a network of 492 branches organized in 75 local banks in six geographic regions. The cooperation with the partly owned banks and independent savings banks adds an additional 289 branches. The branch network is complemented by 213 in-store banking locations. The agreement with Svensk Kassaservice (the Swedish postal service) also gives customers access to certain teller transactions at 811 post offices. Responsibility for all Swedish customers, with the exception of financial institutions, rests with the branches or special business units within the regions. Of the business area's 6,600 full-time employees, around 5,000 are in the six regions.

The business area also includes the telephone and Internet banks and a number of subsidiaries, such as Spintab and FöreningsSparbanken Finans, whose products are sold through the distribution networks of FöreningsSparbanken and its cooperating banks. The subsidiaries FöreningsSparbanken Fastighetsbyrå AB (real estate brokerage), FöreningsSparbanken Juristbyrå AB

(legal services) and the recently established FöreningsSparbanken Förtagsförmedling are operated on a franchise basis.

The Customer Offerings and Products unit produces and coordinates customer offerings for various groups and is responsible for the further development and launch of new products based on customers' needs.

The Sweden Retail business area also includes the private banking operations in Luxembourg and the Norwegian card company EnterCard A/S, which is integrated with the Swedish card operations.

Customers more satisfied with Sweden's largest bank for private customers

At 4.1 million, FöreningsSparbanken has more private customers than any other Swedish bank. Together with the customers of the independent savings banks and partly owned banks, this number rises to 5.8 million. This means that two thirds of Sweden's population have a customer relation with FöreningsSparbanken.

Just over 14,000 individuals are

customers of the 27 private banking units around the country.

The number of customers and business volumes are steadily rising, and customers are most satisfied with FöreningsSparbanken. The private banking offering is designed for customers with at least SEK 1 million in investable assets.

Around a million private customers have a personal advisor. The aim is that every personal advisor will meet with them for a financial review at least once a year.

The share of "very satisfied" private customers has continuously improved and was 28 percent in 2004, compared with 24 percent in the previous year.

More awards for Sweden's largest bank for business customers

FöreningsSparbanken is Sweden's largest commercial bank, serving some 230,000 companies throughout the country, in addition to over 120,000 associations and organizations and the majority of municipalities and county councils.

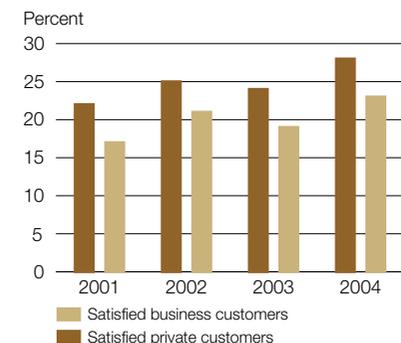
In recent years FöreningsSparbanken has improved its positions in

Private individuals		Municipalities (289) County councils (21)	
FSB	4.1 million customers	FSB	217 municipalities
Partly owned banks	0.4 million customers	Partly owned banks	20 municipalities
Independent savings banks	1.3 million customers	Independent savings banks	93 municipalities
		FSB	21 county councils

FöreningsSparbanken

Companies		Organizations and associations	
FSB	228,000 companies	Union	
Partly owned banks	24,000 companies	Cooperative	
Independent savings banks	90,000 companies	Religious	

Customers satisfaction



the commercial market by recruiting and training managers and business advisors as well as establishing "business-only" offices. The Bank's approach is to utilize a clear structure, where a business advisor with customer responsibility is part of a team of specialists who actively cultivate current and potential customers. Based on a needs audit and analysis, a proposal is drafted. Advisors also offer services that free up time and simplify companies' everyday routines.

For the second consequence year FöreningsSparbanken was named Commercial Bank of the Year in the business magazine Affärsvärlden's Financial Barometer survey.

For the third consequence year Sweden's entrepreneurs named FöreningsSparbanken the best bank in its annual Entrepreneurs' Barometer.

Focus on branches

Bank branches are FöreningsSparbanken's most important meeting place with customers.

The reallocation of resources between customer segments and geographic markets continued in 2004. On a relative basis, more branch employees worked with business customers and fewer with private

customers. Among those who work with private customers, more time is being devoted to customers who need financial advice. Also, more employees worked in metropolitan areas and in markets with growing business potential.

Administrative duties, including loan processing and claim processing, have been shifted from bank branches to specialized central units. Additionally, portions of cash handling have been outsourced, which has reduced costs while maintaining quality. This has also allowed the branches to focus on personal service for priority customers, advisory services and sales.

A comprehensive improvement program was implemented at the majority of the local banks during the year. The goal is that all of them will undergo the program by 2005. The aim of the improvement work is to raise customer satisfaction and sales by introducing more structured, customer-oriented routines.

To better meet the needs of various customers, the roles of branch employees have been specialized. A larger share of branches are now private banking offices, business branches and advisory offices that do not handle cash.

Local banks and branches are moni-

tored and overseen through continuous measurements of their profitability, sales, credit risk, customer satisfaction and empowerment.

Expansion in Öresund region

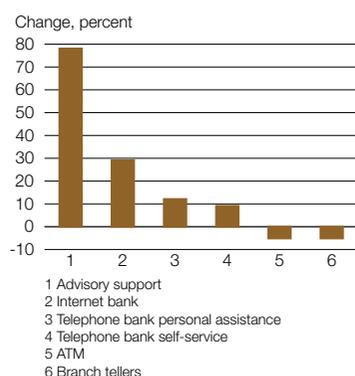
To better serve the many private and business customers who bank on both sides of Öresund, FöreningsSparbanken has decided to open branches in Denmark. The first one in Copenhagen is expected to open in the spring of 2005. Additional branches are planned.

Low interest rates, price competition and new law on financial advice

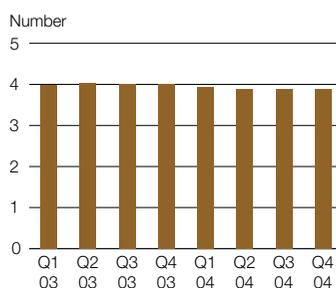
2004 was distinguished by record-low interest rates, which stimulated credit demand in the private market. Tight competition for market share between banks and other financial institutions kept pressure on lending rates.

The bullish stock market in the second half of 2003 carried over into 2004, raising interest in equities. Many customers are not as willing, however, to take the same risks they were before the slump in stock prices from 2000 to 2003. As a result, the large part of new savings in 2004 was channeled to bank deposits, fixed income funds and index-linked bonds.

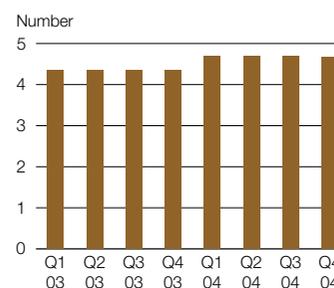
Meetings with customers 2004 compared with 2003



Average number of products, private customer



Number of products, business customer



The new Financial Advisory Services to Consumers Act entered into force on July 1, 2004. The purpose of the law is to strengthen consumer protection. It requires service providers to observe good advisory standards, maintain adequate competence and document advisory conversations with clients. FöreningsSparbanken has devoted extensive effort to quality assuring its competencies. Around 900 employees have undergone training and been certified as personal financial advisors. Similar training was been offered on the commercial side. At year-end FöreningsSparbanken had around 340 certified advisors.

Great interest in index-linked bonds

FöreningsSparbanken doubled its sales of index-linked bonds, setting a new sales record.

Swedish households' net contributions to savings accounts, retail bonds, mutual funds, pension savings and insurance were lower in 2004 than the previous year.

Two new accounts launched during the year were the Savings Capital Account, which currently carries an interest rate of 1.35 percent, and the Future Account, which charges a withdrawal fee and currently has an interest rate of

2 percent. The low interest rates forced the Bank to reduce the rate on salary and transaction accounts to zero during the year. FöreningsSparbanken's share of household bank deposits amounted to 25 percent (26). Its share of deposits in the commercial market rose to 18 percent (16).

The number of securities transactions rose by 11 percent from the previous year: 35 percent (37) were made via NetTrade and 18 percent (14) through local stock desks. FöreningsSparbanken's share of trades through the SAX trading system remained unchanged at 7 percent.

Higher market share for fund investments

FöreningsSparbanken continued to raise its share of fund investments. Of net contributions, Robur's share was 24 percent (20).

The elimination of inheritance and gift taxes in Sweden as of 2005 means less demand for endowment insurance. A new product, Robur Capital Pension, which is designed like pension insurance, is expected to be in high demand, however.

Long-term pension campaign

During the year FöreningsSparbanken

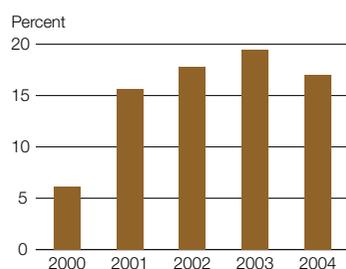
began a strategic campaign in the area of pension savings, including premium pensions, contractual pensions and private pension savings. Pension advice has become an integral part of customer meetings at branches and in the telephone bank. The new pension products Robur Transfer and Robur Traditional Pension have been launched. Since the campaign began, sales, in terms of pension products sold, have risen substantially.

Strong volume growth for Spintab and FöreningsSparbanken Finans

Mortgage lending continued to grow. Spintab's lending to private customers rose by SEK 27 billion or 10 percent till SEK 301 billion. In total, Spintab's lending rose to SEK 429 billion (SEK 399 billion). Spintab consolidated its position as Sweden's leading mortgage lender, with a market share of 31 percent (31).

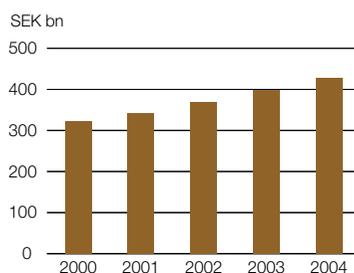
Finance company lending also continued to rise substantially. Lending by FöreningsSparbanken Finans rose by SEK 3 billion or 18 percent to SEK 22 billion. It has a leading position in financing of heavy equipment for the farming, forestry and contracting sectors, consumer loans and fleet management.

Market share, net new savings *



* retail deposits, mutual funds, insurance savings and retail bonds

Lending Spintab



Lending by customer segment, Swedish operations

SEK M	Lending 12/31/04	Change 2004	Change %
Private	349,559	24,188	7.4
Real estate mgmt.	136,164	3,416	2.6
Companies	142,081	647	0.5
Municipalities	13,797	- 432	- 3.0
TOTAL	641,601	27,819	4.5

FöreningsSparbanken's share of bank loans in the commercial market was unchanged at 20 percent.

Kundinkasso, which offers sales ledger and collection services, continued to expand and reported its highest profit ever.

Higher market shares for FöreningsSparbanken Fastighetsbyrå

For the fourth consecutive year, FöreningsSparbanken Fastighetsbyrå raised its market share. In 2004 the company brokered around 23,000 home sales with an aggregate value of approximately SEK 21 billion. Its market share for single-family homes rose to 20 percent (18), for condominiums to 12 percent (10) and for vacation homes to 15 percent (14). In 2004 sales revenues rose by 24 percent and 80 new brokers were hired.

Sweden's largest card company

FöreningsSparbanken is Sweden's largest card issuer, with 3.0 million (2.9 million) bank cards. Card purchases have risen steadily for a long period of time and continue to rise rapidly. In 2004 the number of card purchases climbed 18 percent (20) to 302 million. All new cards issued as of 2004 are equipped with a secure chip according to the global EMV standard.

FöreningsSparbanken is also the Nordic region's largest card payment processor and one of the largest processors of Visa transactions in Europe. In 2004 the number of card transactions processed rose by 19 percent to 437 million.

More electronic payments

The percentage of electronic customer payments continues to rise. Of payments in SEK to the Bank in 2004, 74 percent (65) were electronic. Of outgoing Swedish private payments, 61 percent (57) were electronic. Of outgoing international payments, 76 percent (66) were electronic.

A high priority has been to steer customers' payment flows to Bankgirot. A large number of municipalities and business customers transferred their payment routines from the postal giro to the bank giro system during the year.

FöreningsSparbanken has signed a cooperation agreement with ICA Banken that allows customers of FöreningsSparbanken, the independent savings banks and partly owned banks to withdraw cash at 1,400 ICA food stores in Sweden. The service will gradually be introduced in the spring of 2005.

Sweden's most popular customer service

The number of telephone bank customers who use the self-service option rose by 3 percent to 2.2 million, and the number who use personal assistance climbed 8 percent to 1.6 million.

The number of self-service calls to the telephone bank rose by 9 percent till 56 million, while the number of personal assistance calls climbed 12 percent to 3 million.

In a survey by ISI Wissing, FöreningsSparbanken had Sweden's most popular customer service.

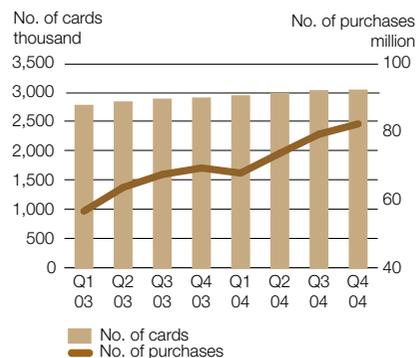
Continued growth for Sweden's largest Internet bank

The number of customers who use the Internet bank rose by 13 percent to 1.7 million, of whom 433,000 are customers of the independent savings banks and partly owned banks. Of the customers who have registered for the service, 145,000 are businesses.

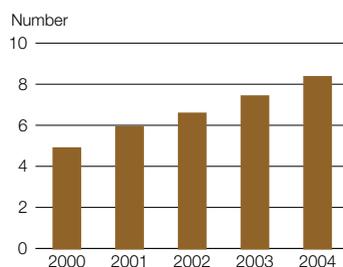
The number of logins rose by 29 percent to 87 million. At the same time that registered customers and logins rose, customers are averaging more transactions through the online bank.

A new version of the Internet bank with expanded functionality is being launched in 2005. The Internet bank is

Number of bank cards and purchases



Number of card purchases per customer and month



Profit trend, Swedish Retail operations

SEK M	2004		2003
	Jan-Dec	Jan-Dec	Jan-Dec
Net interest income	12,438		12,288
Net commission income	3,477		2,983
Financial transactions, net	121		122
Other income	881		653
INCOME	16,917		16,046
Staff costs	- 4,423		- 3,904
IT expenses	- 686		- 734
Other expenses	- 4,378		- 4,291
Depreciation/amortization	- 215		- 240
EXPENSES	- 9,702		- 9,169
PROFIT BEFORE			
LOAN LOSSES	7,215		6,877
Loan losses	- 289		- 826
Share of associated companies' profit	153		89
OPERATING PROFIT	7,079		6,140
Tax	- 2,011		- 1,719
Minority interests	- 2		- 1
PROFIT FOR THE YEAR	5,066		4,420
Allocated equity	24,325		21,806
Return on allocated equity, %	20.8		20.3
C/I ratio before loan losses	0.57		0.57
Income items			
Income from external customers	15,827		15,157
Income from transactions with other business areas	1,090		889
Total income	16,917		16,046
Business volumes, SEK billion			
Lending	629		602
Deposits	232		238
Mutual funds & insurance	190		165
Other investment volume	9		11
Shares and participations in associated companies	2		1
Risk-weighted volume	429		390
Total assets	704		653
Total liabilities	680		631
Share of Group's operating profit, %	59.4		64.2
Full-time employees	6,615		7,049

increasingly becoming a sales channel where customers can securely dialogue with the Bank.

More customers are choosing to communicate with the Bank by e-mail. Administrative routines for processing e-mail were improved during the year to ensure quick response times and cost efficiencies.

Positive profit trend

Income for the Swedish Retail operations rose by SEK 871 M or 5 percent compared with the previous year to SEK 16,917 M. Lower deposit and lending margins were compensated by higher business volumes, particularly in lending, as well as higher mutual fund, insurance and payment commissions.

Expenses increased by SEK 533 M or 6 percent to SEK 9,702 M mainly due to increased profit-based compensation and costs for personnel changes. The underlying cost base was reduced.

The number of full-time positions was reduced by 434 or 6 percent to 6,615.

Loan losses decreased by SEK 537 M or 65 percent to SEK 289 M. The loan loss ratio fell to 0.05 percent (0.14).

Operating profit rose by SEK 939 M or 15 percent to SEK 7,079 M.

The return on allocated equity rose to 20.8 percent (20.3).

Priorities 2005

The priorities for the Swedish Retail operations in 2005 are:

- Implement improvement program in entire retail operations, to raise customer satisfaction and market shares
- Continue expansion in commercial market, among financially active private customers and in growing metropolitan areas
- Increase business exchange with independent savings banks and partly owned banks
- Increase sales of pension products.

Swedbank Markets. During the year sales of structured investments rose by 65 percent. Fixed income trading also developed very well. Swedbank Markets is now one of the largest players in the credit bond market.

Swedbank Markets provides a broad range of products and services in the capital market. Operations consist primarily of securities trading, corporate finance, fixed income and currency trading, and various forms of project and business financing.

One of Swedbank Markets' main tasks is to provide capital market products and advice to FöreningsSparbanken's retail operations, the independent savings banks, partly owned banks and their customers. It also acts as an independent player in the capital market.

Swedbank Markets' overall goal is to be one of the leading players in the Nordic region. In addition to its Swedish operations, it has a growing business in Oslo. The branch offices in London and New York primarily serve Swedish customers, as well as handling capital market transactions with local financial institutions. The representative office in Shanghai provides active support and advice for Nordic companies that do business in China.

Success in credit bond market

Fixed income trading in Norway, which was established in 2003, developed strongly during the year. At year-end 2004 Swedbank Oslo was the

fourth largest player in the Norwegian credit bond market. In the combined Swedish-Norwegian market, Swedbank Markets was the second largest issuer, with a volume of slightly over SEK 30 billion.

Further gains for index-linked bonds

Sales of structured investments have grown strongly in recent years. Changes in investment habits and more risk-averse customers have contributed to the major increase in interest for various forms of capital guaranteed investments. In total, FöreningsSparbanken's capital guaranteed investment products have provided an average annual return of 14.8 percent since 1992. Interest is expected to continue to rise from both institutional and individual investors.

Swedbank Markets' new issue volume rose by 65 percent to SEK 6.8 billion compared with the previous year. Its market share for newly issued index-linked bonds was 17.5 percent.

Increase in fixed income and currency trading

Fixed income and currency operations performed well in 2004, even though results did not reach the record level of 2003. The outcome of Sweden's national referendum on EMU membership

has spurred international institutional investors to greatly increase their trading and investments in SEK. As a result, the krona market has grown significantly in scope, and foreign players are again an important part of the Swedish market.

Improved ranking for stock analysis

Swedbank Markets' stock analysis continued to climb up various ranking lists and attained a top position in several priority sectors, including engineering, telecom and small cap stocks. Intensified efforts to cultivate institutional and private customers spurred an increase in customer trading during the year, thanks to which Swedbank Markets' trading results clearly improved compared with the previous year.

Stronger market position

During the year Swedbank Markets further strengthened its cooperation with the retail operations in equity trading and private banking.

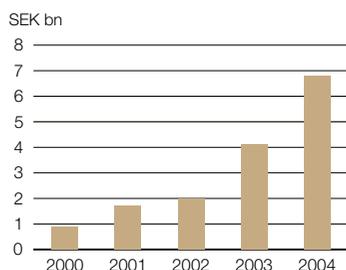
The collaboration between Swedbank Markets and the retail operations has also intensified with regard to business customers and resulted in a large number of qualified transactions during the year.

The representative office in

Swedbank Markets, Stockholmsbörsen position

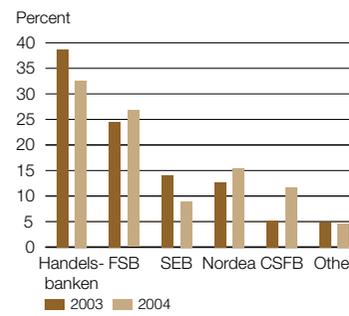
	2004	2003
Number of transactions	5th	3rd
Volume	9th	10th
Stock options, market maker	2nd	3rd
Stock options, customer	4th	3rd
Stock futures, market maker	2nd	2nd
Stock futures, customer	2nd	2nd

Issue volume, index-linked bonds Swedbank Markets



* Source: VPC (Swedish Central Securities Depository)

Market shares, index-linked bonds Outstanding volume



* SOX and NDX

Shanghai is developing well and offers advice and service to Nordic companies with operations in, or trade with, China.

New Project & Corporate Finance unit

In 2004 Swedbank Markets established a new unit, Project & Corporate Finance, by merging its units for M&A Financing and Corporate Finance. The aim is to offer customers comprehensive competence and qualified advice on matters involving debt and equity. The level of activity was good during the year and rose further toward year-end.

Positive profit trend

Swedbank Markets' operating profit amounted to SEK 946 M, an increase of SEK 178 M or 23 percent from the previous year. In Investment Banking, income rose by 20 percent or SEK 161 M, but in fixed income and foreign exchange trading in Merchant Banking income fell by 3 percent or SEK 35 M. The return on allocated equity rose to 28.3 percent (26.4).

Priorities 2005

Market growth in structured investments is expected to remain high in 2005. Working together with the retail

operations, Swedbank Markets hopes to continue to raise its investment volume. Through active business development, Swedbank Markets will provide attractive offerings for all its customer segments.

Another priority is to further increase securities transactions in every channel. This is why equity trading online and through local stock desks will both continue to be a focus.

Swedbank Markets has an important role in FöreningsSparbanken's active efforts to generate more business from Swedish companies. Advisory services are being strengthened, in part through the new Project & Corporate Finance unit, and new products are being developed in the currency and international areas.

The cooperation with partly owned First Securities in Norway will be broadened and extended in 2005, including in analysis, advisory services and financing solutions.

In 2005 an office will be opened in Helsinki. The branch will begin operations during the second half of the year and will primarily provide qualified advice and service for Swedish business customers with operations in Finland.

Profit trend, Swedbank Markets

SEK M	2004		2003	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Net interest income	807		843	
Net commission income	613		622	
Financial transactions, net	575		339	
Other income	69		98	
INCOME	2,064		1,902	
Staff costs	- 607		- 557	
IT expenses	- 204		- 230	
Other expenses	- 293		- 308	
Depreciation/amortization	- 10		- 15	
EXPENSES	- 1,114		- 1,110	
PROFIT BEFORE LOAN LOSSES	950		792	
Loan losses	- 14		- 17	
Share of associated companies' profit/loss	10		- 7	
OPERATING PROFIT	946		768	
Tax	- 265		- 215	
PROFIT FOR THE YEAR	681		553	
Allocated equity	2,405		2,093	
Return on allocated equity, %	28.3		26.4	
C/I ratio before loan losses	0.54		0.58	
Income items				
Income from external customers	1,766		1,596	
Income from transactions with other business areas	298		306	
Total income	2,064		1,902	
Business volumes, SEK billion				
Lending	12		12	
Deposits	0		0	
Mutual funds & insurance	1		1	
Other investment volume	12		8	
Shares and participations in associated companies	0		0	
Risk-weighted volume	31		37	
Total assets	311		232	
Total liabilities	309		230	
Share of Group's operating profit, %	7.9		8.0	
Full-time employees	534		535	

Asset Management and Insurance. Through its efforts in the private pension market and the launch of new fund products, Robur raised its market share for new fund contributions from 20 to 24 percent.

Robur is one of Sweden's leading players in the savings market and offers mutual funds, insurance and pension products as well as discretionary asset management for individual investors, institutional customers and businesses.

Its products are offered through FöreningsSparbanken, independent savings banks and partly owned banks in Sweden. Funds are also offered through Hansabank in the Baltic states and by Swedbank Luxembourg.

Robur's investment philosophy stresses active asset management through fundamental analysis, with the aim of outperforming comparative indexes.

Its vision is to be the leading provider of investment products in the Swedish market.

Higher ratings for fund management

During the year Robur's funds improved their ratings. The average for the entire year was over 3 on a 5-point scale. The share of funds with ratings of 4 or 5 is 43 percent.

In a comparison of the 52 European fund management companies with more than 30 equity funds by the business daily Dagens Industri and Morningstar

in November, Robur ranked fourth, the highest among Sweden's bank-owned fund managers.

New funds for pension savings

Six new funds were launched during the year, four of which are actively managed asset allocation funds. Named Robur Transfer, they are suitable for private pensions, contractual pensions and premium pensions. The funds invest in Swedish and international equities and Swedish fixed income instruments. The other two funds established during the year are the Robur Nonprofit, a socially responsible blend fund designed mainly for nonprofits, and Absolute Return MEGA, a fixed income fund that invests in Swedish interest-bearing securities with a maximum maturity of five years.

Simpler pension choices for customers

The Swedish pension market generates flows of approximately SEK 100 billion annually, certainly making it an important market. A customer survey by Robur in 2004 showed that nine of ten customers have fairly little interest in their pension.

Through better information and the launch of the Robur Transfer funds, Robur and FöreningsSparbanken have simplified customers' pension choices. The pension offering has also been complemented by a new pension insurance with a guaranteed element, Robur Traditional Pension.

Robur is the third largest company in the private pension market, including PPM and occupational pensions with a market share of approximately 12 percent.

Fund market

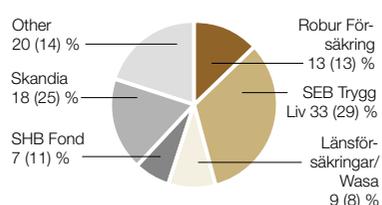
Net contributions in the fund market decreased by 20 percent from the previous year.

Customers' interest in short-term fixed income funds declined, while interest in equity funds was unchanged. The market for Funds of Funds grew.

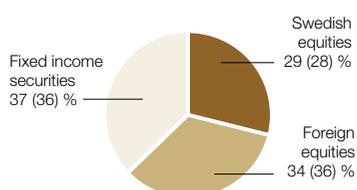
Net contributions to Robur's funds totaled SEK 13.1 billion (14.1). Its corresponding market share rose from 20 to 24 percent. Assets managed by the funds amounted to SEK 280 billion at year-end, corresponding to a market share of 28 percent (28).

In institutional asset management, where Robur offers both equity and

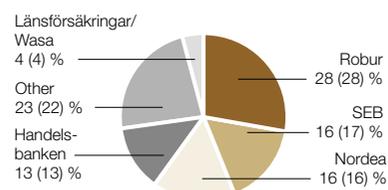
New unit-linked insurance policies market shares 2004 (2003)



Robur's fund assets December 31, 2004 (2003)



Market shares, total assets Swedish fund management companies 2004 (2003)



fixed income products for municipalities, county councils, organizations, nonprofit foundations and large, privately held companies, assets under management rose to SEK 43 billion (41).

Pension and insurance market

Robur's share of new unit-linked insurance premiums was 13 percent (13). FöreningsSparbanken's total premium receipts in the pension and insurance market was SEK 11.5 billion during the year, or a market share of approximately 11 percent.

Social responsibility and the environment

Robur has worked with socially responsible mutual funds for more than 20 years and today has ten different funds. The criteria for these funds' investments are based on UN and ILO conventions, Robur's investment policy and FöreningsSparbanken's environmental policy. This means, among other things, that the companies in which Robur invests its customers' assets must support fair working conditions, good working environments and union rights and that they do not accept discrimination or child labor in their own operations or those of their subcontractors. These companies must also be environmentally and socially active within their industries.

Robur is one of the few Nordic fund management companies with its own environmental and ethical analysis. All analysts and fund managers at Robur received training in environmental and socially responsible analysis during the year.

Premium inflow, pension and insurance market, Robur 2004

	Volume (SEK bn)	Market share %
Premium pension	3.1	14
Occupational and contractual pensions	2.3	4
Private pension savings	2.5	18
Endowment insurance	3.9	22
TOTAL PREMIUM INFLOW	11.8	11

Active corporate governance

Robur's responsibility to its fund investors is to invest their money in a way that provides them with a good long-term return.

Robur actively exercises the rights and obligations that go with ownership in the companies it which it invests. This control is exerted with the goal of maximizing the long-term value of these companies' shares and thereby generating a good return for its fund investors.

Robur works to promote confidence in stock ownership and the stock market and to encourage investors, listed companies and other players in the stock market to follow accepted practices. By exercising their rights, shareholders can impact and control a company's board of directors and management. Robur's primarily wields its ownership rights and responsibilities in nomination committees leading up to and at general meetings, through open-ended dialogues with boards and managements, and by cooperating with other shareholders.

Strong profit trend

Operating profit amounted to SEK 644 M, an increase of SEK 187 M or 41 percent from the previous year. The improvement is from a higher volume of assets under management, primarily due to higher prices on global stock exchanges. This leads to greater assets under management, which results in increased commissions.

The return on allocated equity in 2004 was 29.2 percent (18.7).

Market data, Robur

SEK bn	2004	2003
New fund contributions, net	13.1	14.1
Market share, new fund contributions, %	23.7	20.3
Assets under management	280	249
Market share, assets under management, %	27.8	28.1
Market share, new unit-linked insurance savings, %	13.7 *	12.5
Assets under management, unit-linked insurance, %	41	37

* Refers to Sept. 30, 2004

Priorities 2005

In 2005 Robur's priorities are:

- Continued focus on pension market, for both individuals and businesses
- Further improvement in the quality of fund management and services
- Launch of pension products and risk products in insurance.

Profit trend, Asset Management and Insurance

SEK M	2004 Jan-Dec	2003 Jan-Dec
Net interest income	34	45
Net commission income	1,374	1,168
Financial transactions, net	4	8
Other income	41	35
INCOME	1,453	1,256
Staff costs	- 254	- 248
IT expenses	- 96	- 78
Other expenses	- 222	- 235
Depreciation/amortization	- 237	- 238
EXPENSES	- 809	- 799
PROFIT BEFORE LOAN LOSSES	644	457
OPERATING PROFIT	644	457
Tax	- 193	- 128
PROFIT FOR THE YEAR	451	329
Allocated equity	1,547	1,759
Return on allocated equity, %	29.2	18.7
C/I ratio before loan losses	0.56	0.64
Income items		
Income from external customers	2,864	2,450
Income from transactions with other business areas	- 1,411	- 1,194
Total income	1,453	1,256
Business volumes, SEK billion		
Mutual funds & insurance	280	249
Other investment volume	21	22
Risk-weighted volume	0	0
Total assets	46	42
Total liabilities	44	40
Share of Group's operating profit, %	5.4	4.8
Full-time employees	249	256

International Banking. During the year the Danish subsidiary FI-Holding was sold. Hansabank's strong profit trend continued. Ownership interests in SpareBank 1 Gruppen and Aktia were reduced.

International Banking includes the subsidiaries Hansabank in the Baltic states and Russia and FöreningsSparbanken's investments in Aktia Sparbank in Finland and SpareBank 1 Gruppen in Norway. FI-Holding in Denmark was included through August 2004. Due to reduced ownership interests, SpareBank 1 Gruppen is not reported as an associated company from June 2004, nor Aktia from December 2004.

In January 2004 Hansabank acquired the Lithuanian insurance company Lietuvos Draudimo Gvybes Draudimas (LDGD). Hansabank has signed an agreement to acquire the Russian bank Kvestbank in Moscow. The acquisition will be finalized during the first quarter of 2005.

FöreningsSparbanken's international strategy offers three main avenues to grow in its home markets outside Sweden: acquisitions of retail banking operations in the Nordic-Baltic region, expansion in specific product areas, and the establishment of retail operations in large Nordic cities.

Retail banking in Nordic-Baltic region

FöreningsSparbanken's aim is to be a universal bank in the Nordic-Baltic

region. Majority ownership is a prerequisite for any future acquisition. It must also positively contribute to the Group's return on equity within the foreseeable future.

Expansion in specific product areas

Any area of the Bank can acquire operations on other business areas outside Sweden. Acquisitions must offer economies of scale, new distribution channels or greater customer value. The acquisition of a card issuer or a card payment processor, for example, would clearly offer economies of scale.

Investments in retail operations in large Nordic cities

A third avenue for expansion is through organic growth in Nordic cities. During the year preparations were made by the Swedish Retail operations to establish a branch in Copenhagen, and by Swedbank Markets to open a branch for business customers in Helsinki.

Sale of FI-Holding

During the year FöreningsSparbanken sold its interest in Denmark's FI-Holding to Iceland's Kaupthing Bank. The sale generated a capital gain of SEK 1.3 billion.

Profit trend, International Banking

SEK M	2004	2003
	Jan-Dec	Jan-Dec
Net interest income	2,868	3,069
Net commission income	1,176	1,002
Financial transactions, net	219	264
Other income	1,583	181
INCOME	5,846	4,516
Staff costs	- 1,021	- 960
IT expenses	- 162	- 157
Other expenses	- 610	- 598
Depreciation/amortization	- 406	- 480
EXPENSES	- 2,199	- 2,195
PROFIT BEFORE		
LOAN LOSSES	3,647	2,321
Loan losses	- 206	- 340
Share of profit/loss of associated companies	132	- 230
OPERATING PROFIT	3,573	1,751
Tax	- 310	- 401
Minority interests	- 740	- 632
PROFIT FOR THE YEAR	2,523	718
Allocated equity	8,406	8,790
Return on allocated equity, %	30.0	8.2
C/I ratio before loan losses	0.38	0.49
Income items		
Income from external customers	5,846	4,516
Business volumes, SEK billion		
Lending	53	107
Deposits	45	37
Mutual funds & insurance	6	4
Shares and participations in associated companies	0	1
Risk-weighted volume	61	149
Total assets	82	144
Total liabilities	74	135
Share of Group's operating profit, %	30.0	18.3
Full-time employees	6,075	5,931

Reduced ownership in SpareBank 1 Gruppen and Aktia

In May FöreningsSparbanken reduced its holding in SpareBank 1 Gruppen from 25 to 19.5 percent. In December it reduced its ownership in Aktia from 24.4 to 19.9 percent. As a result, these two banks are no longer reported as associated companies.

Very good profit trend

Operating profit amounted to SEK 3,573 M, an increase of SEK 1,822 M

or 104 percent from the previous year. Including the capital gain, FI-Holding accounted for SEK 922 M of the profit increase. SpareBank 1 Gruppen's contribution to operating profit rose by SEK 396 M, including the write-off of the shareholding by SEK 311 M in 2003. Hansabank's operating profit amounted to SEK 1,689 M, an increase of SEK 451 M or 36 percent from the previous year.

Income in Hansabank rose by SEK 524 M or 16 percent compared with

the previous year to SEK 3,791 M. Expenses rose by SEK 123 M or 7 percent to SEK 1,898 M. Hansabank's acquisition of LDGD raised income by SEK 46 M and expenses by SEK 22 M. Loan losses decreased by SEK 50 M to SEK 206 M.

For Hansabank, the return on allocated equity was 30,5 percent (21,8).

The number of full-time employees at Hansabank rose by 303 compared with the previous year. The increase is due to the acquisition of LDGD.

Hansabank. Via Hansabank, FöreningsSparbanken has a strong position in the fast-growing banking markets in Estonia, Latvia and Lithuania.

FöreningsSparbanken has a leading position in Estonia, Latvia and Lithuania through the subsidiary Hansabank, in which it owns 59.7 percent. Hansabank offers a complete range of banking services in its three home markets. In Russia, leasing and export financing is provided for the Bank's customers in Scandinavia, the Baltic states and Russia. Hansabank has signed an agreement to acquire the Russian bank Kvestbank in Moscow. The acquisition will be finalized in the first quarter of 2005.

Hansabank's mission is similar to that of FöreningsSparbanken. Its business is based on a nationwide branch network, complemented by efficient self-service channels. It has a strong local presence and decentralized decision-making.

A market with strong growth

The Baltic states reported good growth in 2004. GDP rose on average by over 6 percent. EU accession provided access to structural funds, at the same time that interest in direct investments from abroad has increased. An increase in debt-financed spending also contributed to the strong trend. The stable

financial system kept lending costs at a reasonable level. Exports and transit trade with Russia continued to grow.

Use of traditional banking services remains low compared with other EU member states. Growth has been especially strong for mortgage loans. Lending growth has been driven by historically low lending costs and stiff competition.

The leading Baltic bank

Hansabank has consolidated its position as the leading bank in the Baltic states. Growth has been strongest in Latvia and Lithuania. Consumer loans and card products account for a large share of the increase in income. Savings products also grew substantially, though from a low level. Hansabank has a strong position in this market, with nearly 700,000 pension investors. Eventually this will be of great importance to profitability.

Upgraded financial objectives

During the year Hansabank further raised its level of ambition. The objective for operating profit is annual growth of 15 percent; it had been 10 percent. The return on equity objective, which

is unchanged, is to exceed 20 percent. The C/I ratio should not exceed 0.45, which is a reduction from 0.5, and loan losses should not exceed 0.5 percent of lending, whereas the previous objective was 0.6 percent.

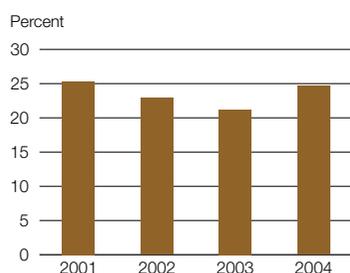
Estonia

In Estonia, Hansabank has a market-leading position in deposits, lending, card issuance and pension savings. Even though the Estonian market is the most mature and consolidated in the region, it is still distinguished by high growth in several areas. Lending in Estonia grew by 27 percent during the year. Operations in Estonia account for approximately 57 percent of Hansabank's operating profit.

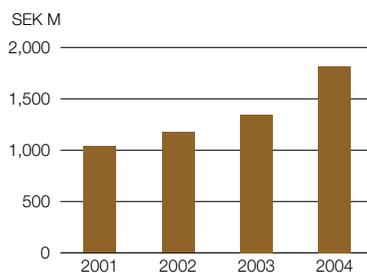
Latvia

Hansabank has strengthened its position in Latvia, the fastest growing of the Baltic banking markets. It is also a market distinguished by tight competition between a number of companies. Despite rapid growth, market penetration in lending, for example, is still low. During the autumn a new central branch was opened in Riga. Latvia accounts for approximately 24 per-

Return on equity



Operating profit



cent of Hansabank's operating profit. Earnings and profitability rose through organic growth.

Lithuania

The banking market in Lithuania is more competitive than in the other Baltic states. For example, interest margins are lower and profitability weaker. In relation to its local competitors, Hansabank has developed strongly. The lending market is the least developed of those in the Baltic states, but is also distinguished by rapid growth. The life insurance company acquired during the year, Lietuvos Draudimo Gvybes Draudimas, LDGD, has been integrated into the banking operations. Lithuania accounts for approximately 14 percent of Hansabank's operating profit.

Russia

Tallinn-based Hansa Leasing Russia was established in 2002 together with the European Bank for Reconstruction and Development, EBRD, to finance equipment for Russian transit trade via Baltic ports. This business has developed well. During the spring of 2004 a leasing company was established in

Moscow to broaden operations to include property leasing. During the autumn an agreement was signed to acquire a Moscow-based bank, Kvest Bank. The acquisition is expected to be finalized in early 2005. In addition to Moscow, branches are planned in St. Petersburg and Kaliningrad.

In the foreseeable future risk-weighted assets in Russia will be limited to a maximum of ten percent of Hansabank's.

Continued development in Baltics

EU accession and entry into the European Monetary Union (EMU) create the potential for stability and continued growth in the Baltic states. On the other hand, large current account deficits and the risk of high inflation may cause pressure to financial systems. Over time, however, the economies are expected to grow faster than the EU average, which creates good prospects of further growth in the banking system.

Sustainable development

To continue its positive development, the bank and its customers must pursue sustainable long-term busines-

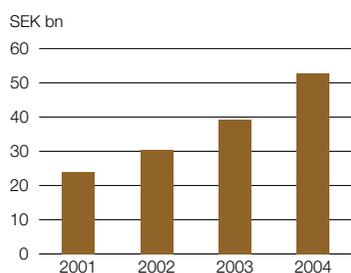
ses that benefit society. Hansabank's ethical rules place high demands on responsible behavior. An ambitious program has been established to protect the bank from involvement in money laundering and similar transactions. In its lending, Hansabank takes environmental risks and sustainability into consideration. Through sponsorships, Hansabank supports positive initiatives throughout the region. Annual surveys confirm that Hansabank has a strong position among customers in all three countries. Hansabank is considered one of the best employers in the Baltics.

Owners

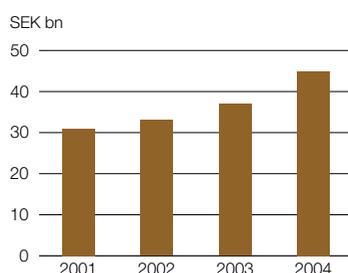
The Hansabank share is listed on the Tallinn Stock Exchange. FöreningsSparbanken's interest is 59.7 percent. The second largest shareholder is EBRD, with 4.8 percent. EBRD also owns 25 percent of Hansa Leasing Russia.

On February 11 FöreningsSparbanken announced its intention to offer to buy the outstanding shares in Hansabank it does not already own.

Loans to the public



Deposits and borrowings from the public



Shared Services and Group Staffs. The Shared Services and Group Staffs business area consists of Executive Management functions and support units for the Swedish Group, independent savings banks and partly owned banks.

Shared Services and Group Staffs include IT and other service units, Group Staffs and the Group's own insurance company, Sparia. The business area also comprises a limited number of loan loss reserves that are not reported by responsible customer units and the Parent Company's treasury operations.

Shared Services capitalizes on economies of scale that arise when similar services are used by more than one unit of the Group. The goal is to provide higher quality services at a lower cost.

For several years administrative duties have gradually been shifted from the bank branches to shared units, resulting in higher quality and lower costs. In 2004 loan and claims administration were centralized, which raised the number of employees centrally. The effect at the Group level, however, was significantly fewer employees.

To make more efficient use of its space, the office building in the Stora Essingen section of Stockholm where FöreningsSparbanken IT has been the largest tenant has been modernized and over 500 new workspaces have been created. To fill them, 500 employees have moved to Stora Essingen from considerably more expensive space in Brunkebergstorg, in central Stockholm.

In Göteborg, the Bank has moved from a central property on the Nordstan block to facilities with lower rent.

Efficient IT operations

The efficiency of the IT operations is continuously measured internally and externally. In several international comparisons, FöreningsSparbanken has ranked high. One example is the so-called Compass measurements, which among users of Unisys mainframes and Unix servers showed in 2004 that

FöreningsSparbanken IT is very efficient from an international perspective.

IT systems availability was very good. For central systems, availability was 99.95 percent and in the branch network's system 99.67 percent in 2004.

IT costs decreased compared with the previous year. The objective is to handle higher transaction volumes every year without raising costs, as has been the case for the last five years.

Priority development projects during the year included a new deposit ledger, a new infrastructure for the Internet bank and Economic Capital. See also Proposal for new capital adequacy rules on page 29.

Group Staffs

In their capacity as Executive Management functions, the Group Staffs for credits, controller, finance, human resources, legal affairs/compli-

ance, security and risk control serve as support for the President and Executive Management, mainly in terms of oversight, monitoring and control.

Profit trend

The business area reported an operating loss of SEK 330 M, a decrease of SEK 778 M compared with the previous year. The change year-to-year is mainly due to a capital gain of SEK 489 M on the sale of the shareholding in Erste Bank in 2003, a decrease of SEK 182 M in loan loss reversals, and organizational changes. In Treasury and central units, net interest income rose by SEK 174 M.

Priorities

The priorities in 2005 are further cost efficiencies and higher quality.

Profit trend, Shared Services and Group Staffs

SEK M	2004 Jan-Dec	2003 Jan-Dec
Net interest income	114	- 60
Net commission income	11	- 35
Financial transactions, net	125	68
Other income	2,888	3,857
INCOME	3,138	3,830
Staff costs	- 1,438	- 1,368
IT expenses	- 762	- 957
Other expenses	- 1,019	- 1,035
Depreciation/amortization	- 269	- 305
EXPENSES	- 3,488	- 3,665
PROFIT BEFORE LOAN LOSSES	- 350	165
Loan losses	14	196
Reversal of write-down of financial fixed assets		55
Share of associated companies' profit	6	32
OPERATING PROFIT	- 330	448
Appropriations		- 19
Tax	215	- 104
Minority interest	- 14	- 2
PROFIT FOR THE YEAR	- 129	323
Allocated equity	638	1,251
Return on allocated equity, %	neg.	25.8
C/I ratio before loan losses	1.11	0.96
Income items		
Income from external customers	573	1 049
Income from transactions with other business areas	2,565	2,781
Total income	3,138	3,830
Business volumes, SEK billion		
Lending		
Mutual funds & insurance	0	0
Risk-weighted volume	4	6
Total assets	95	64
Total liabilities	94	63
Share of Group's operating profit, %	- 2.8	4.7
Full-time employees	1,683	1,595

Risk management and control

The Board's responsibility for risk management

FöreningsSparbanken's Board of Directors has overall responsibility for the Bank's risk exposure and management of risks. In the Group's overall risk policy and in separate policies for credit risks, financial risks and operational risks, the Board specifies how these risks are managed in the Group.

The Board decides on the overall objectives for capital adequacy, liquidity and limits for the Group's exposure to credit risks and financial risks. The Board appoints the boards of the local banks in the Swedish operations and annually reviews their credit limits. Credit limits are based on a categorization depending on, among other things, each local bank's total lending volume. The Board also appoints FöreningsSparbanken's Central Credit Committee, which decides on major loan commitments within the Group's Swedish operations, prepares credit cases for decision by the Board and decides how models for risk classification of loans are applied in the lending process.

FöreningsSparbanken's risk profile

FöreningsSparbanken maintains a low risk profile with a well-diversified loan portfolio, low operational risks and limited risks in financial markets. One of the keys to the Group's risk management is that every employee has a good understanding of their area of operations and the risks associated with them. The Group's risks are always well balanced against expected returns. The duality principle is fundamental to all credit decisions. This means that all credit decisions in FöreningsSparbanken are made by at least two persons or, in the case of small loans, by one person with

the support of an IT-based evaluation system.

FöreningsSparbanken's activities in the financial markets should be designed to meet customers' long-term needs and, in addition, facilitate the Group's own financing and portfolio management. The Bank will participate in trading in the financial markets in a way that it maintains its reputation as a professional business partner. The Group's funding is structured to ensure a stable, long-term investor base in a number of markets around the world.

President's responsibility for risk management

The President is responsible for implementing the Board's risk policy and ensuring agreement between the business strategy and risk levels for credit, financial and operational risks as well as other risks associated with the Bank's operations. The President assures that the necessary guidelines and instructions for managing risks are understood and adopted, that resources, including system support, to monitor and control risks are available, and that standards for measuring risks are maintained. The President distributes limits for market and liquidity risks to the business areas and subsidiaries.

The Group's risk control

In 2004 a new Group staff was formed – Group Risk Control – with responsibility for analysis, monitoring and control of all risks in the Group. Group Risk Control is independent from the business operations and reports the Group's risks and compliance with the risk limits set by the Board and the President directly to the President and the Board. It is also responsible for further developing and maintaining the

risk classification system used to evaluate credit risks in the loan application process and in follow-ups. Additionally, Group Risk Control is responsible for developing and maintaining methods to measure, limit and analyze credit risks, operational risks and financial risks in the Group.

Central Credit Unit

The Central Credit Unit is the Group's management function in the credit area. On the basis of the objectives, strategies and guidelines set by the Board and the President, the Central Credit Unit is responsible for operational management and monitoring of the Group's credit operations and credit risk management as well as for the Group's credit instructions. The Central Credit Unit, which prepares and manages the work of the Group's Central Credit Committee, has an independent role in the Group in relation to the business and customer units.

CREDIT RISKS

Credit risk refers to the risk that a counterparty cannot meet its obligations to FöreningsSparbanken or other parties within the Group and that pledged assets will not cover the Group's claim.

Responsibilities and management

Lending guidelines and instructions issued by the Board and the President are applied in a uniform, coordinated manner within the Group. In subsidiaries, the local board is responsible for formulating detailed rules suited to local conditions. Operational responsibility for loan commitments rests with business units with customer responsibility. A special unit within the Parent Company is responsible for loan commitments brokered by the independent

savings banks and partly owned banks that the Group cooperates with.

The identification and control of environmental risks is integrated into annual and routine credit follow-ups.

Decision-making procedures for business units are based on the duality principle. This means that all credit decisions are made jointly by at least two persons or, in the case of small loans, by one person with the support of an IT-based evaluation system. The duality principle also means that the chief loan officer of each local business unit is independent of the unit's business activities.

Monitoring and control

The board and management of local banks and subsidiaries are responsible for routine monitoring of lending and other business activities within each unit. Among other things, all limits granted in Sweden for over SEK 1 M are subject to annual review, which means that the customer's solvency and quality of collateral are analyzed at least once a year with the help of the Group's risk classification system. Within the framework of the risk classification system, assessments are made of the risk of insolvencies based on a number of key financial ratios and other information, as well as the risk of insolvencies based on the average collateral coverage ratio in each commitment. One of the purposes of risk classification of major corporate commitments is to obtain a basis for identifying heightened risks in the loan portfolio well in advance. In this way, risk-limiting measures can be initiated and losses avoided.

In 2004 a refined risk classification system for small and medium-sized enterprises as well as a refined rating system for countries, banking systems and banks was introduced in the Swedish opera-

tions. Moreover, other risk classification systems have been introduced for household credits, due to which risk classification systems are now in place for all types of household credits in the Swedish operations. For the smallest companies and large corporations in Sweden, additional risk classification systems are being developed. In the Baltic operations of the Hansabank Group, similar work is under way to develop and improve risk classification systems. These systems are a natural element in the continuous efforts to improve risk measurement as a basis for loan evaluations and analysis. Another objective is to meet the requirements that FöreningsSparbanken will face to allow it, when the new capital adequacy rules enter into force, to calculate capital adequacy requirements for credit risks based on internal risk classification.

FINANCIAL RISKS

Financial risks are divided into market risks and liquidity risks. Market risks refer to the risk that changes in interest rates, exchange rates and share prices will lead to a decline in the value of the Bank's net assets and liabilities, including derivatives. Liquidity risks refer to the risk that the Group's companies are unable to fulfill a payment commitment or must take extraordinary measures to do so.

Responsibilities and management

Risk-taking units are responsible for ensuring that the financial risks in their operations are managed and controlled in an adequate and satisfactory manner in accordance with established Group-wide guidelines.

Monitoring and control

Risk-taking units have local risk control functions that are responsible for con-

tinuously monitoring and compiling financial risks. Reports are continuously filed with Group Risk Control.

Market risks are controlled primarily through daily monitoring of risk exposures vis-à-vis established limits and continuous analysis of outstanding positions. Market risks are limited with limits based on the Value-at-Risk (VaR) model described in Note 56 and with limits based on sensitivity measures. Limits on interest rate risks are calculated using sensitivity measures based on interest rate fluctuations in individual currencies. The Group's currency risk exposure is limited and controlled by limiting holdings in individual currencies as well as at the aggregate level. Limits on share price risk exposure are based on risk matrixes that show the sensitivity to movements in share prices and in the implicit volatility from stock options.

The Group's liquidity limits place restrictions on cumulative net payment flows from the Group's positions during a single day or shorter period of time.

OPERATIONAL RISKS

Operational risk is defined as the risk of losses due to inadequate or insufficient internal routines, human error and faulty systems, or due to outside circumstances. This can mean risks associated with errors and deficiencies in products and services, faulty internal controls, ambiguous lines of responsibility, faulty technical systems, various forms of criminal activity or insufficient preparedness for disruptions. Operational risks exist in all areas of the Group's operations

Responsibilities and management

Every manager at FöreningsSparbanken has full responsibility for mana-

ging operational risks within their operations. This responsibility includes regularly identifying, evaluating, controlling and reporting their unit's operational risks. Managers are also responsible for compliance with the Bank's rules on operational risks within their area of responsibility.

Monitoring and control

The Group's large business units and subsidiaries normally have local risk control functions for operational risk. The local risk control functions have an independent status within each unit and report operational risks directly to Group Risk Control.

Self-evaluations of operational risks, which are one of the most impor-

tant techniques for risk identification, were conducted during the year within all business areas and priority Group staff and support functions. The analysis of this extensive material serves as an important basis for taking measures to reduce risks.

Financial losses over a specific minimum level that are associated with operational risks are registered, analyzed and monitored in a loss database. Risk and vulnerability analyses are conducted in connection with significant operational changes. The Group is also currently engaged in trials to identify operational risks early-on through so-called risk indicators.

Security and Compliance

SECURITY

The Board of Directors of FöreningsSparbanken has set forth the overall guidelines for security work in the Group's security policy. The basic premise is that managers with operational responsibility are also in charge of security on a day-to-day basis. A central unit, Group Security, is in place to support them. The purpose of security work is to protect human life and health as well as information and valuables. FöreningsSparbanken's security work follows international standards.

Security work is conducted primarily in four areas, which overlap in many respects: information security, including the high priority area of IT security; administrative security; physical security; and personal security.

IT security is a priority given the increasing scope of threats in recent years. Monitoring has increased due to the Bank's wide range of online products and services. Resources for security monitoring and incident handling have been strengthened for preventive purposes as well. IT security is an integral part of the process of developing products and services.

Information and IT resources are protected in terms of accessibility, accuracy, privacy and traceability. They are protected against unauthorized access, unintentional use, disclosure, distribution, theft, alteration or destruction. Only certified programs and tools may be used in the Bank's IT environment.

Group Security, crisis and security function

The main purpose of Group Security is to specify an acceptable security level and promulgate it through documented security rules and advice. Based on active monitoring, it describes, analyzes and communicates current threat scenarios and recommendations to the operations affected. An important part of preventive work is the joint security measures taken together with other financial institutions, suppliers, the police and other authorities.

Group Security is also responsible for coordinating efforts in the event of serious incidents. The Board of Directors has laid down a crisis management policy that stipulates the organization and procedures for the handling of serious incidents. Continuity plans describe how the Bank would continue operating even if a serious disruption occurs. Group Security coordinates and guides continuity plans and tests them through exercises.

COMPLIANCE

The Board of Directors of FöreningsSparbanken has overall responsibility for ensuring that operations are conducted in accordance with current rules and accepted practices. During the year the Board laid down basic compliance guidelines in a policy statement. The policy stipulates that the President is responsible for establis-

hing routines so that operations are conducted in accordance with regulations and are properly organized based on applicable requirements. Moreover, each manager is responsible for ensuring that employees in their area are well informed of current rules and that they are followed.

Group Compliance

In 2004 a special Group Compliance function was also established. The function is responsible for coordinating and reporting on compliance issues. Operational work is organized in local functions that serve as support to help ensure that operations comply with current rules and to monitor compliance issues. Compliance work is distinguished by a proactive approach where the compliance functions, through their local presence, help to maintain and strengthen confidence in the Group and its reputation, as well as to reduce the risk of legal sanctions and damage to the Bank's reputation due to inadequate compliance.

Group Compliance reports directly to the Board and the President at least once a year and more frequently as needed. Local compliance functions report to Group Compliance, in addition to the management of the area in question.

Accounting principles

The annual report has been prepared and presented in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the regulations and general advice of the Swedish Financial Supervisory Authority, and the standards issued by the Swedish Financial Accounting Standards Council.

Changes in accounting principles

The Swedish Financial Accounting Standards Council's recommendation RR 29 Employee Benefits entered into force in 2004. The recommendation describes how various types of benefits for employees are reported and affects the Group's valuation and reporting of defined benefit pension commitments. The change in accounting principles took effect on January 1, 2004, due to which the opening equity balance has been restated. Comparative figures have not been restated in accordance with the transitional rules in the recommendation.

Consolidated accounts

The consolidated accounts comprise FöreningsSparbanken AB and those companies in which the Bank has a decisive influence, which in the Bank's case also means a direct or indirect holding of more than 50 percent of the voting rights of the shares. These companies are reported in the consolidated accounts in accordance with the purchase accounting method. Consequently, the acquisition value of their shares is eliminated against the acquired equity. A subsidiary's contribution to equity thus includes only the equity that has arisen since its acquisition. Any goodwill that arises is amortized individually over an estimated useful life of up to 20 years.

The consolidated accounts also comprise associated companies, in

which the Bank has a significant but not a decisive influence, which in the Bank's case also means a direct or indirect holding of more than 20 percent and up to 50 percent of the voting rights of the shares. Associated companies are consolidated in accordance with the equity method. This means that the shares in a company are reported at acquisition value on the acquisition date and then adjusted in proportion to the change in the company's net assets. The share of the profit before taxes in associated companies is reported on a separate line in the profit and loss account after the deduction of goodwill amortization.

Companies taken over to protect claims have not been consolidated since they are of little significance or are expected to be divested within the near future.

In the annual report, the Parent Company, FöreningsSparbanken AB, is referred to as "the Bank."

Financial statements of foreign operations

Shares in foreign subsidiaries and associated companies that are refinanced in the same currency as the investment are valued at the currency's acquisition price in the Bank. In the Group accounts, the companies are translated in accordance with the current method. This means that assets and liabilities are translated to SEK at the closing day rate, while the profit and loss account is translated at the average rate for the financial year. Translation differences that arise from the use of the current method directly affect equity. As a result, any translation differences attributable to the financing in foreign currency of the investment in a subsidiary's shares are applied directly against equity, taking into account deferred tax.

When subsidiaries and associated companies are sold, accumulated trans-

lation differences and exchange rate differences are reported in the profit and loss account.

International branches, subsidiaries and associated companies are classified as non-integral to the reporting enterprise (the Bank).

Assets and liabilities in foreign currency

Assets and liabilities in foreign currency are valued at their year-end closing prices. Outstanding forward contracts not covered by hedge accounting are valued at year-end market prices. Holdings of foreign bank notes have been valued at the buying rates for each currency as of the closing day. Gains and losses on the translation are reported in the profit and loss account under "Net profit from financial operations."

Financial instruments

Financial instruments are initially recognized in the balance sheet on trade date, which is the date when a purchase agreement is entered into. Financial instruments are derecognized from the balance sheet at maturity or when the instruments are sold.

Securities that are intended to be held to maturity or for the long term are classified as financial fixed assets. Other securities as well as derivatives are classified as financial current assets.

Financial instruments are initially recognized at its cost, including any transaction costs that are directly related to the acquisition. The interest rate that exactly discounts the expected future payments through maturity to the acquisition value is the effective interest rate at acquisition. The instrument's amortized cost is calculated by discounting the remaining future payments with the effective rate of interest at acquisition. Payments received and the change in amortized cost during the period are reported as

interest income, which assures a steady return. Financial fixed assets, which consist of interest-bearing securities, are measured at their amortized cost. Realized gains/losses on financial fixed assets are reported as "Other operating income" and "Other operating expenses," respectively.

Financial current assets, which consist of transferable securities and derivatives in the trading operations, are measured at fair value. Fair value is determined based on listed market prices or discounted future cash flows. Unrealized gains that arise when book value exceeds amortized cost are allocated to a fund for unrealized gains. The fund is recorded as a separate part of restricted equity after deducting deferred tax. Other financial current assets are measured at the lower of cost and fair value. In the profit and loss account, both unrealized and realized differences between fair value and amortized cost are reported as "Net profit on financial operations."

Derivatives with positive book value are reported as "Other assets," while those with negative book value are reported as "Other liabilities."

Repos

A genuine repurchase transaction (repo) is defined as an agreement covering the sale of an asset and the subsequent repurchase of the asset at a predetermined price. The asset is reported in the balance sheet of the transferring party and the payment received is recognized as a financial liability. The asset sold is also reported as a pledged asset and a memorandum item on the balance sheet. The receiving party recognizes the payment as a receivable due from the transferring party. The difference between the proceeds based on the spot rate and forward rate is accrued as interest until maturity.

Security loans

Securities, which have been lent, remain in the balance sheet as securities and are recognized on the trade date as assets pledged and memorandum items. Borrowed securities are not reported as assets. Securities, which are lent, are measured in the same way as other security holdings of the same type. In cases where the borrowed securities are sold, i.e. short-selling, an amount corresponding to the fair value of the security is recognized as a liability.

Hedge accounting

To protect certain assets and liabilities or contractually fixed cash flows against interest rate risks, share price risks or currency risks, these positions are matched against positions with inverse flows and corresponding maturities. In hedge accounting, some of these positions are measured according to principles other than the customary one.

Hedge accounting is applied to positions that are individually or collectively identified and which have an effective hedge, i.e. a high correlation between changes in fair value or cash flows. The effectiveness of the hedge is evaluated regularly until maturity.

If hedge accounting is terminated because the edging instrument is realized although the hedged item remains in the balance sheet (at amortized cost), the capital gain/loss for the period is amortized over the remaining term of the hedged item.

In Spintab, all fixed-rate funding, lending and derivatives are reported according to the principles of hedge accounting, since they mutually match each other's interest fixing periods. As a result, realized exchange rate differences from the repurchase of Spintab's funding and interest income compensation for loan prepayments are amortized over the remaining duration of

each instrument. When the Bank buys Spintab's debt instruments, there is a corresponding accrual in the consolidated accounts of the difference between the Bank's cost of the purchased instrument and Spintab's book value of the same.

Loans

Loans to credit institutions and the public are classified as financial fixed assets and reported in the balance sheet on settlement date. Loans are reported at cost as long as they are not considered doubtful. Interest, including fees and expenses that are an integral part of the effective return, is amortized in such a way that a consistent return is received for the asset in question.

Doubtful claims are loans where it is likely that payment will not be received in accordance with the contract terms. A loan is not doubtful if there is collateral that covers the principal, unpaid interest and any late fees by a satisfactory margin. When a loan becomes doubtful, contractual interest is reported when paid.

Doubtful claims are measured at their estimated recovery value. The difference between cost and the estimated lower recovery value is charged against profit as a provision for anticipated loan losses. If the recovery value rises because future payments are expected to increase compared with a previous valuation, the increase is reported as a provision no longer deemed necessary.

As a rule, provisions for anticipated loan losses are based on an individual assessment. If it is likely that loan losses have occurred in a group of claims that are valued individually but where the losses cannot yet be attributed to individual claims, a collective provision is allocated. For homogenous groups of loans that are limited in value and have a similar credit risk, collective valuations are applied.

Losses are established when their amount can be established wholly or in part and there is no realistic chance of recovering the loan. Repayments of such losses are recognized as income within loan losses.

The book value of loans is their acquisition value less write-offs and provisions. Provisions for anticipated losses for guarantees and other contingent liabilities are presented as liabilities.

The Group's leasing operations consist of financial leasing and are therefore reported as lending. As such, leasing fees are reported partly as an interest receivable and partly as amortization.

Intangible fixed assets

An intangible asset arising from development is recognized in the balance sheet if the expenditure arising from the development can be estimated reliably and if the intangible asset will generate probable future economic benefits to the Bank. Development expenditure that does not meet this criterion is recognized as an expense when incurred. Intangible assets recognized in the balance sheet are measured initially at cost and amortized on a systematic basis over their estimated useful life. The amortization period and amortization method are reviewed and adjusted when necessary at each financial year-end. Accounting principles for goodwill are described under "Consolidated accounts" above and "Depreciation/amortization" principles below.

Software licenses

Expenses for computer software licenses are accrued over the term of the license, though not more than 36 months.

Financial liabilities

Financial liabilities are initially measured on the transaction date at cost and are thereafter measured at amortized cost with the exception of derivatives in the trading operations, which are reported at fair value.

Provisions

Provisions for payroll tax are allocated nominally based on the difference between the Group's pension cost and the pension cost that serves as the basis for actual payroll tax. The calculation of the Group's pension cost and provisions for pensions is described under "Pension obligations" below. Deferred payroll tax is calculated on temporary differences and reported at nominal value, while other provisions are calculated at present value.

Provisions are reviewed at each financial year-end and adjusted when necessary, so that they correspond to the current estimation of the value of the obligation.

Revenues

The principles of revenue recognition for financial instruments, loans and repo transactions are described in separate sections for these categories. Fees for services are recognized as revenue when the service is provided. Such revenue is reported under both "Commissions receivable" and "Other operating income."

Depreciation/amortization

The depreciable amount of a tangible fixed asset, such as equipment and real estate for internal use, is allocated on a systematic basis over its useful life. By useful life is meant the period of time over which the asset is expected to be used by the Bank for its intended

purpose. The useful life of equipment is estimated on average at 5 years, and their residual value is considered to be nil. Depreciation begins when the asset is ready to be put to use.

Goodwill amortization is based on the asset's useful life, i.e. systematically at 5 percent for Föreningsbanken AB, Robur Försäkring AB and AS Hansapank. These acquisitions are treated as very long-term investments in stable, market-leading companies within FöreningsSparbanken's long-term, prioritized home market. Goodwill related to other subsidiaries is amortized systematically at 10 or 20 percent per year. Goodwill related to associated companies is amortized at 5, 10 or 20 percent per year. Useful lives reflect the Group's estimation of the time during which the future economic benefits that the goodwill item represents will flow to the Group.

Impairment of assets

At each balance sheet date the Bank assesses whether there is any indication that an asset, which is recognized at fair value, may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of an asset's net selling price and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The reduction is an impairment loss. An impairment loss recognized for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The carrying amount of the asset is then increased to its recoverable amount. In the Bank, certain shares in subsidiaries

and associated companies have been impaired so that their carrying amount agrees with the Group's value.

The valuation of loans is described in a separate section.

Pension obligations

The Group's post-employment benefits, which consist of pension obligations, are divided among defined contribution plans and defined benefit plans. In defined contribution plans, the Group pays fees to separate legal entities, and the risk of a change in value until the funds are paid out rests with the employee. Thus, the Group has no further obligations once the fees are paid. Other pension obligations are classified as defined benefit plans.

Premiums for defined contribution plans are expensed when an employee has performed his/her services.

In defined benefit plans, the present value of pension obligations is calculated and reported as a provision. Both legal and informal obligations that arise as a result of this practice are taken into account. The calculation is made according to the Projected Unit Credit Method. As such, future compensation is divided across the period of service. The fair value of the assets allocated to cover obligations (plan assets) is deducted from the provision.

The profit and loss account is charged with the net of service costs, interest on obligations and the anticipated return on plan assets.

The calculations are based on the Group's actuarial assumptions, i.e. the Group's best estimates of future developments. If the actual outcome deviates or the assumptions change, so-called actuarial gains and losses arise. The net of actuarial gains and losses is fully booked in the balance sheet, but

is not reported in the profit and loss account until it exceeds ten percent of the higher of either the present value of the obligations or the value of plan assets.

In accordance with the instructions of the Swedish Financial Supervisory Authority, the Bank reports an estimated pension cost for self-insured pension obligations and premiums paid for other pension obligations plus payroll tax. The estimated pension premium is restored as an appropriation under "Settlement of pensions," where settlement is made against pension payments, actual payroll tax, tax on returns from the pension funds, allowances from, or allocations to, the funds, and the change in pension provisions in the balance sheet.

Income taxes

Tax on profit of the year includes current tax and deferred tax. The latter refers to temporary differences that are differences between the carrying amount of an asset or liability in the balance sheet and its tax base, which in the future serve as the basis for current tax. Deferred tax assets attributable to tax loss carryforwards are recognized to the extent they are likely to be utilized. When the Bank's Estonian subsidiary, Hansapank, pays a dividend, withholding tax is deducted. The Group therefore allocates a provision for tax on the subsequent year's proposed dividend.

The Group's deferred tax assets and tax liabilities have been estimated at a nominal 28 percent in Sweden and using each country's tax rate for foreign subsidiaries. Deferred tax assets that cannot be offset against deferred tax liabilities are reported among other assets.

Tax on the share of profit of associated companies is reported under "Tax."

Liquid assets

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

Insurance operations

The insurance companies' profit and loss account including tax on returns, are recognized on an aggregate basis in the consolidated profit and loss account as "Operating profit in insurance operations."

Investment assets, such as shares and interest-bearing securities, are recognized at fair value.

Actuarial provisions consist of provisions for life insurance for which the policyholder bears the investment risk and provisions for unsettled claims and correspond to the obligations stipulated in accordance with insurance policies.

Financial reporting according to IFRS

From 2005 all listed companies in the European Union (EU) must prepare their consolidated accounts according to the international standards adopted by the EU - International Financial Reporting Standards, IFRS. The consequences for FöreningsSparbanken are indicated on page 29.

Profit and loss account

SEK M	Note	GROUP		THE BANK	
		2004	2003	2004	2003
Interest receivable		42,434	47,701	16,741	18,316
Interest payable		- 26,293	- 31,615	- 9,606	- 11,216
NET INTEREST INCOME *	1	16,141	16,086	7,135	7,100
Dividends received	2	88	104	7,896	5,515
Commissions receivable	3	8,450	7,239	5,402	4,764
Commissions payable	4	- 2,128	- 1,820	- 1,153	- 1,008
Net profit on financial operations	5	1,030	776	1,011	506
Other operating income	6	2,350	1,591	1,901	1,528
TOTAL INCOME		25,931	23,976	22,192	18,405
Staff costs	7	- 7,632	- 6,937	- 6,154	- 5,466
Other administrative expenses	8, 9	- 5,433	- 5,516	- 4,356	- 4,324
TOTAL ADMINISTRATIVE EXPENSES		- 13,065	- 12,453	- 10,510	- 9,790
Depreciation/amortization and write-down of tangible and intangible fixed assets	10	- 1,136	- 1,278	- 458	- 510
TOTAL EXPENSES		- 14,201	- 13,731	- 10,968	- 10,300
PROFIT BEFORE LOAN LOSSES		11,730	10,245	11,224	8,105
Loan losses, net	11	- 495	- 979	- 504	- 812
Change in value of property taken over	11	0	- 8		- 8
Write-down of financial fixed assets	13			- 21	- 447
Reversal of write-down of financial fixed assets	14		55	7	55
Share of profit/loss of associated companies	29	301	- 116		
OPERATING PROFIT IN BANKING OPERATIONS		11,536	9,197		
Operating profit in insurance operations	15, 62	376	367		
PROFIT BEFORE APPROPRIATIONS AND TAXES		11,912	9,564	10,706	6,893
Appropriations	16		- 19	4,857	- 568
Tax on profit for the year	17	- 2,564	- 2,567	- 3,322	- 1,728
Minority interest		- 756	- 635		
PROFIT FOR THE FINANCIAL YEAR		8,592	6,343	12,241	4,597
* of which, charge for deposit guarantee		- 107	- 97	- 106	- 91
Key ratios		2004	2003		
Earnings per share, SEK ¹⁾		16.42	12.02		
Earnings per share after dilution, SEK ²⁾		16.42	12.01		
Proposed dividend per share, SEK		6.50	5.75		

¹⁾ Based on 523,171,365 shares (527,808,843).

²⁾ In 2005 a maximum of 8,008,100 shares would be added if the warrants are fully exercised. The dilution effect has been estimated at 101,613 shares (218,661).

Balance sheet

SEK M	Note	GROUP		THE BANK	
		2004	2003	2004	2003
Assets					
Cash and balances with central banks		8,106	8,017	2,989	3,079
Treasury bills and other bills eligible for refinancing with central banks	18, 26	15,858	14,136	14,074	11,721
Loans to credit institutions	12, 19, 21-26	108,039	76,643	181,622	124,423
Loans to the public	12, 20-26	726,701	749,752	221,069	212,055
Bonds and other interest-bearing securities	26, 27	63,149	63,038	78,388	70,187
Shares and participating interests	28	5,323	2,593	4,870	2,207
Shares and participating interests in associated companies	29	1,575	2,820	1,314	1,977
Shares and participating interests in Group companies	30			21,424	27,737
Assets in the insurance operations	31	43,366	38,199		
Intangible fixed assets	32	3,763	5,978	1,558	1,419
Tangible assets	33	1,839	1,961	770	752
Other assets	34, 35	36,509	32,349	41,694	37,314
Prepayments and accrued income	36	6,231	6,848	4,200	3,498
TOTAL ASSETS		1,020,459	1,002,334	573,972	496,369

SEK M	Note	GROUP		THE BANK	
		2004	2003	2004	2003
Liabilities, provisions and equity					
Amounts owed to credit institutions	37	101,924	95,441	137,125	115,756
Deposits and borrowings from the public	38	285,540	283,616	240,471	235,498
Debt securities in issue	39	433,830	442,103	71,507	42,471
Liabilities in the insurance operations	40	43,280	38,082		
Other liabilities	35, 41	68,492	54,450	64,152	45,740
Accruals and deferred income	42	10,921	10,258	2,839	2,054
Provisions	43	3,273	4,441	131	914
Subordinated liabilities	44	26,430	26,826	21,792	20,180
Minority interests		3,145	5,198		
Untaxed reserves	45			3,122	7,940
Subscribed capital	46	10,556	10,556	10,556	10,556
Reserves	46	16,117	19,581	8,378	8,571
Non-restricted reserves/Profit brought forward	46	10,577	5,439	3,876	2,092
Own shares		- 2,218		- 2,218	
Profit for the financial year	46	8,592	6,343	12,241	4,597
TOTAL LIABILITIES, PROVISIONS AND EQUITY		1,020,459	1,002,334	573,972	496,369
Assets pledged for own liabilities	47	100,921	97,730	59,076	60,290
Other assets pledged	48	17,583	11,988	17,529	11,984
Contingent liabilities	26, 49	23,077	22,188	27,027	25,017
Commitments	50	4,083,592	3,283,527	3,857,216	2,973,326

Notes Note directly related to the profit and loss account, balance sheet, statement of cash flows or equity:

Note 51 – Capital adequacy analysis

Note 52 – Operating areas

Note 53 – Divested operations

Note 54 – Disclosure of transactions with related parties

Note 55 – Disclosure of fair value

Note 56 – Disclosure of financial risks and other risks

Note 57 – Impact on value of assets and liabilities in Swedish kronor and foreign currency

Note 58 – Sensitivity analysis

Note 59 – Interest fixing periods

Note 60 – Currency distribution

The balance sheets and profit and loss accounts will be adopted by the Annual General Meeting on April 21, 2005.

Statement of cash flows

SEK M	Note	GROUP		THE BANK	
		2004	2003	2004	2003
Liquid assets at beginning of year *		66,241	58,569	52,240	47,087
Operating activities					
Operating profit		11,912	9,564	10,706	6,893
Adjustments for non-cash items	61	1,893	3,062	- 452	706
Taxes paid		- 1,464	- 1,862	- 1,239	- 1,302
Increase/decrease in loans to credit institutions		- 16,747	8,574	- 38,846	- 24,060
Increase/decrease in loans to the public		- 36,105	- 41,824	- 294	2,694
Increase/decrease in holdings of securities classified as current assets		- 10,971	- 8,712	- 15,022	- 7,027
Increase/decrease in deposits and borrowings from the public, including retail bonds		7,804	22,928	11,463	18,643
Increase/decrease in amounts owned to credit institutions		6,549	9,166	14,810	28,862
Change in other assets and liabilities, net		2,123	- 6,936	4,722	- 7,022
CASH FLOW FROM OPERATING ACTIVITIES		- 35,006	- 6,040	- 14,152	18,387
Investing activities					
Purchase of fixed assets		- 5,141	- 1,590	- 5,562	- 4,195
Sale of fixed assets		11,162	2,083	11,278	1,705
CASH FLOW FROM INVESTING ACTIVITIES		6,021	493	5,716	- 2,490
Financing activities					
Issuance of interest-bearing securities		230,083	177,391	2,541	3,042
Redemption of interest-bearing securities		- 203,884	- 145,319	- 342	- 813
Increase/decrease in other funding		28,954	- 15,772	28,787	- 10,070
Dividend paid		- 3,035	- 2,903	- 3,035	- 2,903
Share repurchase		- 2,218		- 2,218	
CASH FLOW FROM FINANCING ACTIVITIES		49,900	13,397	25,733	- 10,744
CASH FLOW FOR THE YEAR		20,915	7,850	17,297	5,153
Exchange rate differences in liquid assets		0	- 178		
Liquid assets in acquired companies		- 7,124			
Liquid assets at year-end		80,032	66,241	69,537	52,240
* of which securities pledged for OMX AB, etc.					
at beginning of year		3,207	4,800	3,207	4,800
at year-end		2,296	3,207	2,296	3,207

Analysis of the consolidated statement of cash flows

The statement of cash flows shows receipts and disbursements during the year as well as liquid assets at the beginning and end of the year.

The statement of cash flows is reported according to the indirect method and is based on operating profit for the period adjusted for changes Note included in cash flow from operating activities.

Reported cash flows are divided into receipts and disbursements from operating activities, investing activities and financing activities.

Operating activities

Cash flow from operating activities is based on operating profit for the period. Adjustments are made for income taxes paid and items Note included in cash flow from operating activities. Changes in assets and liabilities from operating activities consist of items that are part of normal business activities – such as loans to and deposits and borrowings from the public as well as loans and amounts owed to credit institutions – and that are Note attributable to investing and financing activities.

Profit-generated cash flow includes interest receipts of SEK 42,192 M (48,346) and interest payments, including capitalized interest, of SEK 25,708 M (32,118).

Investing activities

Investing activities consist of the purchase and sale of fixed assets. When businesses are acquired or divested, the liquid assets brought forward are deducted. Liquid assets in acquisitions are reported separately.

Purchases of fixed assets in 2004 include Hansabank's acquisition of LDGD and an increased holding in FI-Holding prior to its sale. The combined purchase

price of these acquisitions is SEK 2,778 M. Sales of fixed assets include shares in FI-Holding, Sparebank 1 Gruppen and Aktia sold in 2004. The combined sales proceeds amount to SEK 9,094 M. At the time of its sale, FI-Holding had assets excluding acquired liquidity of SEK 69,632 M, of which loans to the public of SEK 66,518 M and liabilities of SEK 76,756 M, of which debt securities in issue of SEK 56,332 M.

Financing activities

The issuance and repayment of bond loans with maturities exceeding one year are reported gross. The item "Change in other funding" includes the net change in funding with short-term maturities and high turnover.

Liquid assets

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

Specification of liquid assets	2004	2003
Cash and balances with central banks	8,106	8,017
Demand loans, net	0	0
Securities eligible for refinancing adjusted for repos and short-selling	71,926	58,224
TOTAL	80,032	66,241

Changes in equity

Group SEK M	Share capital	Restricted reserves	Non-restricted reserves	Profit for the year	Total
Opening balance Jan. 1, 2003	10,556	18,678	5,216	4,152	38,602
Transfers between restricted and non-restricted equity		903	3,249	- 4,152	
Dividend			- 2,903		- 2,903
Translation difference			- 183		- 183
Exchange rate difference, subsidiary and associated company financing			60		60
Profit for the financial year				6,343	6,343
CLOSING BALANCE DECEMBER 31, 2003	10,556	19,581	5,439	6,343	41,919
Change in accounting principle for RR 29 Employee Benefits		- 24	- 1,539		- 1,563
ADJUSTED OPENING BALANCE JANUARY 1, 2004	10,556	19,557	3,900	6,343	40,356
Transfers between restricted and non-restricted equity		- 3,440	9,783	- 6,343	
Share repurchase			- 2,218		- 2,218
Dividend			- 3,035		- 3,035
Translation difference			- 273		- 273
Exchange rate difference, subsidiary and associated company financing			202		202
Profit for the financial year				8,592	8,592
CLOSING BALANCE DECEMBER 31, 2004	10,556	16,117	8,359	8,592	43,624

The Bank SEK M	Share capital	Share premium reserve	Legal reserve	Reserve for unrealized gains	Profit brought forward	Profit for the financial year	Total
Opening balance Jan. 1, 2003	10,556	3,650	2,638	1,640	3,158	2,546	24,188
Disposition of profit according to decision of the year's Annual General Meeting					2,546	- 2,546	
Dividend					- 2,903		- 2,903
Transfers between restricted and non-restricted equity				643	- 643		
Group contributions paid					- 92		- 92
Tax reduction due to Group contributions paid					26		26
Profit for the financial year						4,597	4,597
CLOSING BALANCE DECEMBER 31, 2003	10,556	3,650	2,638	2,283	2092	4,597	25,816
Disposition of profit according to decision of the year's Annual General Meeting					4,597	- 4,597	
Share repurchase					- 2,218		- 2,218
Dividend					- 3,035		- 3,035
Transfers between restricted and non-restricted equity				- 193	193		
Group contributions paid					- 58		- 58
Tax reduction due to Group contributions paid					16		16
Merger result FSB Boländirekt Bank AB					71		71
Profit for the financial year						12,241	12,241
CLOSING BALANCE DECEMBER 31, 2004	10,556	3,650	2,638	2,090	1,658	12,241	32,833

Notes

The accounting principles can be found on page 52.
Unless indicated otherwise, figures refer to book values.

1. Net interest income

SEK M	GROUP				THE BANK			
	2004 Interest	2004 Average balance	2003 Interest	2003 Average balance	2004 Interest	2004 Average balance	2003 Interest	2003 Average balance
Interest receivable								
Credit institutions	2,745	126,573	2,625	112,670	4,395	168,460	4,206	151,312
SEK	1,502	72,601	1,473	54,735	3,271	115,191	3,140	99,828
Foreign currency	1,243	53,972	1,152	57,935	1,124	53,269	1,066	51,484
Loans to the public	35,467	740,363	39,768	727,509	9,208	213,492	10,986	211,187
SEK	29,787	631,184	33,103	608,197	8,673	196,550	10,407	193,890
Foreign currency	5,680	109,179	6,665	119,312	535	16,942	579	17,297
Interest-bearing securities	1,785	87,643	2,331	79,338	1,945	85,931	2,199	83,771
SEK	828	53,731	1,284	52,789	976	54,255	1,420	55,927
Foreign currency	957	33,912	1,047	26,549	969	31,676	779	27,844
Other	2,437		2,977		1,193		925	
SEK	356		83		540		221	
Foreign currency	2,081		2,894		653		704	
TOTAL	42,434		47,701		16,741		18,316	
SEK	32,473		35,943		13,460		15,188	
Foreign currency	9,961		11,758		3,281		3,128	
Interest payable								
Credit institutions	2,407	103,021	3,340	109,110	3,053	129,188	3,605	128,058
SEK	1,038	51,394	2,104	61,714	1,851	89,059	2,601	89,312
Foreign currency	1,369	51,627	1,236	47,396	1,202	40,129	1,004	38,746
Deposits and borrowings from the public	3,572	293,791	5,121	276,782	2,979	234,744	4,259	229,851
SEK	2,765	231,184	4,369	225,336	2,742	218,872	4,055	214,560
Foreign currency	807	62,607	752	51,446	237	15,872	204	15,291
Debt securities in issue	15,773	465,839	17,035	450,278	1,305	64,668	1,048	55,086
SEK	9,084	177,045	8,965	179,120	393	9,167	287	6,951
Foreign currency	6,689	288,794	8,070	271,158	912	55,501	761	48,135
Subordinated liabilities	1,405		1,421		1,222		1,160	
SEK	221		167		180		162	
Foreign currency	1,184		1,254		1,042		998	
Other	3,136		4,698		1,047		1,144	
SEK	1,021		1,171		1,026		1,142	
Foreign currency	2,115		3,527		21		2	
TOTAL	26,293		31,615		9,606		11,216	
SEK	14,129		16,776		6,192		8,247	
Foreign currency	12,164		14,839		3,414		2,969	
TOTAL NET INTEREST	16,141		16,086		7,135		7,100	
SEK	18,344		19,167		7,268		6,941	
Foreign currency	- 2,203		- 3,081		- 133		159	
TOTAL AVERAGE BALANCE, ASSETS		1,059,004		1,016,923		540,662		517,978
TOTAL AVERAGE BALANCE, LIABILITIES		1,017,251		977,324		516,259		494,892
Interest margin		1.42		1.46		1.24		1.27
Investment margin		1.52		1.58		1.32		1.37
Average interest rate on loans to the public		4.79		5.47		4.31		5.20
Average interest rate on deposits from the public		1.22		1.85		1.27		1.85
Interest receivable on securities classified as current assets		1,728		2,223		1,923		2,182

2. Dividends received

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Shares and participating interests	88	104	62	97
Shares and participating interests in associated companies			105	52
Shares and participating interests in Group companies*			7,729	5,366
TOTAL	88	104	7,896	5,515
* of which through Group contributions			5,356	5,193

3. Commissions receivable

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Payment processing commissions	3,366	2,930	2,489	2,264
Lending commissions	880	751	417	386
Deposit commissions	28	28	27	26
Guarantee commissions	165	151	118	102
Securities commissions				
Brokerage	407	303	334	249
Asset management	2,327	1,943	1,256	1,065
Other securities commissions	169	133	168	125
Other commissions				
Real estate brokerage commissions	148	134		
Other	960	866	593	547
TOTAL	8,450	7,239	5,402	4,764

4. Commissions payable

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Payment processing commissions	1,068	993	884	841
Securities commissions	208	146	150	103
Other commissions	852	681	119	64
TOTAL	2,128	1,820	1,153	1,008

5. Net profit on financial operations

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Capital gains/losses				
Shares/participating interests	286	123	284	100
Interest-bearing securities	3	401	9	408
Other financial instruments	16	43		1
TOTAL	305	567	293	509
Unrealized changes in value				
Shares/participating interests	- 12	- 69	- 15	- 28
Interest-bearing securities	303	- 154	282	- 165
Other financial instruments	6	- 55		0
TOTAL	297	- 278	267	- 193
Change in exchange rates	428	487	451	190
TOTAL	1,030	776	1,011	506

6. Other operating income

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Capital gains, financial fixed assets	1,329	541	961	504
Income from real estate operations	79	81	0	0
Capital gains, properties, equipment, etc.	34	0	3	2
Administrative and IT services	698	775	791	873
Other operating income	210	194	146	149
TOTAL	2,350	1,591	1,901	1,528

7. Staff costs

Figures for employees of the insurance operations are Note included here, but are reported separately in Note 62.

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Wages, salaries and other remuneration	4,403	4,269	3,522	3,325
Pension costs *	749	719	700	644
Estimated costs	-	141	110	140
Premiums paid	-	578	590	504
Social insurance charges	1,599	1,458	1,330	1,176
Allocation to profit-sharing fund	652	228	430	112
Training costs	107	122	81	96
Other staff costs	122	1 41	91	113
TOTAL	7,632	6,937	6,154	5,466

* As of 2004 pension costs are reported according to RR 29 Employee Benefits. The Group's pension cost for the year is specified in Note 43.

Wages, salaries and remuneration to the Board,

President and Executive Vice Presidents in Sweden	74	88	54	62
to other employees in Sweden	3,596	3,456	3,422	3,220

Bonuses and comparable remuneration to the

President and Executive Vice Presidents in Sweden	11	11	9	8
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Wages, salaries and remuneration to the Board,

President and Executive Vice Presidents in Estonia	8	6		
to other employees in Estonia	226	240		

Bonuses and comparable remuneration to the President and Executive Vice Presidents in Estonia

	8	4		
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Wages, salaries and remuneration to the Board, President and Executive Vice Presidents in Latvia

to other employees in Latvia	5	1		
	120	110		

Bonuses and comparable remuneration to the

President and Executive Vice Presidents in Latvia	5	1		
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Wages, salaries and remuneration to the Board, President and Executive Vice Presidents in Lithuania

to other employees in Lithuania	11	2		
	147	160		

Bonuses and comparable remuneration to the

President and Executive Vice Presidents in Lithuania	7	1		
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Wages, salaries and remuneration to the Board, President and Executive Vice Presidents in Denmark

to other employees in Denmark	11	22		
	72	98		

Bonuses and comparable remuneration to the

President and Executive Vice Presidents in Denmark	9	2		
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Wages, salaries and remuneration to the Board, President and Executive Vice Presidents in Norway

to other employees in Norway	2	0		
	28	5		

Bonuses and comparable remuneration to the

President and Executive Vice Presidents in Norway		0		
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Wages, salaries and remuneration to the Board, President and Executive Vice Presidents in Luxembourg	7	6		
to other employees in Luxembourg	19	21		
Bonuses and comparable remuneration to the President and Executive Vice Presidents in Luxembourg				
Wages, salaries and remuneration to other employees outside Sweden	37	35	37	35
TOTAL	4,403	4,269	3,522	3,325

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
The year's costs for pensions and similar benefits:				
To current and former Presidents and Executive Vice Presidents *	66	97	57	88
Number of persons	64	64	43	45

* In 2004 the Group's pension costs are reported according to RR 29 Employee Benefits.

Pension obligations for current and former Presidents and Executive Vice Presidents have been secured through insurance and pension funds. The obligations secured through pension funds, calculated according to RR 29, amounted to SEK 430 M.

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Loans to President and Executive Vice Presidents	69	70	31	33
Number of persons	64	69	15	17
Loans to members of the Board of Directors and their deputies	92	71	28	13
Number of persons	121	112	17	13

The Group has Note pledged any assets or other collateral or committed to contingent liabilities on behalf of any senior executives.

Average number of employees based on 1,585 hours per employee	GROUP	
	2004	2003
FöreningsSparbanken AB	9,164	9,255
Spintab	21	20
FöreningsSparbanken Finans	123	102
Robur	254	275
Mandab	2	3
FöreningsSparbanken Juristbyrå	6	7
FöreningsSparbanken Fastighetsbyrå	71	81
Kundinkasso	35	34
Boländireket Bank (HSB-Bank)		77
Allround	6	7
FöreningsSparbanken Öland	62	62
Eskilstuna Rekarne Sparbank		52
Swedbank (Luxembourg)	50	48
FI-Holding	147	195
Hansabank Group	6,629	6,728
EnterCard	60	10
TOTAL	16,630	16,956
of whom, in		
Estonia	2,492	2,515
Latvia	1,696	1,507
Lithuania	2,431	2,706
Russia	10	
Denmark	147	195
Norway	71	22
Luxembourg	50	48
Great Britain	12	18
USA	14	14
Japan	2	2
China	3	3
TOTAL	6,928	7,030
Number of hours worked (thousands)	26,358	26,876
Number of Group employees at year-end excl. long-term absentees in relation to hours worked expressed as full-time positions	15,099	15,341

The underlying employee turnover in the Swedish companies, excluding, insurance operations, was 4.6 percent.

Distribution by gender in the Group, %	Dec. 31, 2004		Dec. 31, 2003	
	Women	Men	Women	Men
All employees	65	35	64	36
Directors	12	88	24	76
Other senior executives, including President	22	78	17	83

Distribution by gender in the Bank, %	Dec. 31, 2004		Dec. 31, 2003	
	Women	Men	Women	Men
All employees	58	42	58	42
Directors	50	50	50	50
Other senior executives, including President	27	73	24	76

Other senior executives refer to individuals in senior positions as defined below but who are Note Directors.

Number of employees, %	Dec. 31, 2004		Dec. 31, 2003	
	Women	Men	Women	Men
Sweden	57	43	58	42
Estonia	78	22	75	25
Latvia	71	29	68	32
Lithuania	81	19	80	20
Russia	54	46		
Denmark			36	64
Norway	47	53	44	56
Luxembourg	33	67	46	54
Great Britain	25	75	38	62
USA	21	79	21	79
Japan	50	50	50	50
China	67	33	67	33

Employee sick leave in %	2004	2003 *
	Total sick leave	4.3
of which long-term sick leave as a share of total sick leave	68.3	68.9
Sick leave for women	5.8	5.5
Sick leave for men	2.2	2.1
Sick leave for the age group 29 and younger	2.3	2.1
Sick leave for the age group 30-49	3.8	3.6
Sick leave for the age group 50 and older	5.4	5.2

* refers to July-December

Data on sick leave absences refer to staff employed by FöreningsSparbanken AB. Total sick leave is stated as a percentage of employees' aggregate normal working hours within each group. Long-term sick leave refers to absences of 60 or more consecutive days.

Information on remuneration to senior executives

Senior executives refer to the Directors, the President and CEO, members of the Executive Management or Executive Vice Presidents in the Bank. The Senior Management Group refers to the Chairman of the Board, other Directors who have received compensation from the Bank other than Directors' fees, and the President and CEO. Other senior executives refer to members of Executive Management or individuals with the title Vice President of the Bank.

A Compensation Committee consisting of the Chairman of the Board and the First and Second Deputy Chairmen decides on salaries and other benefits for the President, Deputy President and other members of Executive Management, Executive Vice Presidents, other persons who report directly to the President of the Swedish operations and the Head of Internal Audit.

Fees paid to the President, members of Executive Management or Executive Vice Presidents of the Bank for Board duties are deducted against salaries, unless indicated otherwise.

During the spring of 2000 employees of FöreningsSparbanken and its wholly owned Group companies in Sweden and the board members of the local banks were offered the opportunity to buy warrants in FöreningsSparbanken on mar-

ket terms. The 8,008,100 warrants outstanding, including 160,700 held by the President and other senior executives, can be exercised to subscribe for an equal number of shares during a specific period in 2005. The warrant premium was SEK 15 and the subscription price is SEK 187. In connection with warrant subscriptions in 2000, certain employees received a subsidy, which resulted in a charge against earnings of approximately SEK 70 M. Senior executives were Note offered subsidies. The presentation of the Board of Directors and Executive Management contains information on each person's holding of warrants in FöreningsSparbanken. The warrant premium raised equity by SEK 120 M. On December 31, 2004 the FöreningsSparbanken share price was SEK 165.50 and the warrant SEK 2.10.

Senior Management Group, SEK 000	2004	2003
Directors' fees and remuneration		
Annual Directors' remuneration approved by the AGM according to points 1-5 below	5,800	5,800
1. of which, to Chairman	1,350	1,350
of which, in his capacity as Chairman	1,200	1,200
of which, for committee work	150	150
2. of which, to First Deputy Chairman	750	900
of which, in his capacity as First Deputy Chairman	600	600
of which, for committee work	150	300
3. of which, to Second Deputy Chairman	800	800
of which, in his capacity as Second Deputy Chairman	600	600
of which, for committee work	200	200
4. of which, to other Directors	1,900	2,100
of which, in their capacity as other Directors	1,500	1,650
of which, for committee work	400	450
5. of which, unutilized in 2004 for duties aside from customary Board work	1,000	650

In addition to remuneration of SEK 350,000 for Board and committee work, Marianne Quick Stoltz has received compensation of SEK 55,000 (55,000) for her work as Chairman of the Business Council.

Directors' fees are Note paid to other persons with employment agreements with the Group.

Remuneration to the Chairman of the Board, SEK 000	2004	2003
To Carl Eric Stålberg		
Fixed compensation, salary	2,700	2,700
Chairman's fees approved by the AGM	1,350	1,192
Other remuneration/benefits	79	73
TOTAL	4,129	3,965
Of which, pensionable compensation	2,700	2,700
Pension cost incl. payroll tax *	2,304	2,431

* The pension cost for 2004 is calculated according to RR 29 Employee Benefits.

Pension obligations for Chairman of the Board

As an employee from January 1, 2003, Carl Eric Stålberg is entitled to a defined benefit pension from age 60. His pension entitlement is the vested portion of 75 percent of his salary. The vested portion is based on his length of employment in months divided by 360. The Bank pays a pension premium of SEK 360,000 per year. Previously vested pension benefits remain unaffected. Benefits are accrued continuously until retirement and are transferable after they have been vested.

Termination conditions for Chairman of the Board

Depending on the reason for his termination, Carl Eric Stålberg, in accordance with his employment contract with the Bank, may be entitled to pensionable compensation equivalent to his previous salary for a period of 24 months after termination. Under special circumstances, the period may be extended to 36 months. However, under no circumstances will severance be paid after Carl Eric Stålberg reaches the age of 60, in January 2011. The right to compensation is conditional on, among other things, the settlement of 50 percent of any income from new employment, etc. against the severance from the Bank, unless the Board decides otherwise.

Pension obligations to other Directors

The Group has no pension obligations for other Directors.

Remuneration to former Chairman of the Board

Pursuant to an agreement with FöreningsSparbanken, Göran Collert remained at the disposal of the Board of Directors on a consulting basis after stepping down as Chairman. As announced by the Annual General Meeting in 2004, the agreement was terminated on June 30, 2004. For his service, Göran Collert received a fee of SEK 1.2 M in 2004. The fee carries no pension entitlements.

Remuneration of the President, Birgitta Johansson-Hedberg, through Jan. 31, 2004, SEK 000

	2004	2003
Fixed compensation, salary	400	4,800
Variable compensation, bonuses		309
Other remuneration/benefits	6	96
TOTAL	406	5,205
Of which, pensionable compensation	400	4,860
Pension cost incl. payroll tax (2003, of which costs associated with resignation SEK 22,800,000)		29,184

Remuneration of the President, Jan Lidén, from Feb. 1, 2004, SEK 000

	2004
Fixed compensation, salary	5,958
Variable compensation, bonuses	
Other remuneration/benefits	102
TOTAL	6,060
Of which, pensionable compensation	5,958
Pension cost incl. payroll tax	3,987

In 2004 Jan Lidén also received a salary of SEK 350,000 as Executive Vice President, in addition to variable compensation of SEK 1.75 M earned as Executive Vice President in 2003.

Employment terms for President Jan Lidén

Jan Lidén's employment terms call for a fixed annual salary with no variable compensation in the form of bonuses, etc. He is entitled to retire at age 60. Jan Lidén disposes over an annual premium of SEK 3.5 M for defined contribution pension purposes. The Bank's obligation extends only to the size of the premium.

If terminated by the Bank, Jan Lidén will receive a salary during a 12-month term of notice. To this is added severance pay for 12 months. A deduction is made for income earned from new employment. If Jan Lidén resigns, the term of notice is six months and there is no severance.

Compensation to other senior executives *

SEK M	2004	2003
Fixed compensation, salaries	42	51
Variable compensation, bonuses	10	8
Other remuneration/benefits	1	1
TOTAL	53	60
Pension cost incl. payroll tax **	34	50
No. of persons	20	22

* Includes compensation from all Group companies, Sweden or international.

** The pension cost for 2004 is calculated according to RR 29 Employee Benefits.

Variable compensation paid to the Executive Management is maximized at 25 percent of annual salary and consists of 2/3 bonuses tied to payouts by the Kopparmyntet pension fund and 1/3 bonuses tied to individual goals.

On December 31, 2004 one Vice President, who was Note a member of the Executive Management, had variable compensation tied to the results of his business area. In 2004, SEK 8,933,000 in variable compensation was paid to the Executive Management and one Vice President. SEK 10,267,000 was charged against income. Variable compensation is Note pensionable. Directors' fees are deducted against salary, unless otherwise agreed to.

Pension obligations

Other senior executives comprise a total of 18 persons, of whom 16 are members of the Executive Management. Twelve other senior executives are entitled to a defined benefit pension from age 60-62 less any previous pension entitlements. Benefits are accrued continuously until retirement and are transferable after they have been vested.

For two individuals, the equivalent defined benefit pension obligation is fully vested at age 58, and for one individual age 59. The pensionable salary for 2004 for eight of the 12 individuals with defined benefit pension plans has been locked in terms of the income base amounts, in addition to which they receive a complementary defined contribution pension where the Bank has committed to premiums to a company-owned endowment insurance for the equivalent of 35 percent of salary segments Note secured by the defined benefit obligation. Two individuals have a defined contribution plan, with a pension age of 60 and 65. In addition to the benefits accrued through the BTP plan (Swedish pension for the banking sector), four individuals with retirement ages between 60 and 65 receive a complementary pension where the Bank has committed to a direct pension by paying premiums to a company-owned endowment insurance for the equivalent of 35 percent of pensionable salary segments between 30 and 80 income base amounts.

Termination conditions

If terminated by the Bank, other senior executives will receive a salary during their term of notice of 6-12 months. To this is added severance pay for 12-24 months. Settlement is made if new employment is secured; in several cases settlement requires that termination take place before age 55. If an Executive Vice President resigns, the term of notice is six months and there is no severance pay.

8. Other administrative expenses

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Expenses for premises	11	13	0	1
Rents, etc.	1,206	1,134	971	873
IT expenses	1,220	1,307	1,052	1,092
Telecommunications, postage	428	442	321	305
Consulting and outside services	581	609	469	491
Travel, entertainment	259	273	172	190
Office supplies	288	201	225	167
Advertising, public relations, marketing	349	404	220	256
Security transports, alarm systems	296	315	266	282
Other administrative expenses	730	684	592	555
Other overhead expenses	65	134	68	112
TOTAL	5,433	5,516	4,356	4,324

Compensation paid to the Group's auditors for auditing work and consultations.

Group SEK M	Audit		Consultation	
	2004	2003	2004	2003
Auditors elected by Annual General Meeting				
Deloitte & Touche AB	20	18	2	6
Ernst & Young AB	2	2	3	3
Others *		1		1
Auditors appointed by Financial Supervisory Authority				
PMAC AB	0	2		0
BDO Feinstein Revision AB	1			
TOTAL	23	23	5	10
Internal Audit	57	60		

* Elected by subsidiary

The Bank SEK M	Audit		Consultation	
	2004	2003	2004	2003
Auditors elected by Annual General Meeting				
Deloitte & Touche AB	10	9	2	3
Ernst & Young AB	2	1	1	3
Auditors appointed by Financial Supervisory Authority				
PMAC AB	0	1		0
BDO Feinstein Revision AB	1			
TOTAL	13	11	3	6
Internal Audit	47	49		

9. Operational leasing

Where the Group is the lessee, leases primarily pertain to premises.

As of December 31, 2004 total future minimum leasing fees related to irrevocable leases are distributed by expiration date as follows. The corresponding cost for 2004 amounts to SEK 733 M, in addition to income of SEK 6 M.

Group SEK M	Costs	Subletting income	Total
2005	691	6	685
2006	694	6	688
2007	692	6	686
2008	696	6	690
2009	703	5	698
After 2009	741	3	738
TOTAL	4,217	32	4,185

10. Depreciation/amortization and write-down of tangible and intangible assets

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Depreciation/amortization				
Equipment	479	595	331	407
Real estate	35	38	0	1
Goodwill	589	614	119	101
Other intangible assets	33	31	8	1
TOTAL	1,136	1,278	458	510

With regard to depreciation and amortization principles, see "Accounting Principles".

11. Loan losses, net, and change in value of property taken over

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Claims assessed individually				
The year's write-off for established loan losses	988	1,151	608	594
Reversal of previous provisions for anticipated loan losses reported in the year's accounts as established	- 519	- 516	- 325	- 248
The year's provisions for anticipated loan losses	554	837	250	414
Recoveries from previous years' established loan losses	- 448	- 471	- 103	- 124
Recovered provisions for anticipated loan losses	- 280	- 270	- 92	- 61
THE YEAR'S NET EXPENSE	295	731	338	575
Collective provisions for claims assessed individually				
Allocations/withdrawals from collective provisions	91	144	63	150
Collectively valued homogenous groups of claims with limited value and similar credit risk				
The year's write-off for established loan losses	118	115	76	80
Recoveries from previous years' established loan losses	- 13	- 10	- 1	- 2
Allocations/withdrawals from loan loss reserve	- 21	7	- 3	6
THE YEAR'S NET EXPENSE FOR COLLECTIVELY VALUED HOMOGENOUS GROUPS OF CLAIMS	84	112	72	84
Contingent liabilities				
The year's net expense for discharged guarantees and other contingent liabilities *	25	- 8	31	3
THE YEAR'S NET LOAN LOSS EXPENSE	495	979	504	812
Loan losses by category				
Credit institutions				
Write-offs and provisions	27	0	25	0
Reversals and recoveries from previous years' established loan losses	- 9	- 1	- 9	- 1
General public				
Write-offs and provisions	1,233	1,740	685	1,000
Loan losses, net, and change in value of property taken over	- 756	- 760	- 197	- 187
TOTAL	495	979	504	812
Reversals and recoveries from previous years' established loan losses				
The year's net loan loss expense	495	979	504	812
Change in value of property taken over	0	8	0	8
Of which, unrealized change in value of real estate				
Of which, unrealized change in value of other property taken over				
Of which, realized change in value of other property taken over	0	8	0	8
TOTAL LOAN LOSSES, NET, AND CHANGE IN VALUE OF PROPERTY TAKEN OVER	495	987	504	820
* of which write-offs	0	1		
of which provisions	28	1		
of which recoveries	- 3	- 10		
TOTAL	25	- 8		

In 2004 or 2003 the Group had no exposures that, due to risk transference, necessitated provisions.

12. Doubtful claims

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Provisions				
Specific provisions for claims assessed individually	860	1,347	624	787
Provisions for collectively valued homogenous groups of claims with limited value and similar credit risk	184	211	105	108
Collective provisions for claims assessed individually	2,820	3,501	2,113	2,050
TOTAL	3,864	5,059	2,842	2,945
Total provision ratio for doubtful claims, %	150	131	193	154
(including collective provisions for claims assessed individually in relation to book value before provisions for individually identified doubtful claims)				
Provision ratio for individually identified doubtful claims, %	40	40	50	47
Doubtful claims				
Book value of doubtful claims (unsettled)	1,537	2,304	743	1,015
Doubtful claims as % of total lending, %	0.2	0.3	0.2	0.3
Nonperforming loans for which interest is entered as income				
Book value of unsettled claims Note included in doubtful claims and for which accrued interest has been entered as income	271	396	77	124
Restructured * and reclassified claims				
Book value of claims restructured during the fiscal period before restructuring	276	145	92	21
Book value of claims restructured during the fiscal period after restructuring	177	59	55	14
Book value of doubtful claims returned in status to normal claims during the fiscal period	225	370	87	129
Property taken over to protect claims				
Buildings and land	1	11	0	0
Shares and participating interests	11	12	7	7
Other	2	2	0	0
TOTAL	14	25	7	7

* A claim is considered restructured if the lender has granted some form of concession due to the borrower's financial problems.

13. Write-down of financial fixed assets

SEK M	GROUP	THE BANK
Write-down of shares 2004		
Shares and participating interests in associated companies		
DocHotel i Stockholm AB		- 2
Finansiell ID Teknik BID AB		- 3
Shares and participating interests in Group companies		
Allround AB		- 16
TOTAL		- 21
Write-down of shares 2003		
Shares and participating interests in associated companies		
Finansiell ID Teknik BID AB		- 1
First Securities ASA		- 40
SpareBank 1 Gruppen		- 319
Shares and participating interests in Group companies		
FöreningsSparbanken Juristbyrå AB		- 5
Swedbank Luxembourg SA		- 82
TOTAL		- 447

Shares in subsidiaries and associated companies have been written off to book value in the Group värdet i Group.

14. Reversal of write-down of financial fixed assets

SEK M	GROUP	THE BANK
Reversal of write-down of shares 2004		
Shares and participating		
SpareBank 1 Gruppen		7
TOTAL		7
Reversal of write-down of shares 2003		
Shares and participating		
OMX AB *	55	55
TOTAL	55	55

* A portion of the previous write-down of the shareholding in OMX AB has been reversed; 2,223,721 shares have been revalued from a book value of SEK 65 per share to SEK 89.50 per share, corresponding to the share price at year-end 2003.

15. Operating profit in insurance operations

SEK M	GROUP	
	2004	2003
Non-life insurance operations	47	54
Life insurance operations	329	313
TOTAL	376	367

16. Appropriations

Allocation, SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Untaxed reserves			- 4,818	549
Settlement of pensions		19	- 39	19
TOTAL		19	- 4,857	568

Untaxed reserves, SEK M	THE BANK	
	2004	2003
Accelerated depreciation on equipment	- 89	- 86
Tax allocation reserve	- 4,729	635
TOTAL	- 4,818	549

Settlement of pensions, SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Estimated pension costs		- 141	- 110	- 141
Pensions paid		14	18	14
Payroll tax and tax on pension returns		113	64	113
Change in pension obligations allocated in the balance sheet		- 4	- 6	- 4
Allowance from pension funds		- 16	- 15	- 16
Provisions for pension funds		53	10	53
TOTAL		19	- 39	19

17. Tax on profit for the year

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Current tax	4,675	1,882	4,244	1,473
Tax related to previous years	- 121	38	- 59	18
Deferred tax expense	- 1,990	647	- 863	237
TOTAL	2,564	2,567	3,322	1,728

Group, 2004

The tax charge represents 21.5 percent of the Group's profit before tax. The difference between the Group's tax charge and the tax charge based on current tax rates is explained below:

	2004		2003	
	SEK M	procent	SEK M	procent
Tax charge	2,564	21.5	2,567	26.9
Tax charge, 28% of profit before tax	- 3,335	- 28.0	- 2,673	- 28.0
DIFFERENCE	- 771	- 6.5	- 106	- 1.1
The difference consists of the following items:				
Tax from previous years	- 121	- 1.1	38	0.4
Tax-exempt income/Non-deductible expenses *	- 407	- 3.4	- 150	- 1.5
Non-deductible goodwill	165	1.4	281	2.9
Other tax basis in insurance operations	- 53	- 0.4	- 47	- 0.5
Deviating tax rates in other countries	- 388	- 3.3	- 221	- 2.3
Other	33	0.3	- 7	- 0.1
TOTAL	- 771	- 6.5	- 106	- 1.1

* Of which capital gain of SEK 400 M on sale of FI-Holding in 2004.

Since 2000 Hansabank pays income tax in Estonia only after earnings are distributed to natural persons and companies Note domiciled for tax purposes in Estonia. The tax rate is 26/74 of the distributed amount. The Group has allocated a provision for tax on the dividend it expects to receive in 2005 for Hansabank's earnings in 2004. FöreningsSparbanken's share of the retained earnings in Hansabank would, if distributed, result in a tax charge of SEK 728 M. No deferred tax has been booked on this amount since the Bank cannot determine the timing of its distribution and does Note expect it to occur in the foreseeable future. Any future dividends are again expected to be paid from future earnings.

The Bank, 2004

The tax charge represents 21.3 percent of the Bank's profit before tax. The difference between the Bank's tax charge and the tax charge based on current tax rates is explained below:

	2004		2003	
	SEK M	procent	SEK M	procent
Tax charge	3,322	21.3	1,728	27.3
Tax charge, 28% of profit before tax	- 4,358	- 28.0	- 1,771	- 28.0
DIFFERENCE	- 1,036	- 6.7	- 43	- 0.7
The difference consists of the following items:				
Tax from previous years	- 59	- 0.4	18	0.3
Other tax-exempt income	- 700	- 4.5	- 75	- 1.2
Non-deductible expenses	- 277	- 1.8	14	0.2
TOTAL	- 1,036	- 6.7	- 43	- 0.7

18. Treasury bills and other bills eligible for refinancing with central banks

Group SEK M	Fair value		Book value		Accrued acquisition		Nominal amount	
	2004	2003	2004	2003	2004	2003	2004	2003
Treasury bills and other bills eligible for refinancing with central banks								
Fixed assets								
Foreign governments	676	862	636	859	636	865	636	860
TOTAL	676	862	636	859	636	865	636	860
Current assets								
Swedish Government	11,414	8,173	11,414	8,173	11,243	8,098	10,608	7,391
Swedish municipalities	664	748	664	748	663	745	666	749
Foreign governments	3,144	4,356	3,144	4,356	3,104	4,340	3,507	4,868
TOTAL	15,222	13,277	15,222	13,277	15,010	13,183	14,781	13,008
TOTAL	15,898	14,139	15,858	14,136	15,646	14,048	15,417	13,868
of which in foreign currency			3,779	5,215				

The Bank SEK M	Fair value		Book value		Accrued acquisition		Nominal amount	
	2004	2003	2004	2003	2004	2003	2004	2003
Current assets								
Swedish Government	11,365	8,173	11,365	8,173	11,193	8,098	10,558	7,391
Swedish municipalities	664	748	664	748	663	745	666	749
Foreign governments	2,045	2,800	2,045	2,800	2,013	2,780	2,427	3,327
TOTAL	14,074	11,721	14,074	11,721	13,869	11,623	13,651	11,467
of which in foreign currency			2,045	2,800				

Summary of maturities, SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Remaining maturity				
≤ 1 year	5,130	6,289	3,896	4,952
> 1 year – 5 years	6,329	3,442	5,830	2,396
> 5 years – 10 years	2,094	577	2,043	548
> 10 years	2,305	3,828	2,305	3,825
TOTAL	15,858	14,136	14,074	11,721
Average remaining maturity	4.6 yrs.	4.7 yrs.	5.1 yrs.	5.4 yrs.

Group SEK M	Discounting instrument	Coupon instrument	Total
Discounted value	– 627	– 1	– 628
TOTAL	– 627	1,068	441

The book value in the Group in 2004 exceeds the nominal value by SEK 441 M.

The Bank SEK M	Discounting instrument	Coupon instrument	Total
Discounted value	– 617	0	– 617
TOTAL	– 617	1,040	423

The book value in the Bank in 2004 exceeds the nominal value by SEK 423 M.

19. Loans to credit institutions

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Fixed assets				
Swedish banks	28,418	25,344	22,485	19,776
Other Swedish credit institutions	558	1,584	87,366	60,350
Foreign banks	76,051	48,342	68,815	42,975
Other foreign credit institutions	3,043	1,392	2,985	1,341
TOTAL ACCRUED ACQUISITION VALUE	108,070	76,662	181,651	124,442
Provision for anticipated loan losses, foreign credit institutions	- 31	- 19	- 29	- 19
TOTAL	108,039	76,643	181,622	124,423
of which in foreign currency	37,381	36,251	39,277	29,134
of which Group companies			77,867	60,065
of which associated companies	670	1,006	670	1,006
Subordinated claims, SEK M				
	GROUP		THE BANK	
	2004	2003	2004	2003
Group companies				1,311
Associated companies	65	199	65	199
Other	78	278	78	278
TOTAL	143	477	143	1,788
Summary of maturities, SEK M				
	GROUP		THE BANK	
	2004	2003	2004	2003
Remaining maturity				
Payable on demand	43,369	28,215	57,080	41,771
≤ 3 months	53,583	39,045	64,354	33,415
> 3 months – 1 year	10,320	8,709	35,081	22,015
> 1 year – 5 years	657	584	24,989	27,124
> 5 years	110	90	118	98
TOTAL	108,039	76,643	181,622	124,423
Average remaining maturity	0.2 yrs.	0.2 yrs.	0.6 yrs.	0.8 yrs.

20. Loans to the public

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Fixed assets				
Swedish public	634,427	609,172	181,985	176,476
Foreign public	89,299	136,393	35,091	29,284
Insurance companies	6,806	9,221	6,806	9,221
TOTAL ACCRUED ACQUISITION VALUE	730,532	754,786	223,882	214,981
Provisions for anticipated loan losses, Swedish public	- 3,116	- 3,302	- 2,811	- 2,885
Provisions for anticipated loan losses, foreign public	- 715	- 1,732	- 2	- 41
TOTAL	726,701	749,752	221,069	212,055
of which in foreign currency	69,671	124,643	16,052	18,157
of which Group companies			1,177	851
Subordinated claims, SEK M				
	GROUP		THE BANK	
	2004	2003	2004	2003
Other companies	624	496	624	496
TOTAL	624	496	624	496
Summary of maturities, SEK M				
	GROUP		THE BANK	
	2004	2003	2004	2003
Remaining maturity				
Payable on demand	8,860	11,595	7,869	11,211
≤ 3 months	225,245	198,155	64,490	58,982
> 3 months – 1 year	142,718	129,988	49,874	53,719
> 1 year – 5 years	262,006	281,746	39,751	40,292
> 5 years	87,872	128,268	59,085	47,851
TOTAL	726,701	749,752	221,069	212,055
Average remaining maturity	2.8 yrs.	3.5 yrs.	4.1 yrs.	3.6 yrs.

21. Financial leasing

Group, SEK M

Financial leases distributed by maturity:

	Within 1 year		Later than 1 year but within 5 years		Later than 5 years		Total	
	2004	2003	2004	2003	2004	2003	2004	2003
	Gross investment	8,172	7,376	15,147	13,803	2,635	1,969	25,954
Unearned financial income	1,056	1,084	1,906	1,889	481	465	3,443	3,438
Net investments	7,116	6,292	13,241	11,914	2,154	1,504	22,511	19,710
Reserve for doubtful claims related to minimum lease fees							- 243	- 308

The residual value of the leases in all cases is guaranteed by the lessees.

22. Loan receivables by type of collateral

Group SEK M	Book value	Book value
	2004	2003
Residential properties, incl. condominiums	428,158	400,020
Other real estate	88,435	113,377
Municipalities, etc.	48,266	52,238
Chattel mortgages	13,838	16,387
Guarantees	11,504	12,230
Other collateral	45,515	40,807
Unsecured	58,590	86,005
LENDING	694,306	721,064
Credit institutions, incl. Nat'l Debt Office	59,843	54,684
Repos - credit institutions, incl. Nat'l Debt Office	48,773	22,697
Repos - public	31,818	27,950
TOTAL LENDING TO CREDIT INSTITUTIONS AND PUBLIC	834,740	826,395

23. Loan receivables by type of loan

Group SEK M	Book value	Book value
	2004	2003
Bank loans	227,408	281,720
Mortgage loans	428,628	398,752
Installment loans, leasing, factoring	38,270	40,592
LENDING	694,306	721,064
Credit institutions, incl. Nat'l Debt Office	59,843	54,684
Repos - credit institutions, incl. Nat'l Debt Office	48,773	22,697
Repos - public	31,818	27,950
TOTAL LENDING TO CREDIT INSTITUTIONS AND PUBLIC	834,740	826,395

24. Loan receivables by sector/industry

Group SEK M Sector/industry, 2004	Accrued acquisition value before accounting for provisions	Specific provisions for claims assessed individually	Collective provisions for claims assessed individually	Provisions for collectively valued homoge- nous groups of claims	Book value of claims after accounting for provisions	Book value of doubtful claims (unsettled)	Book value of unsettled claims for which accrued interest has been entered as income
Households	368,109	41	203	184	367,681	340	181
Real estate management	142,397	104	221		142,072	198	37
Retail, hotels, restaurants	24,681	98	377		24,206	254	5
Construction	9,395	40	74		9,281	56	0
Manufacturing	21,645	183	541		20,921	224	4
Transportation	11,178	21	86		11,071	52	1
Forestry and agriculture	37,299	27	73		37,199	66	5
Other service businesses	17,095	26	428		16,641	188	36
Other business lending	52,541	287	817		51,437	159	2
Municipalities	13,797				13,797		
LENDING	698,137	827	2,820	184	694,306	1,537	271
Credit institutions, incl. Nat'l Debt Office	59,874	31			59,843	0	
Repos – credit institutions, incl. Nat'l Debt Office	48,773				48,773		
Repos – public	31,818				31,818		
TOTAL LENDING TO CREDIT INSTITUTIONS AND PUBLIC	838,602	858	2,820	184	834,740	1,537	271

Group SEK M Sector/industry, 2003	Accrued acquisition value before accounting for provisions	Specific provisions for claims assessed individually	Collective provisions for claims assessed individually	Provisions for collectively valued homoge- nous groups of claims	Book value of claims after accounting for provisions	Book value of doubtful claims (unsettled)	Book value of unsettled claims for which accrued interest has been entered as income
Households	337,882	44	149	211	337,478	315	195
Real estate management	153,657	247	435		152,975	410	33
Retail, hotels, restaurants	28,253	189	489		27,575	163	10
Construction	11,060	20	90		10,950	69	1
Manufacturing	51,058	374	1,154		49,530	486	100
Transportation	15,714	20	209		15,485	140	4
Forestry and agriculture	34,864	31	71		34,762	84	5
Other service businesses	18,509	61	356		18,092	190	39
Other business lending	60,872	336	548		59,988	447	9
Municipalities	14,229				14,229		
LENDING	726,098	1,322	3,501	211	721,064	2,304	396
Credit institutions, incl. Nat'l Debt Office	54,703	19			54,684	0	
Repos – credit institutions, incl. Nat'l Debt Office	22,697				22,697		
Repos – public	27,950				27,950		
TOTAL LENDING TO CREDIT INSTITUTIONS AND PUBLIC	831,448	1,341	3,501	211	826,395	2,304	396

25. Loan receivables by geographic area

Group SEK M Geographic area, 2004	Accrued acquisition value before accounting for provisions	Specific provisions for claims assessed individually	Collective provisions for claims assessed individually	Provisions for collectively valued homoge- nous groups of claims	Book value of claims after accounting for provisions	Book value of doubtful claims (unsettled)	Book value of unsettled claims for which accrued interest has been entered as income
Sweden	637,009	781	2,192	144	633,892	1,011	271
OECD	6,013	1	45	0	5,967	200	0
Baltic region	51,577	45	583	40	50,909	326	0
Other countries	3,538	0	0	0	3,538	0	0
LENDING	698,137	827	2,820	184	694,306	1,537	271
Credit institutions, incl. Nat'l Debt Office	59,874	31	0	0	59,843	0	0
Repos – credit institutions, incl. Nat'l Debt Office	48,773	0	0	0	48,773	0	0
Repos – public	31,818	0	0	0	31,818	0	0
TOTAL LENDING TO CREDIT INSTITUTIONS AND PUBLIC	838,602	858	2,820	184	834,740	1,537	271

Group SEK M	Accrued acquisition value before accounting for provisions	Specific provisions for claims assessed individually	Collective provisions for claims assessed individually	Provisions for collectively valued homo- genous groups of claims	Book value of claims after accounting for provisions	Book value of doubtful claims (unsettled)	Book value of unsettled claims for which accrued interest has been entered as income
Geographic area, 2003							
Sverige	607,243	1,100	2,040	165	603,938	1,312	324
OECD	75,582	138	999	5	74,440	556	72
Baltic region	38,623	46	462	41	38,074	432	
Other countries	4,650	38			4,612	4	
LENDING	726,098	1,322	3,501	211	721,064	2,304	396
Credit institutions, incl. Nat'l Debt Office	54,703	19			54,684	0	
Repos – credit institutions, incl. Nat'l Debt Office	22,697				22,697		
Repos – public	27,950				27,950		
TOTAL LENDING TO CREDIT INSTITUTIONS AND PUBLIC	831,448	1,341	3,501	211	826,395	2,304	396

26. Specification of credit exposure

Group SEK M	Lending	Derivatives *	Investments	Guarantees	Other	Total	% of total	of which credit institutions
Country, 2004								
Sweden	653,352	11,746	48,371	12,533	280	726,282	81.3	72,136
OECD **	42,406	24,714	28,872	3,090	1,196	100,278	11.2	88,018
of which Denmark	2,556	2,916	2,946	12		8,430	0.9	8,066
of which Norway	5,860	2,241	3,561	926	52	12,640	1.4	10,198
Baltic region	51,297	66	1,657	1,934	3,416	58,370	6.5	472
Russia	1,856		40	21	13	1,930	0.2	114
Latin America	574			299	5	878	0.1	595
Japan	1,848	4			2	1,854	0.2	1,854
Rest of East Asia	548			130	740	1,418	0.2	1,383
of which South Korea	222				22	244		244
of which China				129	420	549	0.1	549
Other	2,268	2	67	59	470	2,866	0.3	1,069
TOTAL	754,149	36,532	79,007	18,066	6,122	893,876	100.0	165,641

* Market value.

** Excluding Sweden, Japan, Hungary, Mexico, Poland, Turkey, Slovakia, South Korea and the Czech Republic.

Group SEK M	Lending	Derivatives *	Investments	Guarantees	Other	Total	% of total	of which credit institutions
Country, 2003								
Sweden	621,964	10,143	50,026	12,828	283	695,244	76.7	70,332
OECD **	108,358	19,761	24,544	3,318	2,055	158,036	17.5	76,073
of which Denmark	71,908	2,043	6,459	1,166		81,576	9.0	14,970
of which Norway	12,237	2,508	1,864	783	1,128	18,520	2.0	12,962
Baltic region	38,352	49	2,489	1,512	2,454	44,856	4.9	331
Russia	1,384		27			1,411	0.2	199
Latin America	1,011			85	3	1,099	0.1	666
of which Argentina	34					34		
of which Brazil	599					599	0.1	527
Japan	283	53			8	344		344
Rest of East Asia	979			81	378	1,438	0.2	1,175
of which South Korea	615				10	625	0.1	473
of which China	1			79	274	354		354
Övriga länder	3,417	1	88	63	400	3,969	0.4	1,116
TOTAL	775,748	30,007	77,174	17,887	5,581	906,397	100.0	150,236

* Market value.

** Excluding Sweden, Japan, Hungary, Mexico, Poland, Turkey, Slovakia, South Korea and the Czech Republic.

27. Bonds and other interest-bearing securities

Group SEK M	Fair value		Book value		Accrued acquisition		Nominal amount	
	2004	2003	2004	2003	2004	2003	2004	2003
Issued by other than public agencies								
Fixed assets								
Swedish mortgage institutions		2		2		2		2
Non-financial companies		76		76		76		76
Other financial companies	56	143	56	142	56	143	56	101
Foreign issuers	212	154	212	153	212	153	212	153
TOTAL	268	375	268	373	268	374	268	332
Current assets								
Swedish mortgage institutions	25,259	31,825	25,259	31,825	25,098	31,791	24,620	31,416
Non-financial companies	4,035	4,538	4,035	4,538	4,017	4,586	3,951	4,496
Other financial companies	8,987	6,789	8,987	6,789	8,965	6,782	8,948	6,794
Foreign issuers	24,600	19,513	24,600	19,513	24,565	19,485	24,481	19,287
TOTAL	62,881	62,665	62,881	62,665	62,645	62,644	62,000	61,993
of which, subordinated			135	360				
TOTAL	63,149	63,040	63,149	63,038	62,913	63,018	62,268	62,325
of which in foreign currency			29,503	23,568				
of which listed			59,237	61,986				
The Bank								
Issued by other than public agencies								
Fixed assets								
Non-financial companies		76		76		76		76
Other financial companies	56		56		56		56	
Foreign issuers	888	726	888	726	888	726	888	726
TOTAL	944	802	944	802	944	802	944	802
Current assets								
Swedish mortgage companies	41,737	46,566	41,737	46,566	41,575	46,533	40,925	46,081
Non-financial companies	4,035	4,302	4,035	4,302	4,017	4,288	3,951	4,260
Other financial companies	8,987	6,790	8,987	6,790	8,965	6,782	8,947	6,794
Foreign issuers	22,685	11,727	22,685	11,727	22,657	11,720	22,583	11,674
TOTAL	77,444	69,385	77,444	69,385	77,214	69,323	76,406	68,809
of which, subordinated			135	360				
TOTAL	78,388	70,187	78,388	70,187	78,158	70,125	77,350	69,611
of which in foreign currency			40,004	27,111				
of which Group companies			18,712	17,138				
of which listed			74,513	69,190				

Summary of maturities, SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
≤ 1 year	40,924	33,287	53,159	42,319
> 1 year – 5 years	19,538	27,024	23,248	26,416
> 5 years – 10 years	2,581	2,461	1,875	903
> 10 years	106	266	106	549
TOTAL	63,149	63,038	78,388	70,187
Average remaining maturity	1.3 yrs.	1.5 yrs.	1.1 yrs.	1.0 yrs.

Group SEK M	Discounting instrument	Coupon instrument	Total
Surplus value	0	942	942
Discounted value	- 53	- 8	- 61
TOTAL	- 53	934	881

The book value in the Group in 2004 exceeds the nominal value by SEK 881 M.

The Bank SEK M	Discounting instrument	Coupon instrument	Total
Surplus value		1,105	1,105
Discounted value	- 56	- 11	- 67
TOTAL	- 56	1,094	1,038

The book value in the Bank in 2004 exceeds the nominal value by SEK 1,038 M.

28. Shares and participating interests

Book value, SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Current assets				
Trading stock	3,645	1,625	3,539	1,383
For protection of claims	12	12	7	7
Fund shares	118	116		
TOTAL	3,775	1,753	3,546	1,390
Fixed assets				
Condominiums	34	32	32	28
Credit institutions	1,192	472	975	472
Other shares	322	336	317	317
TOTAL	1,548	840	1,324	817
SHARES AND PARTICIPATING INTERESTS	5,323	2,593	4,870	2,207
Acquisition value				
Current assets				
Trading stock	3,584	1,667	3,486	1,338
For protection of claims	12	12	7	7
Fund shares	115	115		
TOTAL	3,711	1,794	3,493	1,345
Fixed assets				
Opening balance	840	1 724	817	1,704
Added during the	550	185	550	181
Eliminated during the year	- 66	- 1 124	- 50	- 1,123
Group-wide changes	217			
Reversal of previous write-off during the year	7	55	7	55
TOTAL	1,548	840	1 324	817

2004					
SEK M		Number	Book value	% of voting rights	Market value
Credit institutions					
Baltic Rim Fund Ltd, Jersey		750	13	4.97	
Sparebanken Midt-Norge *		747,875	127	12.46	221
Sparebanken Rogaland *		890,340	177	11.97	350
Sparebanken Nord-Norge *		642,350	108	9.97	194
Sparebanken 1 Gruppen		304,668	395	19.50	
Aktia		7,000,000	155	19.85	
Other **			0		
BANK HOLDINGS			975		
Credit institutions **			217		
GROUP HOLDINGS			1,192		
Other shares					
OMX AB *		3,723,721	312	3.20	317
Other **			5		
BANK HOLDINGS			317		
Other **			5		
GROUP HOLDINGS			322		

* These companies are listed; the others are Note. In the trading stock, SEK 4 M is unlisted, while the rest is listed.

** A specification can be obtained from FöreningsSparbanken AB, Group Accounting.

29. Shares and participating interests in associated companies

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Fixed assets				
Credit institutions	1,499	2,797	1,295	1,970
Other associated companies	76	23	19	7
TOTAL	1,575	2,820	1,314	1,977
Fixed assets				
Opening balance	2,820	3,089	1,977	2,383
Added during the year	194	5	17	5
Change in accumulated profit shares	- 2	54		
Written off during the year		- 311	- 5	- 360
Translation difference in connection with write-off		20		- 40
Eliminated during the year	- 1,436	- 6	- 675	- 11
Translation difference equity foreign companies	- 1	- 31		
TOTAL	1,575	2,820	1,314	1,977

2004 SEK M	Registration number	Reg. office	Number	Book value	Acquisition value	% of votes	Year's share of associated co.'s profit before tax
Credit institutions							
Bergslagens Sparbank AB	516401-0109	Lindesberg	582,391	118	118	48.00	
BoStocken AB	556638-3484	Stockholm	5	0	0	50.00	
Eskilstuna Rekarne Sparbank AB	516401-9928	Eskilstuna	865,000	125	125	50.00	
First Securities ASA *	980645487	Oslo	357,000	134	200	33.33	
Färs & Frosta Sparbank AB	516401-0091	Lund	1,478,700	257	257	30.00	
FöreningsSparbanken Sjuhärads AB	516401-9852	Borås	950,000	288	288	47.50	
FöreningsSparbanken Söderhamn AB	516401-0042	Söderhamn	256,000	62	62	40.00	
Vimmerby Sparbank AB	516401-0174	Vimmerby	340,000	41	41	40.00	
VPC AB	556112-8074	Stockholm	443,700	270	270	19.78	
BANK HOLDINGS				1,295	1,361		
Accumulated share of profit in associated companies according to equity method							
Aktia Sparbank Ab				0			71
Bergslagens Sparbank AB				0			5
BoStocken AB				6			9
Eskilstuna Rekarne Sparbank AB				49			16
First Securities ASA				- 50			10
Elimination due to write-off in Bank of First Securities				40			
Elimination of translation difference in write-off in Bank of First Securities				26			
Färs & Frosta Sparbank AB				52			20
FöreningsSparbanken Sjuhärads AB				73			53
FöreningsSparbanken Söderhamn AB				1			4
SpareBank 1 Gruppen				0			13
Vimmerby Sparbank AB				5			6
VPC AB				20			6
Associated companies in FI-Holding				0			45
Associated companies in Hansabank				14			2
Translation difference in equity in foreign companies				- 32			
GROUP HOLDINGS				1,499			260

2004 SEK M	Registration number	Reg. office	Number	Book value	Acquisition value	% of votes	Year's share of associated co.'s profit before tax
Other associated companies							
Babs Paylink AB	556567-2200	Stockholm	4,900	1	1	49.00	
BGC-Holding AB	556607-0933	Stockholm	29,177	10	10	29.20	
DocHotel i Stockholm AB	556626-3934	Stockholm	5,250	3	5	25.00	
Finansiell ID-Teknik BID AB	556630-4928	Stockholm	12,735	4	9	28.30	
Other				1			
BANK HOLDINGS				19	26		
Accumulated share of profit in associated companies according to equity method							
Babs Paylink AB				24			13
BGC-Holding AB				36			32
DocHotel i Stockholm AB				- 2			0
Elimination due to write-off in Bank of DocHotel				2			
Finansiell ID-Teknik BID AB				- 8			- 4
Elimination due to write-off in Bank in Finansiell ID-Teknik				5			
GROUP HOLDINGS				1,575			301

* FöreningsSparbanken has an option in 2005 to increase its ownership interest in First Securities to 51 percent.
All shares are unlisted.

The share of voting rights in each company corresponds to the share of its equity.

30. Shares and participating interests in Group companies

SEK M	THE BANK	
	2004	2003
Fixed assets		
Swedish credit institutions	14,898	15,394
Foreign credit institutions	3,246	9,053
Other Swedish companies	3,280	3,290
TOTAL	21,424	27,737
Opening balance	27,737	24,839
Added during the year	3,617	2,947
Written off during the year	- 16	- 87
Translation difference in connection with write-off		38
Eliminated during the year	- 9,914	
TOTAL	21,424	27,737

2004 SEK M	Registration		Number	Book value	Acquisition value	% of votes	Market value
	number	Reg. office					
Swedish credit institutions							
AB Spintab	556003-3283	Stockholm	23,000,000	14,328	14,328	100	
FöreningsSparbanken Finans AB	556131-3395	Stockholm	345,000	415	415	100	
FöreningsSparbanken Företagskredit AB	556204-2340	Stockholm	200,000	20	120	100	
FöreningsSparbanken Öland AB	516401-0034	Borgholm	780,000	135	135	60	
TOTAL				14,898	14,998		
Foreign credit institutions							
AS Hansapank	10060701	Tallin	189,504,712	2,936	2,936	59.71	16,228
EnterCard AS	980 844 854 mva	Norge	120,481	216	216	100	
Swedbank (Luxemburg) S.A	302018-5066	Luxemburg	299,999	94	138	100	
TOTAL				3,246	3,290		
Other Swedish companies							
Allround AB	556087-2516	Stockholm	6,700	1	25	67	
FöreningsSparbanken Administration AB	556284-5387	Stockholm	10,000	6	6	100	
FöreningsSparbanken Fastighetsbyrå AB	556090-2115	Stockholm	130,000	5	5	100	
FöreningsSparbanken Juristbyrå AB	556576-8891	Stockholm	5,000	1	6	100	
Kundinkasso AB	556209-5363	Göteborg	50,000	5	5	100	
Mandab AB	556318-3119	Stockholm	500	5	230	100	
Robur AB	556110-3895	Stockholm	10,000,000	3,191	3,191	100	
Sparia Försäkrings AB	516401-8631	Stockholm	30,000	65	105	100	
Other				1	1		
TOTAL				3,280	3,574		

AS Hansapank is listed, while other companies are unlisted.
The share of the voting rights in each company corresponds to the share of its equity.

31. Assets in insurance operations

SEK M	GROUP	
	2004	2003
Investment assets	1,497	847
Investment assets for which life insurance policyholders bear the investment risk	41,576	37,083
Other assets	293	269
TOTAL	43,366	38,199

32. Intangible fixed assets

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Goodwill	3,489	5,851	1,395	1,355
Other	274	127	163	64
TOTAL	3,763	5,978	1,558	1,419
Acquisition value	2004	2003	2004	2003
Opening balance	9,947	9,819	2,087	2,025
Opening exchange rate difference	- 228	- 275		
Added during the year	560	175	265	62
Eliminated during the year	- 3,113		- 2	
Closing exchange rate difference	71	228		
CLOSING BALANCE	7,237	9,947	2,350	2,087
Accumulated amortization	2004	2003	2004	2003
Opening balance	- 3,969	- 3,334	- 668	- 566
Opening exchange rate difference	9	19		
Added during the year	- 31			
Eliminated during the year	1,137		3	
Amortization for the year	- 622	- 645	- 127	- 102
Closing exchange rate difference	2	- 9		
CLOSING BALANCE	- 3,474	- 3,969	- 792	- 668

Specification of Group goodwill

Company	Year of acquisition	Acquisition value	Accumulated amortization	Book value	Amortization period
Robur AB	1995	1,752	1,599	153	10
Föreningsbanken AB	1997	2,000	757	1,243	20
Robur Försäkring AB	1998	887	280	607	20
AS Hansabank	1999	1,371	352	1,019	20
FSB Boländirekt Bank AB	2002	177	35	142	10
Hansabank (group)		393	196	197	5
Other		220	92	128	10-20
TOTAL		6,800	3,311	3,489	

33. Tangible assets

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Current assets				
Properties taken over to protect claims	1	11	0	0
TOTAL	1	11	0	0
Fixed assets				
Equipment	1,133	1,116	757	732
Properties used in Group operations	705	834	13	20
TOTAL	1,838	1,950	770	752
TOTAL	1,839	1,961	770	752

Equipment, acquisition value	GROUP		THE BANK	
	2004	2003	2004	2003
Opening balance	4,246	4,306	3,011	2,967
Added during the year	638	552	385	340
Eliminated during the year	- 629	- 603	- 219	- 296
Group changes	- 24			
Exchange rate differences	- 7	- 9		
CLOSING BALANCE	4,224	4,246	3,177	3,011

Equipment, accumulated depreciation	GROUP		THE BANK	
	2004	2003	2004	2003
Opening balance	- 3,130	- 2,990	- 2,279	- 2,131
Change in accumulated depreciation due to sales and disposals	490	449	190	259
Depreciation for the year	- 479	- 595	- 331	- 407
Group changes	23			
Exchange rate differences	5	6		
CLOSING BALANCE	- 3,091	- 3,130	- 2,420	- 2,279

Properties used in operations, acquisition value, etc.	GROUP		THE BANK	
	2004	2003	2004	2003
Opening balance	1,025	1,205	28	28
Added during the year	88	191		
Eliminated during the year	- 198	- 361	- 7	
Group changes	- 19			
Exchange rate differences	- 20	- 10		
CLOSING BALANCE	876	1,025	21	28
Tax assessment value	38	75	28	28

Properties used in operations, accumulated depreciation	GROUP		THE BANK	
	2004	2003	2004	2003
Opening balance	- 191	- 392	- 8	- 7
Change in accumulated depreciation due to sales and disposals	48	236		
Depreciation for the year	- 35	- 38	0	- 1
Group changes	5			
Exchange rate differences	2	3		
CLOSING BALANCE	- 171	- 191	- 8	- 8

34. Other assets

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Security settlement claims *	1	2,524	1	2,524
Derivatives	33,102	26,787	34,973	29,137
Other assets **	3,406	2,805	1,213	283
Deferred tax assets		233	127	153
Group contributions, shareholders' contributions			5,380	5,217
TOTAL	36,509	32,349	41,694	37,314
of which in foreign currency	14,550	10,998	15,515	11,853
Gross security settlement claims	4,469	8,151	4,469	8,151

* Booked on balance sheet according to current netting rules.

** Repossessed leasing assets amounted to SEK 62 M (138) in the Group.

** Reserve for anticipated loan losses is included in the amount of SEK 2 M (6) in the Group.

Property taken over to protect claims amounted to SEK 2 M (2) in the Group.

35. Derivatives

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, excluding options in First Securities. For more information, see Note 29. Generally, derivatives are reported at fair value. Exceptions are made for derivatives that are accounted for as hedges. Deviations between book and fair value reported below correspond to opposing deviations for other positions in lending and funding.

Group, 2004

Derivatives with positive fair values or nil value

Derivatives reported wholly or in part on the balance sheet

SEK M	Interest-rate-related			Currency-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	143	146	20,726	206	206	2,255
Forward contracts	1,957	1,957	1,071,478	9,413	9,413	215,941
Swaps	21,445	19,371	473,020	1,739	941	49,033
Other	14	14	21,205			
TOTAL	23,559	21,488	1,586,429	11,358	10,560	267,229
of which, cleared	555	555	321,319			

Derivatives Note reported on the balance sheet

SEK M	Interest-rate-related			Currency-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Forward contracts	44		1,518	17		3,832
TOTAL	44		1,518	17		3,832
TOTAL	23,603	21,488	1,587,947	11,375	10,560	271,061
of which, cleared	555	555	321,319			

Derivatives with positive fair values or nil value

Derivatives reported wholly or in part on the balance sheet

SEK M	Equity-related			Other		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	1,534	1,534	5,535	2	2	2
Forward contracts	8	8	694			
Swaps				0	- 1	10,114
Other	0	0	2	10	10	839
TOTAL	1,542	1,542	6,231	12	11	10,955
of which, cleared	562	562				

The unrealized gain on derivatives with positive values deferred due to hedge accounting amounts to SEK 2,931 M.

Group, 2004

Derivatives with negative fair values

Derivatives reported wholly or in part on the balance sheet

SEK M	Interest-rate-related			Currency-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	180	181	44,623	175	175	2,415
Forward contracts	1,968	1,969	1,059,963	11,743	11,743	264,741
Swaps	25,025	21,003	522,277	6,012	1,424	147,893
Other	11	11	20,143			
TOTAL	27,184	23,164	1,647,006	17,930	13,342	415,049
of which, cleared	555	555	364,660			

Derivatives Note reported on the balance sheet

SEK M	Interest-rate-related			Currency-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Forward contracts				914		35,603
TOTAL				914		35,603
TOTAL	27,184	23,164	1,647,006	18,844	13,342	450,652
of which, cleared	555	555	364,660			

Derivatives with negative fair values

Derivatives reported wholly or in part on the balance sheet

SEK M	Equity-related			Other		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	1,537	1,537	7,150	2	2	2
Forward contracts	32	32	2,630			
Other	0	0	1	8	8	116
TOTAL	1,569	1,569	9,781	10	10	118
of which, cleared	562	562				

The unrealized loss on derivatives with negative values deferred due to hedge accounting amounts to SEK 9,522 M.

The Bank, 2004

Derivatives with positive fair values or nil value

Derivatives reported wholly or in part on the balance sheet

SEK M	Interest-rate-related			Currency-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	143	143	20,124	206	206	2,162
Forward contracts	1,955	1,955	1,071,476	10,387	10,387	239,014
Swaps	20,824	19,490	469,484	2,410	2,337	36,069
Other	14	14	21,104			
TOTAL	22,936	21,602	1,582,188	13,003	12,930	277,245
of which, cleared	555	555	321,319			

Derivatives with positive fair values or nil value

Derivatives reported wholly or in part on the balance sheet

SEK M	Equity-related			Other		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	1,499	1,499	5,204			
Forward contracts	7	7	694			
Other				0	0	0
TOTAL	1,506	1,506	5,898	0	0	0
of which, cleared	562	562				

The unrealized gain on derivatives with positive values deferred due to hedge accounting amounts to SEK 1,407 M.

The Bank, 2004

Derivatives with negative fair values

Derivatives reported wholly or in part on the balance sheet

SEK M	Interest-rate-related			Currency-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	179	179	44,014	175	175	2,321
Forward contracts	1,964	1,964	1,052,919	11,730	11,730	267,458
Swaps	20,003	19,581	464,444	1,672	1,527	43,737
Other	11	11	20,121			
TOTAL	22,157	21,735	1,581,498	13,577	13,432	313,516
of which, cleared	555	555	364,660			

Derivatives with negative fair values

Derivatives reported wholly or in part on the balance sheet

SEK M	Equity-related			Other		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	1,495	1,495	6,856			
Forward contracts	32	32	2,630			
Other				0	0	0
TOTAL	1,527	1,527	9,486	0	0	0
of which, cleared	562	562				

The unrealized gain on derivatives with negative values deferred due to hedge accounting amounts to SEK 567 M.

36. Prepayments and accrued income

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Accrued interest income	4,480	4,598	2,846	2,038
Prepayments and accrued income	1,751	2,250	1,354	1,460
TOTAL	6,231	6,848	4,200	3,498
of which in foreign currency	1,369	1,876	549	518

37. Amounts owed to credit institutions

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Swedish banks	32,408	38,512	52,326	60,029
Other Swedish credit institutions	2,179	2,374	19,511	8,389
TOTAL	34,587	40,886	71,837	68,418
Foreign banks	67,324	62,802	65,275	45,585
Other foreign credit institutions	13	1,753	13	1,753
TOTAL	67,337	54,555	65,288	47,338
TOTAL	101,924	95,441	137,125	115,756
of which in foreign currency	49,878	40,739	45,196	32,108
of which Group companies			39,964	31,449
of which associated companies	1,612	3,125	1,612	3,125

Summary of maturities, SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Remaining maturity				
Payable on demand	24,724	38,710	64,739	46,650
≤ 3 months	36,870	15,667	42,029	36,137
> 3 months – 1 year	37,013	18,485	30,357	18,352
> 1 year – 5 years	2,997	18,249		14,617
> 5 years	320	4,330		
TOTAL	101,924	95,441	137,125	115,756
Average remaining maturity	0.43 yrs.	1.30 yrs.	0.20 yrs.	0.54 yrs.

38. Deposits and borrowings from the public

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Deposits in SEK				
Swedish public	210,523	209,561	212,673	201,220
Foreign public	8,885	10,142	7,206	8,896
Other	8,226	12,425	8,213	12,399
TOTAL	227,634	232,128	228,092	222,515
Deposits in foreign currency	57,842	50,538	12,379	12,983
TOTAL	285,476	282,666	240,471	235,498
Borrowings in foreign currency	64	950		
TOTAL	64	950		
TOTAL	285,540	283,616	240,471	235,498
of which Group companies			2,328	3,222

Deposits Summary of maturities, SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Remaining maturity				
Payable on demand	246,661	243,277	214,543	211,186
≤ 3 months	27,573	29,700	20,760	21,534
> 3 months – 1 year	8,368	7,254	2,808	1,306
> 1 year – 5 years	2,857	2,409	2,360	1,472
> 5 years	17	26		
TOTAL	285,476	282,666	240,471	235,498
Average remaining maturity	0.07 yrs.	0.06 yrs.	0.05 yrs.	0.04 yrs.

Borrowings Summary of maturities, SEK M	GROUP	
	2004	2003
Remaining maturity		
≤ 3 months	4	138
> 3 months – 1 year	15	718
> 1 year – 5 years	40	65
> 5 years	5	29
TOTAL	64	950
Average remaining maturity	3.02 yrs.	1.12 yrs.

39. Debt securities in issue

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Promissory notes in issue				
Commercial paper	143,102	116,205	60,167	35,622
Bond loans	290,074	321,779	11,340	6,849
Other	654	4,119		
TOTAL	433,830	442,103	71,507	42,471
of which in foreign currency	248,149	254,636	58,756	35,073

Summary of maturities, SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
≤ 1 year	277,263	240,747	54,926	33,577
> 1 year – 5 years	145,685	179,746	8,001	8,882
> 5 år – 10 years	10,177	15,581	7,875	12
> 10 years	705	6,029	705	
TOTAL	433,830	442,103	71,507	42,471
Average remaining maturity	1.4 yrs.	1.7 yrs.	0.6 yrs.	0.8 yrs.

40. Liabilities in insurance operations

SEK M	GROUP	
	2004	2003
Actuarial provisions	1,437	787
Actuarial provisions for which insurance policyholders bear the risk	41,580	37,081
Other liabilities	263	214
TOTAL	43,280	38,082

41. Other liabilities

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Tax liabilities	3,382	339	3,089	162
Security payment liabilities *	1,543	43	1,543	43
Liability, stock loans	196	561	196	561
Securities sold short	19,350	11,762	19,350	11,762
Derivatives	37,586	3,344	35,629	29,986
Group liabilities			321	266
Other	6,435	5,401	4,024	2,960
TOTAL	68,492	54,450	64,152	45,740
of which in foreign currency	18,740	25,839	17,216	19,508
* Booked on the balance sheet according to current netting rules.				
Gross security payment liabilities	6,006	5,670	6,006	5,670

42. Accruals and deferred income

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Accrued interest expenses	6,885	6,664	1,228	673
Accruals and deferred income	4,036	3,594	1,611	1,381
TOTAL	10,921	10,258	2,839	2,054
of which in foreign currency	2,471	2,701	603	425

43. Provisions

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Provisions for pensions	1,737	10	2	8
Provisions for taxes				
Deferred tax	888	4,375		888
Deferred payroll tax for pension provisions	421			
Other taxes	80	1		
Other provisions				
Provisions for guarantees	66	55	49	18
Other	81		80	
TOTAL	3,273	4,441	131	914

Specification of Provisions for pensions

General

From 2004 defined benefit pension plans are reported in the consolidated accounts according to RR 29 Employee Benefits.

The recommendation requires the Group to calculate provisions and costs for defined benefit pension obligations based on the obligations' significance and assumptions for future development.

The fair value of secured obligations is deducted from provisions.

If the actual outcome deviates from stated assumptions or if assumptions change, actuarial gains or losses arise.

Actuarial gains and losses are not recognized until they exceed 10% of the greater of the value of either pension obligations or plan assets.

The Group also reports a provision for payroll tax on the difference between the Group's pension cost and the pension cost that serves as the basis for the year's payroll tax calculation.

Depending on the difficulty in determining when the difference is subject to an actual payroll tax payment, the provision is valued at nominal value.

Nearly all employees in the Swedish part of the Group are covered by the BTP defined benefit pension plan, according to which they are guaranteed a certain pension corresponding to a specific percentage of their salary and comprising primarily retirement pension, disability pension and survivor's pension.

The pension plan also contains a complementary retirement pension that is defined contribution rather than defined benefit.

Individual defined benefit pension plans are in place for senior executives.

The Group's pension obligations are secured mainly through the purchase of occupational pension insurance from insurance companies, though also through pension funds.

	GROUP
Amount reported in balance sheet for defined benefit pension obligations	2004
Funded pension obligations	10,947
Fair value of plan assets	- 8,946
TOTAL	2,001
Unrecognized actuarial net loss	- 264
PROVISIONS FOR PENSIONS	1,737

	GROUP
Pension cost reported in profit and loss account	2004
Service cost during current period	389
Early retirement costs	88
Interest on pension provisions	480
Anticipated return on plan assets	- 419
Total pension cost for defined benefit plans	538
Premiums paid for defined contribution pension plans	140
Payroll tax and tax on return on pension assets	71
TOTAL PENSION COST	749

	GROUP
Changes in funded defined benefit pension obligations	2004
Opening obligations	10,046
Service cost during current period	389
Early retirement costs	88
Interest on pension provisions	480
Actuarial gains and losses, net	360
Pension payments	- 416
Closing obligations	10,947

	GROUP
Changes in assets under management	2004
Opening fair value	8,335
Anticipated return on plan assets	419
Actuarial gains and losses, net	96
Pension premiums and provisions to funds	512
Pension payments	- 416
Closing fair value	8,946

The actual return on plan assets amounted to SEK 515 M.

The Group expects to contribute approximately SEK 550 M in 2005 to secure defined benefit pension obligations.

Closing plan assets include shares in FöreningsSparbanken AB of SEK 870 M and interest-bearing securities and bank balances of SEK 895 M.

	GROUP
Actuarial assumptions, percent	2004
Discount rate, January 1	4.88
Discount rate, December 31	4.50
Anticipated return on plan assets	5.00
Future annual salary increases	3.25
Future annual pension indexation/inflation	2.00
Future annual changes in income base amount	2.50
Employees who choose early retirement option	20.00

The calculation of the cost of pension obligations requires future assumptions for factors that affect the size of future pension payments.

The discount rate is the interest rate used to discount the value of future payments.

The interest rate is based on a market rate of interest with remaining maturities and currencies matched to those of the pension obligations.

The Group bases its interest rate assumption on the inflation-indexed bond 3104,

which is traded actively and has a maturity close to that of the pension obligations.

The assets allocated to secure pension obligations are invested in various financial instruments.

The anticipated return on plan assets reflects their anticipated average annual return through maturity. The return is a function of the combination of financial instruments after deducting costs and the tax on returns.

In 2004, 23% of the assets were invested in equities, 72% in fixed income securities and 5% in other.

The calculation of the anticipated return, which is reported in the profit and loss account, also takes into account changes in the assets due to receipts and pension disbursements during the year.

Future annual salary increases reflect anticipated future salary increases as an aggregate effect of contractual wage increases and wage drift.

The final BTP benefits are based on various income base amounts. The future change in the income base amount therefore has to be taken into account.

Annual pension indexation also has to be taken into account, since it historically has always been needed.

BTP gives employees the option to choose a slightly earlier retirement age than normal in exchange for a slightly lower level of compensation. Since this option is totally voluntary, an assumption is made for the actual outcome.

Early retirements agreed to jointly by the employer and employee are expensed as they arise rather than estimated among actuarial assumptions.

Specification of deferred tax	GROUP		THE BANK	
	2004	2003	2004	2003
Untaxed reserves	1,617	3,470		
Reserve for unrealized gains		888		888
Provisions for pensions	- 604			
Other	- 125	17		
TOTAL DEFERRED TAX	888	4,375		888

Deferred tax assets are reported net against deferred tax liabilities since there is a legal right of offset and since the intent is to obtain payment for the receivables and pay the liabilities at the same point in time.

44. Subordinated liabilities

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Subordinated loans	15,751	17,671	13,413	13,781
Undated subordinated loans	10,676	9,138	8,379	6,399
Other	3	17		
TOTAL	26,430	26,826	21,792	20,180
of which in foreign currency	23,564	24,110	19,898	18,506

Specification of subordinated liabilities

The Bank

Fixed-term subordinated loans

Maturity	Right to prepayment for FöreningsSparbanken	Currency	Nominal amount	Book value in SEK M	Coupon interest rate %
1989/2019		SEK	111	111	11.00
1992/2006		SEK	904	820	zero-coupon bond
1993/2008		SEK	216	155	zero-coupon bond
1994/2010		SEK	1,259	753	zero-coupon bond
1998/2008		EUR	152	1,367	5.50
1998/2008		EUR	11	95	5.50
1999/2009		EUR	200	1,802	variable
2000/2010	2005	USD	200	1,323	variable
2001/2011	2006	USD	300	1,982	variable
2002/2012	2007	EUR	400	3,600	4.60
2002/2012	2007	SEK	20	20	variable
2002/2012	2007	SEK	10	10	variable
2002/2012	2007	SEK	25	25	variable
2003/2013	2008	EUR	150	1,350	variable
TOTAL				13,413	

Undated subordinated loans

Maturity	Right to prepayment for FöreningsSparbanken	Currency	Nominal amount	Book value in SEK M	Coupon interest rate %
1996/undated	2011	JPY	10,000	641	4.35
1996/undated	2006	USD	150	988	7.50
1997/undated	2012	USD	50	331	8.01
1997/undated	2007	USD	50	331	7.74
1997/undated	2012	USD	200	1,308	7.50
1998/undated	2028	JPY	5,000	320	5.00
2000/undated *	2010	USD	300	1,965	9.00
2004/undated *	2016	GBP	200	2,495	5.75
TOTAL				8,379	

* Due to the terms of the loans, the Swedish Financial Supervisory Authority has approved them as primary capital contributions. With regard to the subordinated loan from 2004, FöreningsSparbanken can request early repayment on March 17, 2010 and March 17, 2016 and thereafter on every interest payment date provided that the Financial Supervisory Authority gives its approval. Early repayment is also possible if the loan, according to the Financial Supervisory Authority, can no longer be treated as a primary capital contribution due to a change in tax laws, missed payment on an overdue amount or insolvency. In the event of a bankruptcy or liquidation, the loan qualifies for repayment on par with other primary capital loans but subordinate to other receivables, including fixed-term and undated subordinated loans. All or part of the loan can be converted to a shareholder's contribution to cover any losses that arise and prevent liquidation.

45. Untaxed reserves

The Bank, 2004 SEK M	GROUP			Closing balance
	Opening balance	Allocation	Reversal	
Accumulated accelerated depreciation				
Equipment	210		- 88	122
Tax allocation reserve *	7,730	3,000	- 7,730	3,000
TOTAL	7,940	3,000	- 7,818	3,122

*** Specification of allocations**

Allocated 2004	
TOTAL	3,000

46. Equity

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Restricted equity				
SUBSCRIBED CAPITAL	10,556 *	10,556	10,556 *	10,556
Share premium reserve	3,650	3,650	3,650	3,650
Legal reserve	5,479	5,480	2,638	2,638
Reserve for unrealized gains	2,094	2,288	2,090	2,283
Accumulated translation difference	- 2	- 2		
Other reserves	4,896 **	8,165		
TOTAL RESERVES	16,117	19,581	8,378	8,571
Non-restricted equity				
Accumulated translation difference	26	97		
Profit brought forward	10,551 **	5,342	3,876	2,092
Own shares	- 2,218		- 2,218	
Profit for the financial year	8,592	6,343	12,241	4,597
TOTAL NON-RESTRICTED EQUITY	16,951	11,782	13,899	6,689
TOTAL EQUITY	43,624	41,919	32,833	25,816

* 527,808,843 shares at a par value of SEK 20.

** The opening balance on January 1, 2004 has been adjusted by SEK -1,563 M due to the change in accounting principles for RR 29 Employee Benefits. The adjustment is divided among restricted equity (SEK -24 M) and non-restricted equity (SEK -1,539 M).

The accumulated translation difference includes an exchange rate difference on the financing of subsidiaries and associated companies of SEK 54 M (-148).

Specification of reserve for unrealized gains

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Balance sheet items				
Government debt instruments	281	10	281	10
Bonds	1,703	2,231	1,700	2,228
Shares and participating interests	110	47	109	45
TOTAL	2,094	2,288	2,090	2,283

Accumulated translation differences

SEK M	GROUP	
	2004	2003
Opening balance	95	218
Subsidiaries and associated companies	- 273	- 183
Exchange rate difference from financing of subsidiaries and associated companies	202	60
CLOSING BALANCE	24	95

47. Assets pledged for own liabilities

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Assets pledged for own liabilities, book amount				
Government securities and bonds pledged for liabilities, credit institutions	22,736	19,225	22,736	19,225
Government securities and bonds pledged for deposits from the public	8,635	10,900	8,635	10,900
Government securities and bonds pledged with the Riksbank	24,947	25,709	24,947	25,709
Loans pledged for certain outstanding bonds	41,845	37,440		
Stock loans	2,758	4,456	2,758	4,456
TOTAL	100,921	97,730	59,076	60,290

48. Other assets pledged

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Other assets pledged, book amount				
Stock loans	9,617	6,422	9,617	6,422
Government securities and bonds pledged for other liabilities	6,019	3,536	5,965	3,532
Liquid assets	1,947	2,030	1,947	2,030
TOTAL	17,583	11,988	17,529	11,984

49. Contingent liabilities

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Contingent liabilities, nominal amount				
Loan guarantees	5,035	5,125	13,794	12,634
Other guarantees	12,873	12,590	11,557	10,457
Accepted and endorsed notes	158	171	158	171
Letters of credit granted but Note utilized	1,424	1,448	1,309	1,362
Other contingent liabilities	3,587	2,854	209	393
TOTAL	23,077	22,188	27,027	25,017
Provision for anticipated loan losses	- 66	- 55	- 49	- 18

50. Commitments

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Commitments, nominal amount				
Other interest-, equity- or currency-related contracts *	3,983,752	3,178,930	3,769,831	2,885,662
Loans granted but Note paid	51,450	58,937	38,626	41,088
Overdraft facilities granted but Note utilized	48,390	45,660	48,759	46,576
TOTAL	4,083,592	3,283,527	3,857,216	2,973,326

* The very large amounts for interest-, equity- or currency-related contracts are due to the fact that nominal amounts are used and that positive and negative amounts are added together rather than netted, in accordance with the instructions of the Financial Supervisory Authority.

51. Capital adequacy analysis

I. Calculation of total capital base

SEK M	FINANCIAL COMPANIES GROUP		THE BANK	
	2004	2003	2004	2003
Primary capital (net) *	42,995	42,158	34,168	29,141
of which primary capital contribution	4,526	2,149	4,457	2,149
Supplementary capital	20,034	24,848	15,508	16,921
of which undated subordinated loans	6,165	7,240	3,922	4,250
Settlement, equities, etc.	- 3,109	- 4,282	- 1,535	- 1,186
Total primary and supplementary capital	59,920	62,724	48,141	44,876
Expanded portion of capital base	820	971	614	743
TOTAL	60,740	63,695	48,755	45,619

* Specification of primary capital

SEK M	2004	2003	2004	2003
Equity according to balance sheet	43,624	41,919	32,833	25,816
Proposed dividend	- 3,334	- 3,035	- 3,334	- 3,035
Adjustments for financial companies group **	- 2,821	- 2,404		
72 percent of accrual reserve			2,160	5,566
Primary capital contribution	4,526	2,149	4,457	2,149
Minority/majority interests	4,639	9,417		
Accumulated accelerated depreciation	- 116	- 131		
Goodwill	- 2,984	- 5,757	- 1,395	- 1,355
Other deductions	- 539		- 553	
TOTAL PRIMARY CAPITAL	42,995	42,158	34,168	29,141

** Primarily deductions for insurance companies Note included in the financial companies group.

Primary capital was reduced by SEK 728 M on December 31, 2004 for non-allocated deferred tax on FöreningsSparbanken's share of the retained earnings in Hansabank, which, if distributed, would result in a corresponding tax charge. The tax on FöreningsSparbanken's share of the proposed dividend from Hansabank for 2004 has been charged against profit.

II. Calculation of risk-weighted amount for credit risks

SEK M	FINANCIAL COMPANIES GROUP		THE BANK	
	2004	2003	2004	2003
On-balance-sheet items				
Group B – 20%	22,011	21,370	17,591	15,458
Group C – 50%	194,249	195,017	16,118	15,307
Group D – 100%	269,411	325,642	134,204	134,412
Off-balance-sheet items				
Group B – 20%	1,809	2,360	1,265	689
Group C – 50%	276	244	139	57
Group D – 100%	15,416	17,227	21,873	20,147
TOTAL	503,172	561,860	191,190	186,070

III. Calculation of risk-weighted amount for market risks

SEK M	2004	2003	2004	2003
Risk-weighted amount for interest rate risks	4,511	11,146	3,266	6,732
of which, specific risks	4,480	5,741	3,266	2,642
of which, general risks	31	5,405		4,090
Risk-weighted amount for share price risks	150	444		212
of which, specific risks	25	170		76
of which, general risks	125	274		136
Risk-weighted amount for liquidation risks	2	4	0	3
Risk-weighted amount for counterparty risks and other risks	7,536	7,621	7,206	7,277
Risk-weighted amount for currency risks	6,851	6,445		4,419
Risk-weighted amount according to VaR calculation *	2,328		2,328	
TOTAL	21,378	25,660	12,800	18,643

* From December 31, 2004 the Bank's capital adequacy requirements for general interest rate risk, share price risk and currency risk are calculated according to the VaR model.

IV. Calculation of total capital adequacy ratio

SEK M	2004	2003	2004	2003
Total capital base	60,740	63,695	48,755	45,619
Total risk-weighted amount for credit risks and market risks	524,550	587,520	203,990	204,713
Total capital adequacy ratio, %	11.6	10.8	23.9	22.3
Primary capital ratio, %	8.2	7.2	16.7	14.2

Specification of II.

FINANCIAL COMPANIES GROUP		2004			2003		
SEK M		Total investments	Risk-weighted amount	Total investments	Risk-weighted amount		
On-balance-sheet items							
Group A – 0%		74,527		94,444			
Group B – 20%		110,053	22,011	106,852	21,370		
Group C – 50%		388,498	194,249	390,034	195,017		
Group D – 100%		269,411	269,411	325,642	325,642		
Off-balance-sheet items							
	Nominal amount	Converted amount	Risk-weighted amount	Nominal amount	Converted amount	Risk-weighted amount	
Group A – 0%	109,678	4,276		120,973	4,622		
Group B – 20%	582,232	9,046	1,809	664,704	11,801	2,360	
Group C – 50%	20,146	552	276	14,991	488	244	
Group D – 100%	30,049	15,416	15,416	31,260	17,227	17,227	
TOTAL			503,172			561,860	
THE BANK		2004			2003		
SEK M		Total investments	Risk-weighted amount	Total investments	Risk-weighted amount		
On-balance-sheet items							
Group A – 0%		163,126		143,190			
Group B – 20%		87,955	17,591	77,288	15,458		
Group C – 50%		32,235	16,118	30,613	15,307		
Group D – 100%		134,204	134,204	134,412	134,412		
Off-balance-sheet items							
	Nominal amount	Converted amount	Riskvägt amount	Nominal amount	Converted amount	Riskvägt amount	
Group A – 0%	75,200	3,805		93,417	4,332		
Group B – 20%	378,367	6,327	1,265	113,225	3,444	689	
Group C – 50%	4,496	277	139	360	113	57	
Group D – 100%	31,906	21,873	21,873	30,387	20,147	20,147	
TOTAL			191,190			186,070	

52. Operating areas

	Swedish Retail	Swedbank Markets	Asset Management Insurance	International Banking	Shared Services and Group Staffs	Eliminations	Total
2004, SEK M							
External income	15,827	1,766	2,864	5,846	573	- 402	26,474
Internal income	1,090	298	- 1,411		2,565	- 2,542	
Total income	16,917	2,064	1,453	5,846	3,138	- 2,944	26,474
Depreciation/amortization	- 215	- 10	- 237	- 406	- 269		- 1,137
Expenses	- 9,702	- 1,114	- 809	- 2,199	- 3,488	2,944	- 14,368
Share of profit of associated companies	153	10		132	6		301
Profit after tax	5,066	681	451	2,523	- 129		8,592
Assets	704,222	310,912	46,224	82,147	94,992	- 218,038	1,020,459
Share of capital in associated companies	1,152	119		14	290		1,575
Liabilities	679,897	308,507	44,677	73,741	94,354	- 218,038	983,138
Allocated equity	24,325	2,405	1,547	8,406	638		37,321
Total liabilities and equity	704,222	310,912	46,224	82,147	94,992	- 218,038	1,020,459

	Swedish Retail	Swedbank Markets	Asset Management Insurance	International Banking	Shared Services and Group Staffs	Eliminations	Total
2003, SEK M							
External income	15,157	1,596	2,450	4,516	1,049	- 315	24,453
Internal income	889	306	- 1,194		2,781	- 2,782	
Total income	16,046	1,902	1,256	4,516	3,830	- 3,097	24,453
Depreciation/amortization	- 240	- 15	- 238	- 480	- 305		- 1,278
Expenses	- 9,169	- 1,110	- 799	- 2,195	- 3,665	3,097	- 13,841
Share of profit of associated companies	89	- 7		- 230	32		- 116
Profit after tax	4,420	553	329	718	323		6,343
Assets	653,191	232,205	41,560	143,921	64,719	- 133,262	1,002,334
Share of capital in associated companies	950	134		1,447	289		2,820
Liabilities	631,385	230,112	39,801	135,131	63,468	- 133,262	966,635
Allocated equity	21,806	2,093	1,759	8,790	1,251		35,699
Total liabilities and equity	653,191	232,205	41,560	143,921	64,719	-133,262	1,002,334

53. Divested operations

The sale of FI-Holding to Kaupthing Bank was finalized in September. The capital gain amounted to SEK 1,290 M. FI-Holding is included in the consolidated profit and loss account for the first eight months of the year. FI-Holdings' profit and loss account and balance sheet are shown below. The company was included in International Banking.

Profit and loss account, SEK M	Jan-Aug 2004	Jan-Dec 2003	Balance sheet, SEK M	Aug. 31, 2004	Dec. 31, 2003
Net interest income	760	1,245	Loans to credit institutions	2,124	4,270
Other income	106	26	Loans to the public	66,517	67,945
TOTAL INCOME	866	1,271	Financial current assets	7,299	7,126
Staff costs	102	156	Other assets	5,462	3,965
Other administrative expenses	80	107	TOTAL ASSETS	81,402	83,306
Depreciation/amortization and write-down of tangible and intangible fixed assets	97	142	Amounts owed to credit institutions	7,792	7,018
TOTAL EXPENSES	279	405	Deposits and borrowings from the public	718	841
PROFIT BEFORE LOAN LOSSES	587	866	Debt securities in issue	57,694	57,357
Loan losses	0	- 84	Other liabilities	4,289	5,689
Share of profit of associated companies	45	86	Subordinated liabilities	1,080	2,232
PROFIT BEFORE APPROPRIATIONS AND TAXES	632	868	Subscribed capital	9,829	10,169
Tax	- 204	- 286	TOTAL LIABILITIES, PROVISIONS AND EQUITY	81,402	83,306
PROFIT FOR THE FINANCIAL YEAR	428	582	Contingent liabilities	1,599	2,123
			Commitments	106,172	99,396

54. Disclosure of transactions with related parties

Group companies

As all Group companies are consolidated according to the purchase method, which means that internal transactions are eliminated at the Group level, there is no disclosure other than what is provided below, which relates to insurance companies in the Group.

SEK M	2004	2003
Received from other Group companies		
Financial income	55	64
Premium income for insurance and reinsurance	67	71
Paid to other Group companies		
Financial expenses		
Financial expenses	32	31

In the annual report for 2003, figures for 2003 are reported on a different basis.

Associated companies

Each note to the balance sheet specifies assets and liabilities between the Group and its associated companies. Shares and participating interests in associated companies are specified in Note 29. During the year the Bank paid capital contributions of SEK 7 M to the companies.

The Bank has issued guarantees and pledged assets of SEK 1,063 M on behalf of associated companies. FöreningsSparbanken has received interest income from associated companies of SEK 64 M and paid interest expenses to associated companies of SEK 52 M. Moreover, services have been purchased from associated companies for a value of SEK 369 M, at the same time services with a value of SEK 393 M have been sold to associated companies.

Sales relate primarily to the development of products, systems and certain marketing that the Bank provides to the partly owned banks Eskilstuna Rekarne, Sjuhärads, Söderhamn, Färs & Frosta, Bergslagen and Vimmerby. The partly owned banks sell various products from Spintab, Robur and FöreningsSparbanken Finans and receive commissions from such sales. The total amount during the year for these commissions to partly owned banks was SEK 353 M.

The financial transactions between Hansabank's consolidated group and its associated companies are very limited. Services have been purchased from associated companies for a value of SEK 11 M, while services with a value of SEK 4 M have been sold to associated companies.

Due to reduced ownership interests, SpareBank 1 Gruppen is Note reported as an associated company from June 2004, nor Aktia from December 2004.

Independent savings banks

The cooperation between FöreningsSparbanken and the 79 independent savings banks and seven banks partly owned by FöreningsSparbanken is governed by an agreement. The current agreement, signed in June 2000, extends according to a supplemental accord to year-end 2006, after which it can be extended for two-year periods.

The cooperation gives FöreningsSparbanken's customers access to a nationwide branch network. The savings banks, for their part, are able to offer their customers the entire range of products and services from FöreningsSparbanken and its subsidiaries. The cooperation also creates opportunities to distribute development costs over a larger business volume.

Together, the independent savings banks and partly owned banks account for approximately one fourth of the Group's product sales in the Swedish market. The independent savings banks and partly owned banks market to their customers, on a commission basis, the products from Spintab, Robur and FöreningsSparbanken Finans, among others. In addition to marketing and product issues, close collaboration is maintained in a number of administrative areas. For example, FöreningsSparbanken is the clearing bank for the independent savings banks and partly owned banks and provides them with a complete range of IT services. The independent savings banks and partly owned banks together are one of the largest shareholders in FöreningsSparbanken, with 7.8 percent of the capital and voting rights.

Senior executives

Disclosures can be found in Note 7 Staff costs.

Svenska Sparbanksföreningen

Swedish Savings Banks Association

FöreningsSparbanken holds 17.5 percent of the voting rights in the non-profit Swedish Savings Banks Association. The Association in turn owns 100 percent of the shares in Sparta Holding AB, the parent company of Skandrenting AB and Skepparholmen AB, among others.

On December 31, 2004 FöreningsSparbanken had receivables of SEK 4.4 billion (4.6) from the Swedish Savings Banks Association and its subsidiaries and associated companies for loans granted on commercial terms. At year-end 2004 the Bank sold its shareholding in Skandrenting AB to Sparta Holding AB, generating a capital gain of nearly SEK 5 M

55. Disclosure of fair value

Comparison between the book and fair value of the Group's assets and liabilities:

Assets, 2004 SEK billion	Fair value	Book value	Difference
Assets Note reported at fair value on the balance sheet			
Financial instruments			
Treasury bills and other bills eligible for refinancing with central banks			
Fixed assets	0.7	0.6	0.1
Bonds and interest-bearing securities			
Fixed assets	0.3	0.3	
Other assets			
Swaps - reported as hedges	3.9	1.0	2.9
Shares/participating interests			
Fixed assets	1.1	0.7	0.4
Loans			
Loans to credit institutions	108.0	108.0	
Loans to the public	735.5-740.6	726.7	8.8-13.9
Insurance operations			
Bonds and interest-bearing securities	0.8	0.8	
Real estate			
Tangible assets	0.7	0.7	
Assets reported at fair value on the balance sheet			
Current assets	174.1	174.1	
Other	7.5	7.5	
TOTAL	1,032.6-1,037.7	1,020.4	12.2-17.3

Liabilities, 2004

Liabilities, 2004 SEK billion	Fair value	Book value	Difference
Liabilities Note reported at fair value on the balance sheet			
Financial instruments			
Debt securities in issue	434.8	433.8	1.0
Other liabilities			
Swaps - reported as hedges	9.9	1.3	8.6
Others valued at acquisition value	34.8	34.8	
Subordinated liabilities	28.5	26.4	2.1
Deposits and borrowings			
Amounts owed to credit institutions	101.9	101.9	
Deposits and borrowings from the public	285.5-285.6	285.5	0.0-0.1
Liabilities reported at fair value on the balance sheet	93.1	93.1	
TOTAL	988.5-988.6	976.8	11.7-11.8

The fair value of intangible assets, provisions and equipment is considered equivalent to book value. In the table, the fair value of these items has therefore been equated with book value.

Financial instruments

Financial instruments treated as current assets are taken up on the balance sheet at fair value. The fair value of other financial instruments (assets or liabilities) is calculated in the same way as the value of these current assets. This means that to the extent listed market prices exist for assets and liabilities, fair value is calculated on the basis of the median price when the market closed on December 31, 2004. For OTC instruments, the calculation of fair value is based on prices of comparable listed instruments. The options in First Securities and FI-Holding described in Note 29 have been taken into account.

Deposits and loans

Variable rate deposits and loans are valued at accrued acquisition value. The fair value of deposits and loans with fixed interest rates has been calculated by discounting future contracted cash flows during the fixed interest period. The calculation therefore does not include an estimation of the value represented by future margins that have been stipulated in advance on deposits and loans. When calculating the fair value of the Bank's fixed rate deposits, discounting has been applied using the Bank's estimated financing expense. This corresponds to the interest rates in the deposit market for terms of up to one year and by the interest rates on Spintab's benchmark bonds for longer maturities.

The fair value of the Group's fixed rate loans has been stated in the form of an interval. The lower end of the interval is calculated by discounting the loan portfolio's contracted cash flow with the new loan rates for various terms applied at the end of 2004. The high end is calculated by discounting the loan portfolio's contracted cash flow with the Group's funding rate for various terms. According to the instructions of the Swedish Financial Supervisory Authority, the discount rate selected should reflect both the loan's interest fixing period and the market's valuation of the credit risk in each loan. The discount rate should also reflect a potential buyer's cost to administer the loans and its required return on invested risk capital.

56. Disclosure of financial risks and other risks

Financial risks

Financial risks refer to market risks such as interest rate, currency and share price risks, as well as liquidity risks. See also Note 58. Risks are measured in part with the help of model-based risk measurement and in part with traditional sensitivity measures.

Model-based risk measurement: Value at Risk and stress tests

Since 2002 the Group has a model-based risk measurement. This means that a model for movements in interest rates, stock prices and exchange rates would be used to estimate a probability distribution for the Group's total portfolio, under the hypothetical assumption that the portfolio will remain unchanged over a specific horizon.

In FöreningsSparbanken's model, the probability distribution is estimated daily with a Monte Carlo simulation, where the scenarios are based on historical market price changes over the last year. The horizon is one trading day. Using the probability distribution as a basis, an estimation is made of Value-at-Risk (VaR), which in recent years has become the international standard for risk measurement. VaR indicates a portfolio's potential loss that is so high that the probability that it will be exceeded is small. FöreningsSparbanken uses a 99% VaR, which means there is only a 1% probability that the potential loss will exceed the VaR amount over the selected horizon.

Since the model's scenarios are based on history, the co-variations between market prices that arise on a regular basis – e.g. how various interest rates historically fluctuate in relation to each other – are taken into account when VaR is calculated. The model therefore provides a richer, more thorough estimate of market risk than pure sensitivity measures. Another advantage of VaR is that different types of risks (interest rate, share price and currency) can be compared and summarized with a single measure.

FöreningsSparbanken's VaR model is continuously evaluated through so-called back testing, which is a systematic way to assess whether the probability distribution of the possible portfolio results that the model generated was reasonable. The conclusion of the back testing done to date is that the model offers good reliability.

One weakness with VaR is that the historical covariations in the calculation is based on sometimes break down in stressful situations in the financial market. The calculation of VaR is therefore complemented by frequent stress tests that describe the Group's potential loss if such exceptional market disturbances were to occur that historical market patterns were disrupted. The Bank conducts a number of standardized stress tests on a regular basis as well as ad hoc stress tests on occasion, e.g. prior to the anniversary of September 11).

Internal model for calculating capital adequacy requirements for market risks

Pursuant to current rules, capital adequacy for market risks is based on either a standard model or the Bank's internal VaR model, though the latter requires the approval of the Swedish Financial Supervisory Authority. In 2004 FöreningsSparbanken received approval for the Parent Company for the majority of market risks and has begun capital adequacy reporting accordingly as of year-end 2004.

Interest rate risks

Interest rate risk refers to the risk that the value of a financial instrument may fluctuate due to changes in interest rates. The Group's interest rate risks arise when interest fixing periods on assets and liabilities, including derivatives, do not coincide. The Group's fixed-rate assets consist primarily of loans. The interest rate risk in these assets is largely eliminated either because they are financed with fixed-term funding or because the Group has arranged swap contracts where it pays a fixed interest rate.

An increase in market interest rates (including real interest rates) of one percentage point as of December 31, 2004 would have reduced the value of the Group's interest-bearing assets and liabilities, including derivatives, by SEK 1,531 M (1,770). The decrease in value of positions in SEK would have been SEK 1,595 M (1,445), while positions in foreign currency would have increased in value by SEK 64 M (-325). For a table of the interest rate risk staggered over time, see Note 57.

An interest rate increase of one percentage point would have reduced the Group's net profit on financial operations by SEK 220 M (276) as of December 31, 2004. The decrease in measured interest rate risk is largely due to the sale of the subsidiary FI-Holding in Denmark.

Changes in interest rates also affect net interest income. The scope of the effect depends on the remaining interest fixing period of the Group's fixed-rate assets, liabilities and derivatives and the extent to which the Bank is able to match the interest rates on adjustable-rate deposits and lending. For information on the sensitivity of net interest income, see Note 58. The sensitivity is largely due to the Group's large volume of deposits with an adjustable interest rate so low it is unlikely it can be further reduced even if Swedish repo rates are cut. These deposits increased significantly in 2004 due to reductions in the repo rate. The Parent Company has decided to position itself to reduce the negative effects on net interest income due to Sweden's low repo rates. This resulted in a positive contribution to profit.

Currency risks

Currency risk refers to the risk that the value of assets, liabilities and derivatives may fluctuate due to changes in exchange rates. The Group's currency risks are managed by adapting the total value of assets and liabilities, including derivatives, in a currency to the desired level. This is mainly done using derivatives, such as interest rate swaps and forward exchange agreements.

At year-end 16 percent (21) of the Group's assets and 41 percent (41) of its liabilities were denominated in foreign currency. Approximately 45 percent of the Group's assets and 16 percent of its liabilities in foreign currency are in the subsidiary Hansabank. An additional 51 percent of the Group's liabilities in foreign currency are attributable to loans raised by the subsidiary Spintab in foreign currency. Spintab's funding in foreign currency is swapped in its entirety to SEK. The Parent Company's liabilities in foreign currency were slightly higher than its assets in foreign currency at year-end. The large part of the currency risk in the additional liabilities was eliminated through forward exchange agreements and interest rate swaps.

At year-end Hansabank had an asset position in euro with an equivalent value of SEK 12.8 billion. The position was created in part because Hansabank placed a large share of its liquidity reserves in euro-denominated securities and in part

because a large share of Hansabank's lending in euro is financed by deposits in Estonian kroon. A change in the exchange rate between the Estonian kroon and euro would occur only in an extreme situation. The value of the Estonian currency is based on a currency board with the euro, and the exchange rate against the euro has been fixed according to Estonian law. At year-end Hansabank also held strategic positions in Latvian lats and Lithuanian litas due to investments in foreign subsidiaries in Latvia and Lithuania.

To reduce currency risk, FöreningsSparbanken's strategic holdings in foreign companies and subsidiaries are generally financed in each company's national currency. The exception is the Bank's holding in Hansabank, which is financed in euro.

As a whole, the Group's exposure to currency risk is limited. A change in exchange rates between the Swedish krona and foreign currencies of +/- 5 percent would have affected the value in foreign currency of the Group's assets and liabilities, excluding goodwill, by no more than SEK -20 M (-3) at year-end.

Share price risks

Share price risk refers to the risk that the value of a financial instrument may fluctuate due to changes in share prices and expectations of their future volatility. Exposure to share price risks arises in the Group due to holdings in equities and equity-related derivatives. The Bank's equity trading is primarily customer-related. Positions in the Bank's trading operations are normally such that only limited losses can arise from large share price movements. The purpose of these positions, among other things, is to create liquidity for the Bank's customers. Other than the holdings in the Bank's trading operations, there is a minor holding in Hansabank.

A +/- 10-percent move in equity prices would change the value of the positions in the trading operations by no more than approximately SEK 0 M (0) at year-end.

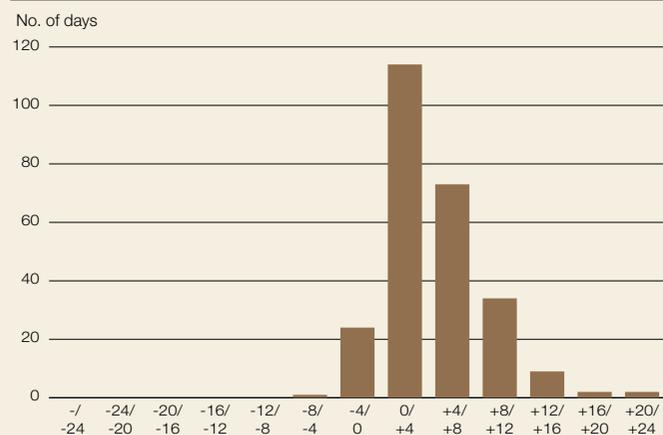
Market risks in the Bank's trading operations

The Bank's trading operations are handled by Swedbank Markets, for the primary purpose of satisfying customer demand for transactions in the financial market. Position-taking is limited in scope and the risk level in these operations is low. The diagram below shows that the daily earnings of the operations in 2004, which remained at a stable level with only minor variations during the year. The consistent earnings level and absence of individual days with major losses is typical of a trading business that operates with low risk. The next diagram shows a 99% VaR for the trading operations. During the year VaR reached a high of SEK 26 M (20) and a low of SEK 11 M (8), with an average of SEK 16 M (13).

Liquidity risks

Liquidity risks arise because the maturity structures of cash flows from assets and liabilities, including derivatives, do not coincide. If its maturity structure is such that the Bank has to borrow large amounts to fulfill its payment commitments on a particular day, there is a risk that in a difficult market situation the Bank may find it difficult to meet its commitments or be forced to borrow money on unfavorable terms. The Group actively manages its liquidity in order to avoid these risks. This is

Daily earnings by the Bank's trading operations in 2004, SEK M



Daily earnings of the Bank's trading operations in SEK M. The height of the bars indicates the number of days with the earnings level shown horizontally at the bottom of the diagram.

accomplished, among other ways, by maintaining a liquidity reserve to prepare for payment commitments on such days and over the longer term. The reserve consists of assets eligible for refinancing with the Riksbank. The subsidiary Hansabank also has liquidity reserves in the form of securities eligible for refinancing with their respective central banks.

Furthermore, the Group's liquidity situation is continuously monitored and funding is planned in such a way as to avoid excessive short-term financing needs.

Good relations with lenders and active marketing of the Group as a borrower in the world's most important capital markets are also strategically important to the Group's liquidity situation. The Group therefore works actively to maintain and further develop the well-diversified funding base it already has, where well-diversified VaR for the Bank's trading operations refers to both the number of markets and number of investors. The Group thus maintains good liquidity preparedness based on a conservative risk profile.

Derivatives

Derivatives are financial instruments whose value is mainly dependent on an underlying asset, and in the Group are used by Swedbank Markets, Group Treasury and certain subsidiaries. In Swedbank Markets, derivatives are used to meet customer needs and in market maker activities to cover and take market risk positions. Equity-related derivatives are used to, among other things, cover risks associated with warrants and share index bonds that have been issued. In other units, derivatives are used primarily to reduce interest rate and currency risks associated with the services the Group offers customers or with the funding of operations. Derivatives impact the Group's financial risks because the value of the instruments is affected by movements in interest rates and the price of currencies and equities. Financial risks associated with derivatives are limited and monitored as part of the overall management of financial risks. The cash flows that arise from the Group's derivative transactions are monitored and followed up in the same way as other cash flows within the Group.

The table in Note 35 divides the Group's total derivative positions as of December 31, 2004 into interest, currency and equity derivatives as well as other. Contracts with positive and negative market values are summed separately. The table also indicates how large a share of the Group's derivatives is settled via clearing organizations. In contracts with positive market values, the Group has a receivable from the counterparty. To the extent a contract is settled via a clearing organization, the Bank has a receivable from it. The clearing organization manages and reduces counterparty risks through the use of margin security and continuous settlements. As a result, the counterparty risk in these contracts is negligible and is not considered a credit risk for the Bank. Nor are these contracts included in the risk-weighted amount when calculating the Bank's capital requirements for counterparty risks. With other contracts, so-called OTC derivatives, a positive market value can be said to entail a credit risk. To reduce the credit risk in OTC derivatives, the Group generally signs agreements with counterparties that contain a clause on netting, i.e. in the event of the counterparty's insolvency, any transactions by the Bank with negative market values can be netted against transactions with positive market values and in that way reduce the credit risk.

VaR for the Bank's trading operations



57. Impact on the value of assets and liabilities in SEK and foreign currency, including derivatives, if market interest rates rise by one percentage point

Group 2004, SEK M	<3 mos.	3-6 mos.	6-12 mos.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	5-10 yrs.	>10 yrs.	Total
SEK	- 169	83	- 325	- 198	- 513	- 463	144	- 145	- 9	- 1,595
Foreign currency	- 17	- 5	52	- 89	- 12	39	9	178	- 91	64
TOTAL	- 186	78	- 273	- 287	- 525	- 424	153	33	- 100	- 1,531

Of which financial current assets valued at market by the Group

SEK	- 62	- 69	- 5	65	- 136	- 30	- 31	- 103	14	- 357
Foreign currency	- 28	14	44	- 72	1	48	13	194	- 77	137
TOTAL	- 90	- 55	39	- 7	- 135	18	- 18	91	- 63	- 220

Group 2003, SEK M	<3 mos.	3-6 mos.	6-12 mos.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	5-10 yrs.	>10 yrs.	Total
SEK	- 90	123	- 300	- 365	- 520	- 93	- 287	23	64	- 1,445
Foreign currency	10	- 21	- 78	7	- 71	- 29	24	34	- 201	- 325
TOTAL	- 80	102	- 378	- 358	- 591	- 122	- 263	57	- 137	- 1,770

Of which financial current assets valued at market by the Group

SEK	- 32	- 9	- 37	- 13	- 139	91	- 43	- 136	60	- 258
Foreign currency	- 7	17	- 35	- 34	- 33	14	27	73	- 40	- 18
TOTAL	- 39	8	- 72	- 47	- 172	105	- 16	- 63	20	- 276

58. Sensitivity analysis

Group, SEK M	Change	2004	2003
Net interest income, 12 months ¹⁾			
Increased interest rates	+ 1 p.p.	- 243	- 220
Decreased interest rates	- 1 p.p.	- 648	- 440
Change in value ²⁾			
Market interest rate	+ 1 p.p.	- 220	- 276
	- 1 p.p.	+ 132	+ 270
Stock prices	+ 10 %	+ 36	+ 9
	- 10 %	+ 4	+ 10
Exchange rates	+ 5 %	+ 20	+ 1
	- 5 %	- 19	- 1
Other			
Stock market performance ³⁾	+/- 10 %	-/+ 191	-/+ 181
Staff changes	+/- 100 employees	-/+ 51	-/+ 45
Payroll changes	+/- 1 p.p.	-/+ 66	-/+ 64
Doubtful claims ⁴⁾	+/- SEK 1 bn	-/+ 30	-/+ 40
Loan loss level	+/- 0.1 p.p.	-/+ 732	-/+ 756

1) The calculation is based on the assumption that market interest rates rise by one percentage point and thereafter remain at the new level for one year, that the Group raises interest rates on both loans and deposits (including low-interest rate deposits) by one percentage point, and that the balance sheet remains unchanged during the period. The calculation for declining interest rates is done in corresponding fashion with the exception that the interest rate on low-interest rate deposits is assumed to remain unchanged.

2) The calculation refers to the immediate effect on profit of each scenario for the Group's market-valued interest rate positions and its equity and currency positions.

3) Refers to the affect on net commission income of the change in value of Robur's equity funds.

4) The cost of capital for 2004 is 3 percent and for 2003 4 percent.

59. Interest fixing periods

The Group's interest-bearing assets and liabilities including interest-related derivatives distributed by interest fixing periods.

2004, SEK M	<= 3 mos.	3-6 mos.	6 mos.-1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	5-10 yrs.	>10 yrs.	Without interest	Total
Assets, nominal value											
Cash and balances with central banks	3,644									4,462	8,106
Treasury bills and other bills eligible for refinancing with central banks	1,765	419	3,042	951	576	2,516	2,191	2,093	2,305		15,858
Loans to credit institutions	100,269	6,404	912	195	92	71	40	56			108,039
Loans to the public	393,568	52,771	53,433	87,456	50,339	42,864	30,526	14,657	1,087		726,701
Bonds and other securities	36,170	5,274	4,340	5,944	3,223	1,798	4,380	1,914	106		63,149
Other										98,606	98,606
TOTAL ASSETS	535,416	64,868	61,727	94,546	54,230	47,249	37,137	18,720	3,498	103,068	1,020,459
Liabilities, nominal value											
Amounts owed to credit institutions	91,571	6,835	3,285	30	145	3	54	1			101,924
Deposits and borrowings from the public	275,398	3,349	4,060	1,607	547	282	275	19	3		285,540
Debt securities in issue and subordinated liabilities	255,798	42,586	6,963	56,760	27,971	19,517	39,732	5,727	5,206		460,260
Other liability items	440	141	45	1	30					128,454	129,111
Equity										43,624	43,624
TOTAL LIABILITIES	623,207	52,911	14,353	58,398	28,693	19,802	40,061	5,747	5,209	172,078	1,020,459
Derivatives, nominal value, net*	28,312	- 20,814	- 6,782	- 1,677	11,160	- 7,060	1,042	- 8,509	3,870		- 458
NET, INCLUDING DERIVATIVES	- 59,479	- 8,857	40,592	34,471	36,697	20,387	- 1,882	4,464	2,159	- 69,010	- 458

* For options, delta-weighted nominal amounts are used.

60. Currency distribution

Group, 2004

SEK M	SEK	EUR	USD	GBP	Other	Total
Assets						
Loans to credit institutions	70,659	15,313	11,041	2,616	8,410	108,039
Loans to the public	657,030	36,431	14,178	290	18,772	726,701
Interest-bearing securities	45,726	18,119	7,845	5,354	1,963	79,007
Other assets, Note distributed	106,712					106,712
TOTAL	880,127	69,863	33,064	8,260	29,145	1,020,459
Liabilities						
Amounts owed to credit institutions	52,047	8,716	25,395	8,892	6,874	101,924
Deposits and borrowings from the public	227,636	13,702	10,474	1,233	32,495	285,540
Debt securities in issue and subordinated liabilities	188,547	131,657	119,423	8,453	12,180	460,260
Other liabilities, Note distributed	172,735					172,735
TOTAL	640,965	154,075	155,292	18,578	51,549	1,020,459
Other assets and liabilities, including positions in derivatives		92,937	122,310	10,301	13,614	
Net position in currency		8,725	82	- 17	- 8,790	

Other currencies include a short position in Estonian kroon, EEK, corresponding to -9,136. Since the Estonian currency is fixed against the euro, EUR, according to Estonian law, the long position in euro is reduced by the short position in Estonian kroon.

The Bank, 2004

SEK M	SEK	EUR	USD	GBP	Other	Total
Assets						
Loans to credit institutions	142,346	9,578	19,871	2,470	7,357	181,622
Loans to the public	205,017	3,639	7,700	257	4,456	221,069
Interest-bearing securities	50,414	22,895	9,898	7,547	1,708	92,462
Other assets, Note distributed	78,819					78,819
TOTAL	476,596	36,112	37,469	10,274	13,521	573,972
Liabilities						
Amounts owed to credit institutions	91,930	5,623	24,068	8,942	6,562	137,125
Deposits and borrowings from the public	228,093	6,503	4,007	1,028	840	240,471
Debt securities in issue and subordinated liabilities	14,645	8,811	65,382	3,500	961	93,299
Other liabilities, Note distributed	103,077					103,077
TOTAL	437,745	20,937	93,457	13,470	8,363	573,972
Other assets and liabilities, including positions in derivatives		- 19,269	56,063	3,180	- 1,124	
Net position in currency		- 4,094	75	- 16	4,034	

Group, 2003

SEK M	SEK	EUR	USD	GBP	Other	Total
Assets						
Loans to credit institutions	40,393	13,348	11,857	699	10,346	76,643
Loans to the public	625,109	41,319	16,923	246	66,155	749,752
Interest-bearing securities	48,390	12,207	6,722	1,319	8,536	77,174
Other assets, Note distributed	98,765					98,765
TOTAL	812,657	66,874	35,502	2,264	85,037	1,002,334
Liabilities						
Amounts owed to credit institutions	54,703	12,955	18,407	2,927	6,449	95,441
Deposits and borrowings from the public	232,128	7,536	10,112	4,253	29,587	283,616
Debt securities in issue and subordinated liabilities	190,183	121,947	119,403	11,856	25,540	468,929
Other liabilities, Note distributed	154,348					154,348
TOTAL	631,362	142,438	147,922	19,036	61,576	1,002,334
Other assets and liabilities, including positions in derivatives		83,958	112,123	16,720	- 28,212	
Net position in currency		8,394	-297	- 52	- 4,751	

Other currencies include a short position in Estonian kroon, EEK, corresponding to -7,685. Since the Estonian currency is fixed against the euro, EUR, according to Estonian law, the long position in euro is reduced by the short position in Estonian kroon

The Bank, 2003

SEK M	SEK	EUR	USD	GBP	Other	Total
Assets						
Loans to credit institutions	95,289	11,913	10,869	539	5,813	124,423
Loans to the public	193,898	7,515	7,856	393	2,393	212,055
Interest-bearing securities	51,997	16,959	11,824	1,104	24	81,908
Other assets, Note distributed	77,983					77,983
TOTAL	419,167	36,387	30,549	2,036	8,230	496,369
Liabilities						
Amounts owed to credit institutions	83,649	7,927	15,833	2,882	5,465	115,756
Deposits and borrowings from the public	222,514	3,063	3,901	4,084	1,936	235,498
Debt securities in issue and subordinated liabilities	9,071	9,483	43,007	39	1,051	62,651
Other liabilities, Note distributed	82,464					82,464
TOTAL	397,698	20,473	62,741	7,005	8,452	496,369
Other assets and liabilities, including positions in derivatives		- 18,955	31,869	4,898	6,959	
Net position in currency		- 3,041	- 323	- 71	6,737	

61. Specification of adjustments for non-cash items in operating activities

SEK M	GROUP		THE BANK	
	2004	2003	2004	2003
Settlement of pensions		- 19	39	- 19
Unrealized changes in value/currency changes	- 180	629	- 438	195
Capital gains/losses on financial fixed assets	- 1,455	- 541	- 1,083	- 490
Capital gains/losses on property and equipment	- 34	23	6	38
Share of capital of associated companies	- 198	116		
Depreciation and write-off of tangible fixed assets	514	633	331	407
Depreciation and write-off of financial fixed assets			21	447
Reversal of write-offs of financial fixed assets		- 55	- 7	- 55
Amortization of goodwill and other intangible fixed assets	622	645	127	101
Write-off of loans	956	945	613	945
Change in insurance reserve	243	98		
Dividend, Group companies			- 187	- 574
Accrued income and prepayments	244	1,043	- 702	51
Accruals and deferred income	1,111	- 452	777	- 337
Other	70	- 3	51	- 3
TOTAL	1,893	3,062	- 452	706

62. Profit and loss account for insurance operations prepared according to annual accounts act for insurance companies

SEK M	LIFE INSURANCE OPERATIONS		NON-LIFE INSURANCE OPERATIONS	
	2004	2003	2004	2003
Technical reporting of non-life insurance operations				
Premium income			74	78
Return on capital transferred from financial operations			2	0
Other technical income				
Insurance compensation			- 40	- 41
Change in other actuarial provisions				
Refunds and discounts				
Operating expenses			- 6	- 5
Other technical costs				
TECHNICAL RESULT, NON-LIFE INSURANCE OPERATIONS			30	32
Technical reporting of life insurance operations				
Premium income	7,266	6,161		
Return on capital, income	1,030	830		
Unrealized gains/losses on investment assets where policyholder bears the risk	1,976	3,836		
Other technical income	2			
Insurance compensation	- 4,609	- 3,601		
Change in other actuarial provisions	- 4,709	- 6,345		
Refunds and discounts	- 5	- 7		
Operating expenses	- 251	- 202		
Return on capital, expenses	- 12	- 2		
Unrealized losses on investment assets	- 1	0		
Other technical costs	- 2	- 21		
Return on capital transferred to financial operations (tax on investment returns)	- 407	- 404		
TECHNICAL RESULT, LIFE INSURANCE OPERATIONS	278	245		
Non-technical reporting				
Technical result, non-life insurance operations			30	32
Technical result, life insurance operations	278	245		
Return on capital, income	56	73	24	22
Unrealized gains on investment assets		1		1
Return on capital transferred from life insurance operations	407	404		
Return on capital, expenses	- 4	- 5		- 1
Unrealized losses on investment assets			- 5	
Return on capital transferred to non-life insurance operations			- 2	
Other income and expenses	- 1	- 1		
PROFIT BEFORE APPROPRIATIONS AND TAXES	736	717	47	54
Appropriations			- 16	- 18
Tax on investment returns	- 407	- 404		
Taxes	- 28	- 38		
PROFIT FOR THE FINANCIAL YEAR	301	275	31	36
	2004	2003		
Number of employees in insurance operations	298	23		
SEK M				
	2004	2003		
Wages, salaries and other remuneration	20	8		
Pension costs				
Premiums paid	2	1		
Social insurance charges				
Allocation to profit-sharing fund				
Training costs				
Other staff costs				
TOTAL	22	9		
Wages, salaries and remuneration to the Board, President and Executive Vice Presidents in Sweden to other employees in Sweden	2	2		
	7			
Wages, salaries and remuneration to the Board, President and Executive Vice Presidents in Estonia to other employees in Estonia	1	1		
	10	2		
Wages, salaries and remuneration to other employees outside Sweden		2		
Bonuses and comparable remuneration to the President and Executive Vice Presidents				
TOTAL	20	7		
Expenses for the year for pensions and similar benefits:				
To the Board, President and Executive Vice Presidents	2	1		

Proposed disposition of profit

SEK M

The following amounts are at the disposal of the Annual General Meeting:

Profit for the financial year	12,241
Profit brought forward	1,658
Total available	13,899
The Board of Directors recommends:	
A cash dividend to shareholders of SEK 6.50 per share ¹⁾	3,334
To be carried forward	10,565

The Group's non-restricted earnings thereafter amount to SEK 12,889 M. No allocation to restricted reserves in Group companies is proposed.

Board of Directors

Following the Annual General Meeting of 2004, the Board of Directors consisted of the following members: Bo Forslund, Ulrika Francke, Thomas Johansson, Göran Johnsson, Birgitta Klasén, Marianne Qvick Stoltz, Carl Eric Stålberg, Lennart Sundén and Anders Sundström. The latter resigned from the Board on May 12, 2004.

In addition, the Board of Directors included the employee representatives Gith Bengtsson and Monica Hellström.

The Board of Directors elected Carl Eric Stålberg as Chairman, Bo Forslund as First Deputy Chairman and Ulrika Francke as Second Deputy Chairman.

¹⁾ Based on the number of shares outstanding on December 31, 2004. The dividend payout may change due to further share repurchases or if repurchased shares are sold by the record day, April 26, 2005.

Stockholm, February 17, 2005

Carl Eric Stålberg

Bo Forslund

Ulrika Francke

Thomas Johansson

Göran Johnsson

Birgitta Klasén

Marianne Qvick Stoltz

Lennart Sundén

Gith Bengtsson

Monica Hellström

Jan Lidén
President

Auditors' report

To the Annual General Meeting of FöreningsSparbanken AB (publ), registration number 502017-7753.

We have audited the annual report, the consolidated accounts, the accounting records and the administration by the Board of Directors and the President of FöreningsSparbanken AB (publ) for the year 2004. These accounts, the administration of the Company and the application of the Annual Accounts Act for Credit Institutions and Securities Companies when preparing the annual report are the responsibility of the Board of Directors and the President. Our responsibility is to express an opinion of the annual report and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit in order to obtain reasonable assurance that the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles and their application by the Board of Directors and the President and significant estimates made by the Board of Directors and the President when preparing the annual report as well as evaluating the overall presentation of information in the annual report. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the Company in order to be able to determine the liability, if any, to the Company of any of the members of the Board of Directors or the President. We also examined whether any of the members of the Board of Directors or the President has, in any other way, acted in contravention of the Swedish Companies Act, the Banking and Financing Business Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Company's Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual report has been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and thereby gives a true and fair view of the Company's profit and financial position in accordance with generally accepted auditing standards in Sweden. The statutory Board of Directors' Report is consistent with the other parts of the annual report.

We recommend that the general meeting of shareholders adopt the profit and loss account and balance sheet, deal with the profit in accordance with the proposal in the Board of Directors' Report and discharge the members of the Board of Directors and the President from liability for the financial year.

Stockholm, February 24, 2005

Deloitte & Touche Aktiebolag

Ernst & Young Aktiebolag

Jan Palmqvist
Authorized Public Accountant

Torbjörn Hanson
Authorized Public Accountant

Ulf Järlebro
Authorized Public Accountant
Appointed by the Swedish Financial Supervisory Authority

Board of Directors and Auditors

Board of Directors of FöreningsSparbanken AB

Elected by the Annual General Meeting on April 22, 2004

Directors

Carl Eric Stålberg, Chairman

Bo Forslund, First Deputy Chairman

Ulrika Francke, Second Deputy Chairman

Thomas Johansson

Göran Johnsson

Birgitta Klasén

Marianne Qvick Stoltz

Lennart Sundén

Anders Sundström (resigned from the Board on May 12, 2004)

Employee representatives

Gith Bengtsson

Monica Hellström

Deputy Directors elected by the employees

Per Ekström

Anna-Karin Holst

Auditors of FöreningsSparbanken AB

Elected for four years by the Annual General Meeting on April 10, 2003

Auditors

Deloitte & Touche AB

Authorized Public Accountant Jan Palmqvist, Chief Auditor and Chairman

Ernst & Young AB

Authorized Public Accountant Torbjörn Hansson, Chief Auditor

Appointed by the Swedish Financial Supervisory Authority

Authorized Public Accountant Ulf Järlebro

BDO Feinstein Revision AB

Nomination Committee of FöreningsSparbanken AB

The proposal for members of the Bank's Nomination Committee is prepared together with the Bank's major shareholders and other interested parties and submitted to the Annual General Meeting for approval.

The Nomination Committee reports at the Bank's Annual General Meeting on the principles that served as the basis for its work in nominating Board members.

In accordance with the decision of the Annual General Meeting in 2004, the Nomination Committee consists of:

Thomas Halvorsen, Chairman of the Nomination Committee, President of the Fourth National Pension Insurance Fund

Lorenz Andersson, Governor of Västerbotten County

Bengt Eriksson, former Chairman of FSR

Tomas Nicolin, President of Alecta Pensionsförsäkring

Eva Karin Hempel, agronomist and board member of the Federation of Swedish Farmers

Per-Göran Nyberg, former bank executive

Corporate Governance

Corporate Governance

The power of decision and responsibilities in FöreningsSparbanken are divided between the shareholders at the Annual General Meeting, the Board of Directors and the President in accordance with the Swedish Companies Act (1975:1385) and the Bank's Articles of Association. The Board is elected by the Annual General Meeting for a period of one year. The President is not a member of the Board but attends Board meetings. The auditors are elected by the Annual General Meeting for a period of four years. FöreningsSparbanken falls under the auspices of the Swedish Financial Supervisory Authority.

Annual General Meeting

The Annual General Meeting is FöreningsSparbanken's highest decision-making body. The meeting, which is normally held before the end of April, approves the annual report and passes resolutions on the dividend, the election of the Board members, the election of the Auditors when applicable, the fees paid to the Board members elected by the Annual General Meeting and the Auditors, and other business that may come before the meeting by law.

The minutes from the Annual General Meeting are made available by FöreningsSparbanken within two weeks after the meeting. Shareholders can order a copy of the minutes from FöreningsSparbanken.

Nomination Committee

The responsibilities of the Nomination Committee include recommending the Board members, the Auditors when applicable, and the fees paid to the Board members and the Auditors. The Annual General Meeting elects the

Board members, the Auditors when applicable, and decides on the fees paid to the Board members elected by the Annual General Meeting and the Auditors. Since the Annual General Meeting in 2004, the Committee has held four meetings. The members of the Committee receive compensation for their work as determined by the Annual General Meeting.

The Annual General Meeting in 2004 elected the following committee members: Thomas Halvorsen, President of the Fourth National Pension Insurance Fund; Governor Lorenz Andersson; Bengt Eriksson, former Chairman of the National Organization of Independent Savings Banks; Eva Karin Hempel, board member of the Federation of Swedish Farmers; Tomas Nicolin, President of Alecta Pensionsförsäkring; and former bank executive Per-Göran Nyberg.

The Board's organization and working arrangements

The Board of Directors generally meets once a month. It usually also holds an extended meeting during the spring and the fall. The Board has established three committees: the Compensation Committee, the Credit Committee and the Audit Committee. The Board's rules of procedure stipulate the delegation of responsibilities between the Board, the Chairman of the Board and the Board's committees. The Board has at its disposal an independent audit function, Internal Audit.

Board work during the year

In 2004 the Board held a total of 16 meetings, of which two were extended and one per capsulam. During the year the Board focused on, among other things, the following issues:

- Market trends relevant to economic development
- FöreningsSparbanken's efforts to improve customer satisfaction
- Strategic issues involving international operations, branding and cooperations with partly owned banks and independent savings banks
- The a Group-wide economic capital program
- Review of credit cases
- New risk reporting
- Evaluation of the Board's work, working arrangements and organization
- Objectives for the President's work in 2005.

Carl Eric Stålberg, Bo Forslund, Ulrika Francke and Lennart Sundén attended all 16 Board meetings in 2004. Thomas Johansson attended 15 meetings, Göran Johnsson and Marianne Qvick Stoltz attended 14 meetings, and Birgitta Klasén attended 12 of the Board's meetings.

COMMITTEE WORK

Compensation Committee

The Board's Compensation Committee prepares issues involving remuneration for the President and other senior executives in the Bank for resolution by the Board of Directors. In 2004 the committee held four meetings. The members of the Compensation Committee, as of the statutory Board meeting on April 22, 2004, are Carl Eric Stålberg (Chairman), Bo Forslund and Ulrika Francke.

Credit Committee

The Board's Credit Committee decides on credit and limit issues up to a specific amount and recommends strategies for credit risks for resolution by the Board. In 2004 the committee held 24 meetings. The

members of the Credit Committee, as of the statutory Board meeting on April 22, 2004, are Carl Eric Stålberg (Chairman), Bo Forslund (Deputy Chairman), Ulrika Francke, Thomas Johansson, Göran Johnsson and Jan Lidén.

Audit Committee

The Board's Audit Committee is a preparatory body. Through its work and in dialogue with the external Auditors and the head of Internal Audit, the committee provides the Board with greater access to information on 1) potential improvements in routines and organization through governance, risk management and control, 2) the reliability and effectiveness of the financial reporting, and 3) whether the Auditors' work is being done effectively and otherwise satisfactorily. In 2004 the committee held six meetings. The members of the Credit Committee, as of the statutory Board meeting on April 22, 2004, are: Ulrika Francke (Chairman), Lennart Sundén (Deputy Chairman) and Marianne Qvick Stoltz.

The President's role

The President is in charge of day-to-day management of FöreningsSparbanken and decides on all issues that the Board has not retained the right to decide on. The delegation of responsibilities between the Board and the President is clearly stipulated in the Board's rules of procedure

and the Board's instruction for the President.

Executive Management

The President leads the Executive Management's work and makes decisions after consultation with its members. The Executive Management consists of the regional managers of the Swedish retail operations, other managers of operating units and shared functions, and staff managers, totaling 18 members, including one employee representative. The Executive Management normally holds meetings twice a month. In 2004 the Executive Management dealt with, among other things, the following issues:

- Operating strategy
- Business and operating plans
- International operations
- Cooperations with independent savings banks and partly owned banks
- Measures to increase customer satisfaction
- Measures to increase operating efficiency.

Policies at FöreningsSparbanken

The Board sets all policies and certain instructions for FöreningsSparbanken. The President, or the person he appoints, sets other instructions, guidelines, etc. FöreningsSparbanken's policies cover financial, credit, operating and other risks, ethics, communication, security,

compliance, outsourcing, environmental issues, gender equality, diversity and working environments, among other things. One of the purposes of all the policies is to safeguard and enhance the values created by the business and to maintain the public's confidence in the Bank.

INTERNAL AUDIT

The purpose of Internal Audit is to review and evaluate efficiencies, controls and risk management within the Group. Internal Audit is an internal review function independent from the operating units and directly subordinate to the Board. The Head of Internal Audit attends the Board's meetings.

EXTERNAL AUDIT

The Auditors are elected by the Annual General Meeting to review FöreningsSparbanken's financial reporting and the administration by the Board and the President. The Auditors were elected in 2003. The next Auditors' election will be held at the Annual General Meeting in 2007. Twice a year the Auditors' chairman personally reports to the entire Board on the Auditors' reviews and comments. The Auditors' chairman also meets with the Audit Committee at least twice a year and maintains continuous contact with the chairman of the committee as well as with Internal Audit.

Board of Directors



CARL ERIC STÅLBORG

Chairman since 2003. Born 1951. Graduate Business Administrator. Elected 2001.

Other directorships: Chairman of the Swedish Skiing Association. Deputy Chairman of the International Skiing Federation and European Savings Bank Group (ESBG). Member of the Supervisory Board of SpareBank 1 Gruppen, the Supervisory Board of Aktia Sparbank Ab and the Swedish Olympic Committee.

Chairman of the Board of Directors' Credit Committee.

Holding: 10,000 shares and 0 warrants.

BO FORSLUND

First Deputy Chairman since 2003. Born 1939. Former Member of the Swedish Parliament, former Chairman of the Sundsvall City Council. Elected 1991.

Other directorships: Chairman of Savings Bank Foundation Norrland and Sparbanksstiftelsernas Förvaltningsaktiebolag. Deputy Chairman of the Supervisory Board of Aktia Sparbank Ab.

Deputy Chairman of the Board of Directors' Credit Committee.

Holding: 7,001 shares and 0 warrants.

ULRIKA FRANCKE

Second Deputy Chairman since 2003. Born 1956. President of SBC Ek för SBC Bostadsrättscentrum AB. Elected 2002.

Other directorships: Chairman of SBC Bostadsrättscentrum AB's subsidiaries. Board Member of Econova Biotech AB, Skanska AB, Brandkontoret and Tyréns AB.

Chairman of the Board of Directors' Audit Committee. Member of the Board's Credit Committee.

Holding: 1,181 shares and 0 warrants.

THOMAS JOHANSSON

Born 1954. Agronomist. Elected 2001.

Other directorships: Board Member of Hagmarks Mistra.

Member of the Board of Directors' Credit Committee.

Holding: 100 shares and 0 warrants.

GÖRAN JOHANSSON

Chairman of the Swedish Metal Workers' Union. Born 1945. Elementary school and labor union training. Elected 1997.

Other directorships: Deputy Chairman of the European and Nordic federations of metal workers' unions. Board Member of the Fourth National Pension Insurance Fund, the International Metalworkers' Federation, the Swedish Trade Union Confederation, the Swedish Foundation for Strategic Research and Stiftelsen Kvinnoforum. Deputy Member of the Swedish Social Democratic Party/Party Board and Executive Committee.

Member of the Board of Directors' Credit Committee.

Holding: 15 shares and 0 warrants.



BIRGITTA KLASÉN

Chief Information Officer EADS, European Aeronautic Defence and Space Company. Born 1949. Civil Engineer. Elected 2000.

Other directorships: Board Member of E.ON Benelux bv, ENIRO AB and EADS Information Technology and Services.

Holding: 2,000 shares and 0 warrants.

MARIANNE QVICK STOLTZ

Small business owner. Born 1949. Diploma in Retail Economics, studied at CHF, Lausanne. Elected 1994.

Other directorships: President/Co-owner of Aug Magnussons Efr AB. Chairman/Co-owner of Tidsforum Göteborg AB. Deputy Chairman of Higab and Västsvenska industri och Handelskammaren. Board Member of Västsvenska Kulturfonden.

Member of the Board of Directors' Audit Committee.

Holding: 321 shares and 0 warrants.

LENNART SUNDÉN

Born 1952. Civil Engineer and Graduate Business Administrator. Elected 2000.

Other directorships: Board Member of Dometic International AB and JM AB. Deputy Chairman of the Board of Directors' Audit Committee.

Holding: 2,000 shares and 0 warrants.

GITH BENGTSSON

Bank employee. Born 1962. Employee representative. Elected 2000.

Other directorship: Board Member of Sparinstitutens Pensionskassa (SPK).

Holding: 321 shares and 700 warrants.

MONICA HELLSTRÖM

Bank employee. Born 1948. Employee representative. Deputy Board member since 1999, Board member since 2003.

Other directorships: Board Member of Stiftelsen Guldeken.

Holding: 0 shares and 600 warrants.

JAN LIDÉN

President and CEO, attends Board meetings. Born 1949. M.Pol.Sc. Employed since 1990.

Other directorships: Chairman of FöreningsSparbanken Finans and Spintab AB. Deputy Chairman of the Swedish Bankers Association. Board Member of Visa International/Visa International EU.

Holding: 5,081 shares and 10,000 warrants.

CECILIA HERNQVIST

Secretary of the Board of Directors and the Executive Management. Born 1960. Bachelor of Laws. Employed since 1990.

Holding: 300 shares and 0 warrants.

HÅKAN BERG

Head of Internal Audit. Born 1955. Bachelor of Laws. Employed since 1984. Attends Board meetings. Adjunct member of the Board of Directors' Audit Committee.

Holding: 0 shares and 20,000 warrants.

Executive Management



JAN LIDÉN

President and CEO. Born 1949. M.Pol.Sc. Employed since 1990.
Holding: 5,081 shares and 10,000 warrants.

JAN ALEXANDERSSON

Head of the Telephone and Internet banks. Born 1951. Graduate Business Administrator. Employed since 1976. Co-opted member of the Executive Management.
Holding: 0 shares and 3,000 warrants.

CHRISTER CRAGNELL

CIO. Born 1954. Civil Engineer. Employed since 2000. Co-opted member of the Executive Management. Holding: 0 shares and 0 warrants.



ANDERS EK

Executive Vice President and Head of International Banking. Born 1948. B.A. Employed since 2000.
Holding: 0 shares and 20,000 warrants.

CATRIN FRANSSON

Executive Vice President and Manager of the Northern Region. Born 1962. Graduate Business Administrator. Employed since 1987.
Holding: 0 shares and 1,000 warrants.

LENNART HAGLUND

Executive Vice President and Manager of the Öresund Region. Born 1947. Marketing economist. Employed since 1999.
Holding: 2,600 shares and 0 warrants.



KJELL HEDMAN

Executive Vice President and Head of Customer Offerings and Products. Born 1951. Economist. Employed since 1985.
Holding: 200 shares and 5,000 warrants.

BRITT HENRIKSSON

Executive Vice President and Manager of the Southeastern Region. Born 1949. Marketing economist.
Employed since 1969.
Holding: 0 shares and 20,000 warrants.

HENRIK KOLGA

Head of Corporate Communications. Born 1953. MBA. Employed since 2003. Co-opted member of the Executive Management.
Holding: 100 shares and 0 warrants.



MIKAEL INGLÄNDER

Executive Vice President and Manager of the Stockholm Region. Born 1963. Graduate Business Administrator. Employed since 1988.

Holding: 0 shares and 5,000 warrants.



INGRID PERSSON

Executive Vice President responsible for independent savings banks and partly owned banks. Born 1948. Graduate Economist. Employed since 1994.

Holding: 750 shares and 15,000 warrants.



GÖRAN THEODORSSON

Executive Vice President, Human Resources and Competence Development. Born 1948. Economist. Employed since 1969.

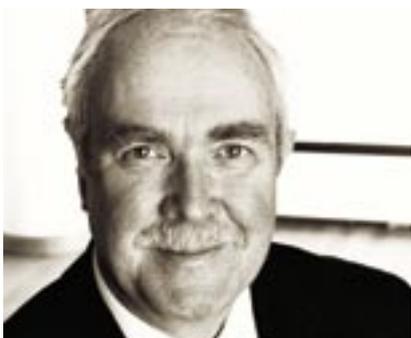
Holding: 481 shares and 20,000 warrants.



LARS-ERIK KVIST

Executive Vice President and Chief Credit Officer. Born 1945. Graduate Business Administrator. Employed since 1974.

Holding: 2,581 shares and 20,000 warrants.



FREDRIK RUNNQUIST

Head of Shared Services. Born 1947. Civil Engineer, Graduate Business Administrator. Employed since 2000. Co-opted member of the Executive Management.

Holding: 2,000 and 20,000 warrants



ANNIKA WIJKSTRÖM

Executive Vice President and Head of Swedbank Markets. Born 1951. B.A. Employed since 1986.

Holding: 650 shares and 20,000 warrants.



BENGT-ERIK LINDGREN

Executive Vice President and Manager of the Central Region. Born 1950. Graduate Economist. Employed since 1975.

Holding: 4,000 shares and 1,000 warrants.



PETER RYDELL

Executive Vice President and Manager of the Western Region. Born 1948. LL.D. Employed since 2002.

Holding: 150 shares and 0 warrants.



GITH BENGTSSON

Bank employee. Born 1962. Upper Secondary School Graduate. Employee representative. Employed since 1982.

Holding: 321 shares and 700 warrants.

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Definitions

Actuarial provisions

The value of insurance commitments guaranteed by insurance companies, including provisions for unsettled claims.

Adjusted equity per share

Shareholders' equity and the equity portion of the difference between the book value and fair value in financial fixed assets that consist of interest-bearing securities in relation to the number of shares outstanding.

Capital adequacy ratio

The closing-day capital base in relation to the closing-day risk-weighted amount.

Capital base

The sum of primary and supplementary capital less items in accordance with chapter 2 § 7 of the Act on Capital Adequacy. To cover capital requirements for market risks, subordinated loans with original maturities of at least two years may be included in the expanded portion of the capital base.

Cash flow per share

Cash flow for the year in relation to the weighted average number of shares outstanding.

Cost/income ratio before loan losses

Costs in relation to income.

Doubtful claims

Claims where payments are unlikely to be made in accordance with contract terms. Such claims are not considered doubtful if there is collateral that covers principal, interest and any late fees by a safe margin. Doubtful claims, gross, less specific provisions for claims assessed individually and provisions for homogenous claims assessed collectively constitute doubtful claims, net.

Duration

The average weighted maturity of payment flows calculated at present value and expressed in number of years.

Earnings per share after dilution

Profit for the financial year in relation to the average number of shares outstanding during the year adjusted for the dilution effect of potential shares.

Earnings per share before dilution

Profit for the financial year in relation to the average number of shares outstanding during the year.

Equity per share

Shareholders' equity in relation to the number of shares outstanding.

Financial fixed assets

Financial assets held to maturity. Financial fixed assets are booked at accrued acquisition value.

Interest fixing period

Contracted period during which interest on an asset or liability is fixed.

Interest margin

The difference between the average interest on total assets and the average interest on total liabilities.

Investment margin

Net interest income in relation to average total assets.

Loan losses, net

Established and anticipated losses for the year less restored provisions and recoveries related to loan claims as well as the year's net expense for discharging guarantees and other contingent liabilities.

Loan loss level, net

Loan losses, net, and changes in the value of property taken over in relation to the loan balance brought forward as well as property taken over and loan guarantees.

Maturity

The time remaining until an asset or liability's terms change or its amortization date.

Net asset value per share

Shareholders' equity according to the balance sheet and the equity portion of the difference between the book value and fair value of the assets and liabilities divided by the number of shares outstanding at year-end.

Number of employees

The number of employees at year-end, excluding long-term absences, in relation to the number of hours worked expressed in terms of full-time positions.

P/E ratio

Share price at year-end in relation to earnings per share.

Price/equity

The share price at year-end in relation to the closing-day equity per share.

Primary capital

Shareholders' equity in the Parent Company including 72 percent of the tax allocation reserve less deferred tax assets, actuarial losses, goodwill and other intangible assets. Equity contributions and reserves that may be included in the capital base as primary capital according to chap. 2 § 6 of the Act on Capital Adequacy are added as well. The financial companies group also includes minority interests that accrue to companies covered by group-based accounting.

Primary capital ratio

Closing-day primary capital in relation to the closing-day risk-weighted amount.

Provision ratio for individually identified doubtful claims

Specific provisions for claims assessed individually and provisions for homogenous groups of claims assessed collectively in relation to doubtful claims, gross.

Return on equity

Profit for the financial year in relation to average shareholders' equity.

Return on total capital

Operating profit in relation to average total assets.

Risk-weighted amount

Total assets on the balance sheet and off-balance sheet commitments divided by credit and market risks valued and risk-weighted according to current capital adequacy regulations. Volumes are weighted in relation to estimated risk so that they can be included in the risk-weighted volume at 0, 20, 50 or 100 percent.

Share of doubtful claims

Doubtful claims, net, in relation to the book value of loans to credit institutions and the public.

Supplementary capital

Fixed-term subordinated liabilities (less a certain reduction if their remaining maturity is less than five years), undated subordinated liabilities, equity contributions and reserves that may be included in the capital base as supplementary capital according to chap. 2 § 6 of the Act on Capital Adequacy.

Total provision ratio for doubtful claims

All provisions for claims in relation to doubtful claims, gross.

Yield

Dividend per share in relation to the share price at year-end, their nominees well in advance of this date.

Annual General Meeting

The Annual General Meeting will be held at 10:00 a.m. (CET) on Thursday, April 21, 2005 at Cirkus, Djurgårdsslätten 43-45, in Stockholm. Registration for the meeting begins at 8:30 a.m.

Notification of attendance

Shareholders who wish to attend the Annual General Meeting must:

- be recorded in the register issued by VPC AB (the Swedish Central Securities Depository) on April 11, 2005, and
- notify the Company of their intention to participate and the number of persons who will accompany them (max. 2) not later 3:00 p.m. on April 15, 2005.

Notification may be made in writing to FöreningsSparbanken, Box 47022, SE-100 74 Stockholm, Sweden, by telephone +46-8-775 44 66, by fax +46-8-775 01 95 marked "FöreningsSparbanken AGM" or online at www.fsb.se/ir under the heading *bolagsstämma* (Annual General Meeting).

When notifying the Company, please indicate your name, personal/company registration number (for Swedish citizens or companies), address and tele-phone number. Participation by proxy is permitted, provided the proxy is a no more than one year old and is submitted to FöreningsSparbanken prior to the meeting. If issued by a legal entity, it must be accompanied by a certified registration certificate or other document attesting to the authority of the signatory.

Financial information 2005

FöreningsSparbanken's financial reports are preliminarily scheduled for release on the following dates:

Interim report January-March 2005	April 28
Interim report January-June 2005	August 18
Interim report January-September 2005	October 27

The Group's financial reports can be accessed on FöreningsSparbanken's website at www.fsb.se/ir



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Nominee-registered shares

To be entitled to attend the meeting, shareholders whose shares are nominee-registered must request to have them temporarily re-entered in their own names in the shareholders register. The registration process, which normally takes several days, must be completed by April 11, 2005. Shareholders should therefore advise their nominees well in advance of this date.

Notice and agenda

A list of the matters on the agenda for the Annual General Meeting will be included in the notice of the meeting, which is scheduled to be published on March 17 in, among others, the dailies *Dagens Nyheter*, *Svenska Dagbladet* and *Dagens Industri*.

As of the same date, the notice will also be available online at www.fsb.se/ir under the heading *bolagsstämma* (Annual General Meeting).

Dividend

The Board of Directors recommends that shareholders receive a dividend of SEK 6.50 per share. The share will be traded exclusive of the right to the dividend on April 22, 2005. The proposed record date for the dividend is April 26, 2005. If the Annual General Meeting adopts the Board of Directors' recommendation, the dividend is expected to be paid by VPC on April 29, 2005.

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While every care has been taken in the translation of this Annual Report, readers are reminded that the original Annual Report, signed by the Board of Directors, is in Swedish.



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