



Q1, 2005  
Jan Lidén



# Hansabank acquisition, an update

- Hansabank ownership 99.0 percent as of April 27
- Integration process has commenced
  - 12 working groups
  - joint/individual assignments to identify cross-border business flows, synergies and transfer of best practice
  - senior executives from both FSB and Hansabank will lead the integration process
  - good spirits
- Squeeze out process and delisting expected to be completed in June/July
- "Business as usual" in Q1 – best quarterly result ever

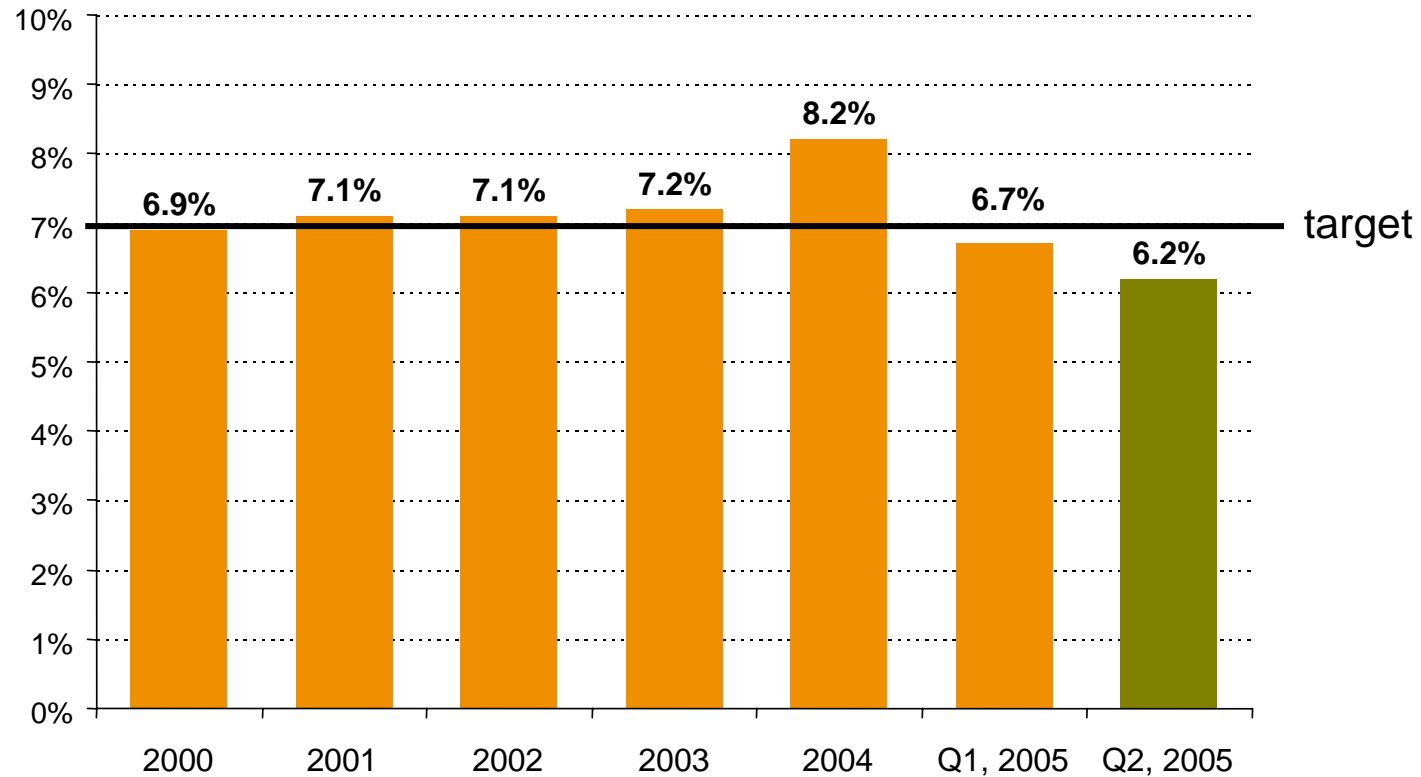


# Hansabank acquisition, preliminary financial effects

- Purchasing price of SEK 15.7 bn
- Excess value of SEK 12.4 bn
  - Goodwill of SEK 9.0 bn
  - Write-up of SEK 3.4 bn attributed to Hansabank loan portfolio, amortized over 7 years and booked as a NII item
- As of March 31, share purchases amounted to SEK 11.5 bn
  - Goodwill of SEK 5.8 bn
  - Write-up of loan portfolio of SEK 3.4 bn
- Acquisition will affect capital adequacy
  - Goodwill will lead to lower Tier 1 capital
  - De-consolidation of minority share will reduce Tier 1 by SEK 3.2 bn
  - Write-up of loan portfolio will increase RWA



# Tier 1 ratio



- *The Q2, 2005 bar is an example based on the assumptions that:  
a) the net profit from the joint venture with Barclays is included in Q2 results, b) Q2 underlying results are unchanged from Q1 and c) the RWA growth rate from Q1 remains unchanged in Q2.*



# Barclays credit card joint venture

- Transaction expected to close in June/July
- Venture will be named EnterCard International
- CEO to be appointed shortly
- Organisation in place in Q2
- Net gain of approx. SEK 800 M in Q3
- EnterCard International results will be consolidated in FSB accounts



# Copenhagen and Helsinki



- First Copenhagen branch office has opened, inauguration May 2
- More branches may follow in 2005/2006
- Affiliate office in Helsinki catering to corporate customers is set to open in second half of 2005



# Highlights, Q1, 2005

- Operating profit rose by 17 percent to SEK 2,907 M (2,476)
- Profit for the period rose by 13 percent to SEK 2,135 M (1,894)
- The return on shareholders' equity rose to 19.0 percent (18.3)
- Shareholders' earnings per share rose by 16 percent to SEK 4.16 (3.59)
- Total income rose by 5 percent to SEK 6,339 M (6,064)
- Costs decreased by 3 percent to SEK 3,333 M (3,446)
- Loan losses decreased by 30 percent to SEK 99 M (142)
- Successful offer for the remaining shares in Hansabank
- Hansabank's operating profit rose 22 percent to SEK 527 M (431)



# Result highlights

<b>SEK M</b>	<b>Q1, 2005</b>	<b>Q1, 2004</b>	<b>Change %</b>
Operating profit	2,907	2,476	17
– <i>excluding items affecting comparability</i>	3,153	2,763	14
Total income	6,339	6,064	5
Net interest income	3,939	3,459	14
Net commissions	1,530	1,504	2
Net gains and losses on financial items at fair value	442	767	– 42
Expenses	– 3,333	– 3,446	– 3
Loan losses	– 99	– 142	– 30
RoE, % *	19.0	18.3	
Earnings per share, SEK *	4.16	3.59	16

\* Based on profit and equity allocated to FöreningsSparbankens' shareholders.





# Lending, Q1, 2005

- Group lending rose by 2 percent to SEK 711 bn (694)
- Spintabs' household lending rose by 2 percent to SEK 306 bn (301)
- Hansabank's lending rose by 17 percent to SEK 61 bn (53)

Figures in parentheses refer to December 31, 2004



# Savings and investments, Q1, 2005

- Household deposits increased by 4 percent to SEK 164 bn (157)
- The market share in Sweden for new savings net rose to 20 percent (17)
- Funds under management increased by 6 percent to SEK 302 bn (286)

Figures in parentheses refer to December 31, 2004



# Group P&L

SEK M	Q1, 2005	Q1, 2004	Change %
Net interest income	3,939	3,459	14
Net commissions	1,530	1,504	2
Net gains and losses on financial items at fair value	442	767	- 42
Other income	428	334	28
<b>Total income</b>	<b>6,339</b>	<b>6,064</b>	<b>5</b>
Staff costs	- 1,697	- 1,675	1
Profit-based staff costs	- 183	- 287	- 36
Other expenses	- 1,453	- 1,484	- 2
<b>Total expenses</b>	<b>- 3,333</b>	<b>- 3,446</b>	<b>- 3</b>
<b>Profit before loan losses</b>	<b>3,006</b>	<b>2,618</b>	<b>15</b>
Loan losses	- 99	- 142	- 30
<b>Operating profit</b>	<b>2,907</b>	<b>2,476</b>	<b>17</b>
Taxes	- 571	- 588	- 3
<b>Profit from continuing operations</b>	<b>2,336</b>	<b>1,888</b>	<b>24</b>
Profit from discontinued operations after tax		230	
<b>Profit for the period</b>	<b>2,336</b>	<b>2,118</b>	<b>10</b>
<b>Attributable to shareholders</b>	<b>2,135</b>	<b>1,894</b>	<b>13</b>



# Quarterly profit trend

SEK M	Q1, 2005	Q4, 2004	Q3, 2004	Q2, 2004	Q1, 2004
Net interest income	3,939	4,039	3,979	3,722	3,459
Net commissions	1,530	1,554	1,533	1,531	1,504
Net profit on financial items at fair value	442	413	167	460	767
Other income	428	391	436	394	334
<b>Total income</b>	<b>6,339</b>	<b>6,397</b>	<b>6,115</b>	<b>6,107</b>	<b>6,064</b>
Staff costs	- 1,697	- 1,561	- 1,682	- 1,651	- 1,675
Profit-based staff costs	- 183	- 222	- 300	- 213	- 287
Other expenses	- 1,453	- 1,593	- 1,417	- 1,526	- 1,484
<b>Total expenses</b>	<b>- 3,333</b>	<b>- 3,376</b>	<b>- 3,399</b>	<b>- 3,390</b>	<b>- 3,446</b>
<b>Profit before loan losses</b>	<b>3,006</b>	<b>3,021</b>	<b>2,716</b>	<b>2,717</b>	<b>2,618</b>
Loan losses	- 99	- 99	- 133	- 120	- 142
<b>Operating profit</b>	<b>2,907</b>	<b>2,922</b>	<b>2,583</b>	<b>2,597</b>	<b>2,476</b>
Taxes	- 571	- 687	- 592	- 532	- 588
<b>Profit from continuing operations</b>	<b>2,336</b>	<b>2,235</b>	<b>1,991</b>	<b>2,065</b>	<b>1,888</b>
Profit from discontinued operations after tax		14	1,362	164	230
<b>Profit for the period</b>	<b>2,336</b>	<b>2,249</b>	<b>3,353</b>	<b>2,229</b>	<b>2,118</b>
<b>Attributable to shareholders</b>	<b>2,135</b>	<b>2,063</b>	<b>3,161</b>	<b>2,039</b>	<b>1,894</b>



# Items affecting comparability

<b>2005</b>	<b>Q1</b>
<b>SEK M</b>	
Profit-based staff costs	– 183
<i>of which allocation to Kopparmyntet</i>	– 87
Costs for personnel changes	– 58
Profit effect IAS 39	– 5
<b>Total</b>	<b>– 246</b>
<b>2004</b>	<b>Q1</b>
<b>SEK M</b>	
Profit-based staff costs	– 287
<i>of which allocation to Kopparmyntet</i>	– 131
<b>Total</b>	<b>– 287</b>



# Profit effect of IAS 39

## Q1 2005, SEK M

### Net interest income

Increase in net interest income in Spintab

repurchase differences	157
interest income compensation	– 102

### Net profit on financial items at fair value

Valuation of derivatives in Spintab at fair value	– 139
Repurchased Spintab bonds	– 71
Inefficiency in hedging package	41
Valuation of assets at fair value	
shares	– 23
lending	1
Interest income compensation	131

---

<b>Total</b>	<b>– 5</b>
--------------	------------



# Change in net interest income

Q1, 2005 compared to Q1, 2004, SEK M

Swedish retail operations	+	96
Swedbank Markets	+	11
International banking operations	+	131
Asset management and insurance	-	2
Shared services and Group staffs	+	93
Eliminations	+	151
<b>Total</b>	<b>+</b>	<b>480</b>



# Change in net interest income

Swedish retail operations  
Q1, 2005 compared to Q1, 2004, SEK M

Increased lending volumes	+	80
Increased deposit volumes	+	38
Lower lending margins	–	80
Lower deposit margins due to lower overall interest rates	–	113
Shareholders' equity and other balance sheet items	+	171
<b>Total</b>	<b>+</b>	<b>96</b>





# Net commission income

<b>SEK M</b>	<b>Q1, 2005</b>	<b>Q1, 2004</b>	<b>Change %</b>
Payment processing	587	520	13
Lending commissions	89	93	- 4
Brokerage	111	136	- 18
Asset management	702	663	6
Insurance commissions	96	93	3
Other commissions	- 55	- 1	
<b>Total commissions, net</b>	<b>1,530</b>	<b>1,504</b>	<b>2</b>



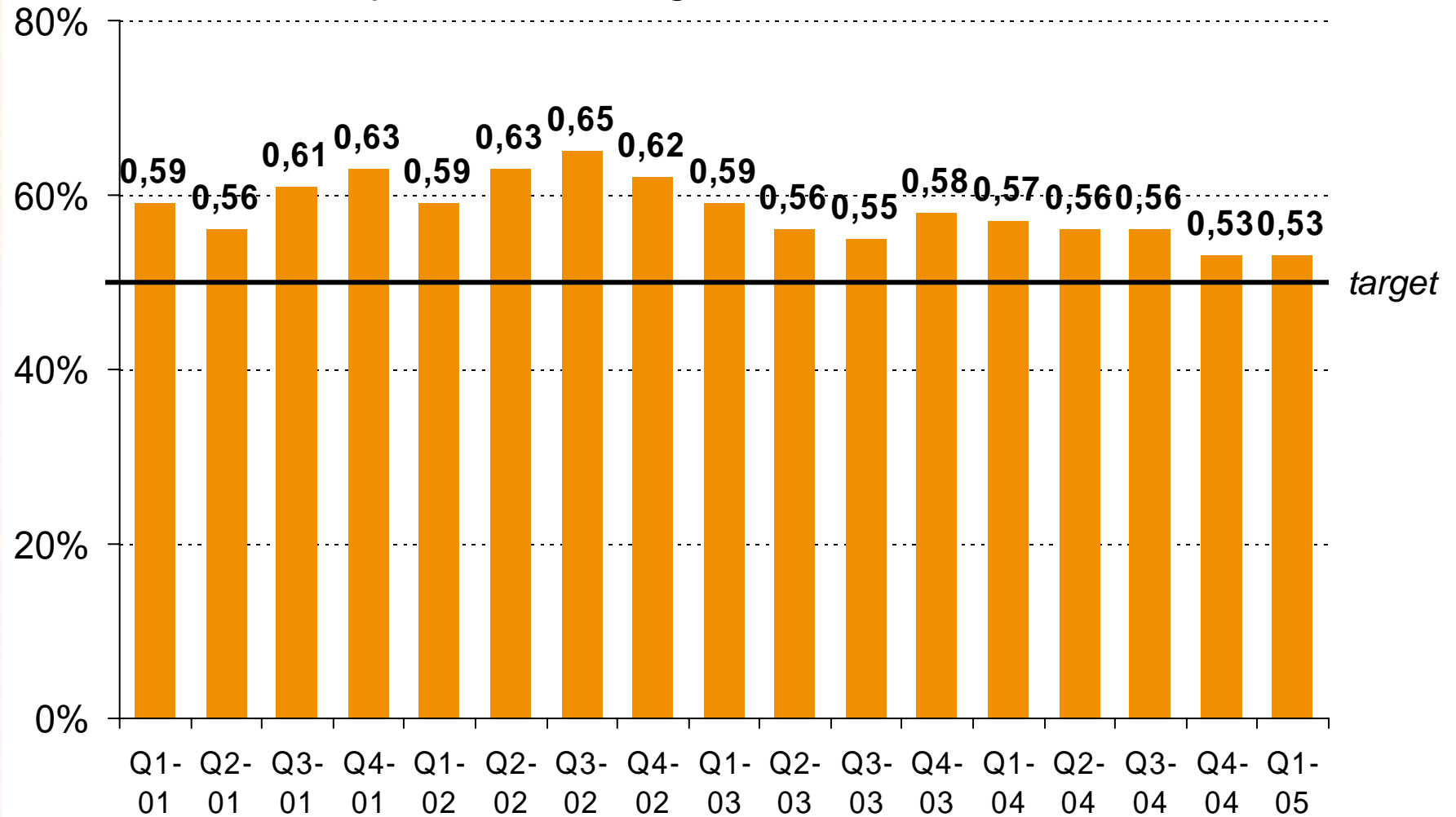
# Net profit on financial items at fair value, total

SEK M	Q1, 2005	Q1, 2004	Change
Financial instruments classified as trading and derivatives	255	633	– 378
Other financial instruments at fair value	83	8	75
Exchange rate fluctuations	104	126	– 22
<b>Total</b>	<b>442</b>	<b>767</b>	<b>– 325</b>



# C/I ratio

adjusted according to IFRS from Q1, 2004



# Income and Costs

Income SEK M	Q1, 2005	Q4, 2004	Change		Q1, 2004	Change	
			SEK M	%		SEK M	%
Swedish operations	5,359	5,361	- 2		5,178	181	3
International banking operations	980	1,036	- 56	- 5	886	94	11
<b>Total</b>	<b>6,339</b>	<b>6,397</b>	<b>- 58</b>	<b>- 1</b>	<b>6,064</b>	<b>275</b>	<b>5</b>

Costs SEK M	Q1, 2005	Q4, 2004	Change		Q1, 2004	Change	
			SEK M	%		SEK M	%
Swedish operations	2,676	2,669	7		2,765	- 89	- 3
Costs for personnel changes	58	30	28	93	13	45	
Profit based staff costs	125	151	- 26	- 17	257	- 132	- 51
International banking operations	474	526	- 52	- 10	411	63	15
<b>Total</b>	<b>3,333</b>	<b>3,376</b>	<b>- 43</b>	<b>- 1</b>	<b>3,446</b>	<b>- 113</b>	<b>- 3</b>



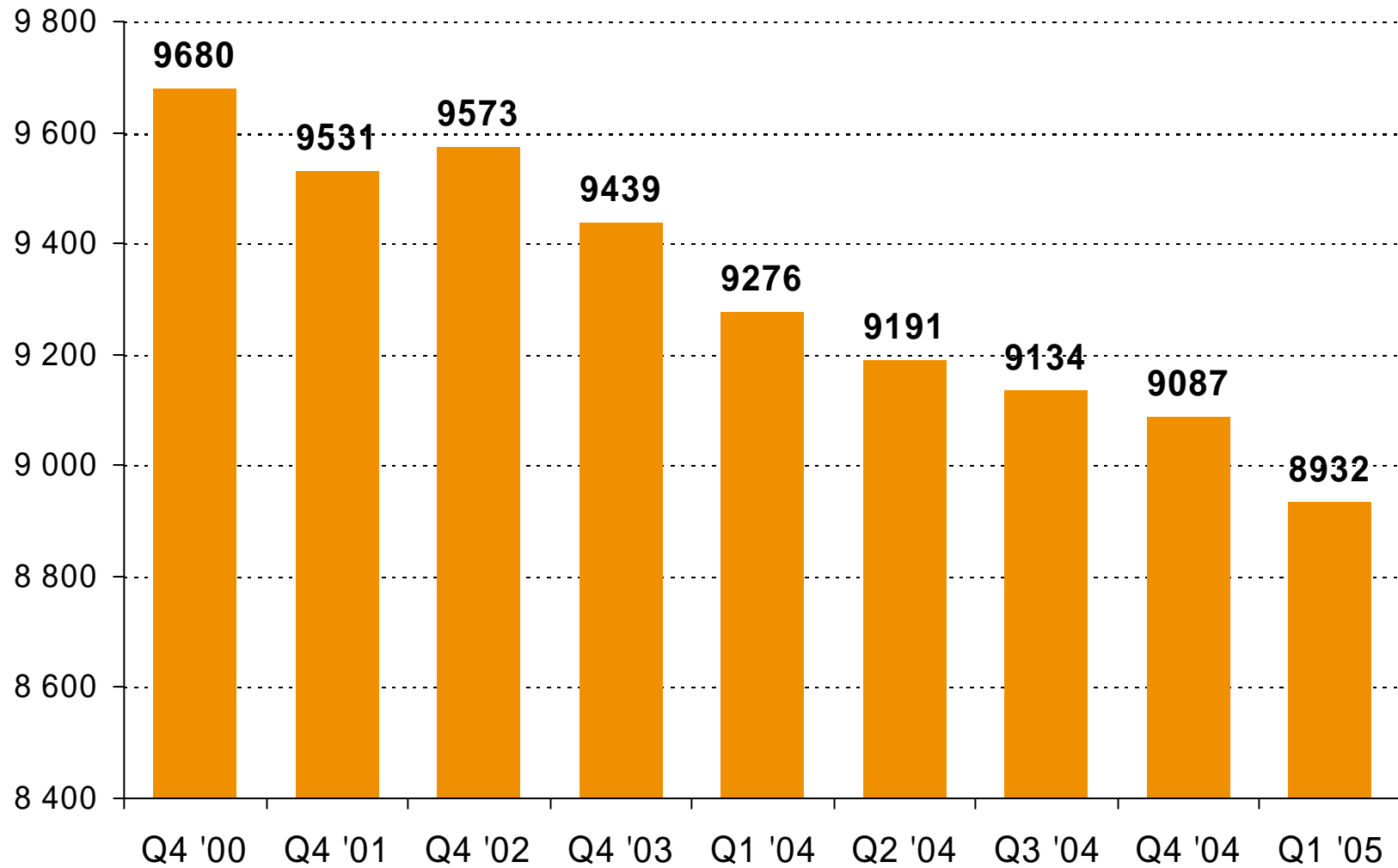
# Staff costs

SEK M	Q1, 2005	Q1, 2004	Change %
Swedish operations			
Salaries and remuneration	1,383	1,428	- 3
Profit-based staff costs	125	257	- 51
Costs for personnel changes	58	13	
Other staff costs	55	49	12
<b>Total</b>	<b>1,621</b>	<b>1,747</b>	<b>- 7</b>
International banking operations	259	215	20
<b>Total staff costs</b>	<b>1,880</b>	<b>1,962</b>	<b>- 4</b>



# Number of employees

Swedish operations



# Hansabank, Q1, 2005

- Hansabanks operating profit rose by 22 percent to SEK 527 M (431)
- Loan losses decreased by 18 percent to SEK 41 M (50)
- Lending increased by 17 percent to SEK 61 bn (53, Dec 31, 2004)
- Successful offer for the remaining shares in Hansabank

Figures in parantheses refer to Q1 2004, if not otherwise stated



# Results, Hansabank

SEK M	Q1, 2005	Q1, 2004	Change %
Net interest income	663	538	23
Net commissions	234	199	18
Net gains and losses on financial items at fair value	121	120	
Other income	21	32	- 34
<b>Total income</b>	<b>1,039</b>	<b>889</b>	<b>17</b>
Staff costs	- 255	- 214	19
Other expenses	- 216	- 194	11
<b>Total expenses</b>	<b>- 471</b>	<b>- 408</b>	<b>15</b>
<b>Profit before loan losses</b>	<b>568</b>	<b>481</b>	<b>18</b>
Loan losses	- 41	- 50	- 18
<b>Operating profit</b>	<b>527</b>	<b>431</b>	<b>22</b>
Taxes	- 38	- 14	
<b>Profit for the period</b>	<b>489</b>	<b>417</b>	<b>17</b>





# Change in net interest income

Hansabank

Q1, 2005 compared to Q1, 2004, SEK M

Increased lending volumes	+ 191
Increased deposit volumes	+ 21
Lower lending margins	- 35
Lower deposit margins	- 63
Treasury and trading	+ 24
Shareholders' equity and other balance sheet items	- 13
<b>Total</b>	<b>+ 125</b>



# Profit per business area

Q1, 2005

SEK M	Swedish retail operations	Swedbank Markets	Asset mgmt. & insurance	Inter-national banking				
Net interest income	3,119	200	8	640				
Other income	1,232	273	333	340				
Share of profit/loss of associated companies	46	15						
<b>Total income</b>	<b>4,397</b>	<b>6%</b>	<b>488</b>	<b>- 16%</b>	<b>341</b>	<b>- 4%</b>	<b>980</b>	<b>11%</b>
Staff costs	- 1,043	- 152	- 66	- 259				
Other expenses	- 1,258	- 126	- 84	- 215				
<b>Total expenses</b>	<b>- 2,301</b>	<b>- 1%</b>	<b>- 278</b>	<b>- 6%</b>	<b>- 150</b>	<b>4%</b>	<b>- 474</b>	<b>15%</b>
<b>Profit before loan losses</b>	<b>2,096</b>		<b>210</b>		<b>191</b>		<b>506</b>	
Loan losses	- 60	- 1		- 41				
<b>Operating profit</b>	<b>2,036</b>	<b>17%</b>	<b>209</b>	<b>- 23%</b>	<b>191</b>	<b>- 10%</b>	<b>465</b>	<b>9%</b>
Allocated equity *	26,524	2,497	1,547	12,121				
Return on equity %	22.1	24.0	38.3	7.6				

\* opening balance excluding dividend

Changes in percent refer to comparison with Q1, 2004



# Credit quality, Q1, 2005

- Doubtful claims decreased by 17 percent to SEK 2,619 M (3,143)
- The provision ratio rose to 151 percent (125)
- Loan losses fell by 30 percent to SEK 99 M (142)
- The loan loss level dropped to 0.05 percent (0.07)

Figures in parantheses refer to Q1, 2004



# Loan losses

SEK M	Q1, 2005	Q1, 2004
Established	87	108
Provisions	149	226
Recoveries	- 137	- 192
Change in value of property taken over	0	0
<b>Total</b>	<b>99</b>	<b>142</b>
of which collective provisions for claims assessed individually	67	103



# Key figures

	Q1, 2005	Q1, 2004
Return on equity, % *	19.0	18.3
Earnings per share, SEK *	4.16	3.59
Equity per share, SEK *	88.89	80.31
C/I ratio before loan losses	0.53	0.57
Loan loss ratio, net %	0.05	0.07
Share of doubtful claims, %	0.18	0.26**
Provision ratio for doubtful claims, %	151	125**
Capital adequacy ratio, %	10.5	10.7
Primary capital ratio, %	6.7	7.1

\* Based on profit and equity allocated to FöreningsSparbankens' shareholders.

\*\* excluding FI-Holding





***The leading Nordic-Baltic bank***