



**Interim report for FöreningsSparbanken (Swedbank)**  
**January – March 2005**  
*April 28, 2005*

**Increased income and lower expenses – operating profit rose 17 percent**

**First quarter 2005 in summary:**

- 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 equity rose to 19.0 percent (18.3) \*
- 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)
- Expenses decreased by 3 percent to SEK 3,333 M (3,446)
- Loan losses decreased by 30 percent to SEK 99 M (142)
- The market share for total new savings from Swedish households rose to 20 percent (17)
- Successful offer for remaining shares in Hansabank
- Hansabank's operating profit rose by 22 percent to SEK 527 M (431)
- IAS 39 had a maginal effect on the quarter's profit, but pending market interest rate development going forward, volatility may be substantial.

\*) Based on profit and equity attributable to FöreningsSparbanken's shareholders.

## Introduction of IFRS

The interim report for the first quarter of 2005 is the Group's first report prepared according to the International Financial Reporting Standards (IFRS) adopted by the EU. These standards are issued by the International Accounting Standards Board (IASB) and become mandatory for listed companies as they are approved by the EU.

The introduction of the IFRS principles in the interim report has necessitated the restatement of comparable information from the profit and loss account and balance sheet for 2004. New valuation rules for goodwill (IFRS 3) and the inclusion of minority interests in equity and profit have affected the reported figures for 2004.

Reported profit for the full-year 2004 increased from SEK 8,592 M to SEK 9,949 M, due in part to the inclusion of minority profits of SEK 756 M and in part to IFRS 3 rules for valuation of goodwill, with a net positive effect of SEK 601 M. The new valuation of goodwill also resulted in the profit allocated to minority shareholders increasing by SEK 36 M to SEK 792 M. Shareholders' profit increased by SEK 565 M to SEK 9,157 M. Due to these changes, the closing equity balance in 2004 rose by SEK 3,733 M, from SEK 43,624 M to SEK 47,357 M.

New valuation rules for financial instruments also apply from 2005. Adjusted shareholders' equity, SEK 47,357 M, is reduced by SEK 788 M due to the new valuation rules for financial instruments. As a result, the opening equity balance for 2005 is SEK 46,569 M.

The new rules have also necessitated changes in the classification of profit and loss account and balance sheet items. The profit and loss item *Net gains and losses on items at fair value* contains changes in the value of financial instruments and stock dividends as well as interest paid on financial assets and financial liabilities categorized as trading.

Separate lines for insurance operations have also been added. *Share of profit/loss of associated companies*, calculated according to the equity method, will henceforth be reported among the other income categories. Income and expenses from discontinued operations are reported net on separate lines (where the after-tax profit in FI-Holding for 2004 and the capital gain from the sale of the company is reported).

The earlier accounting practice of publishing separate operational and statutory income statements ceases with the transition to IFRS rules. For changes in accounting principles compared with the annual report 2004, see page 8 and the attachment. Reported amounts may change when the comparative periods for 2004 are restated according to the principles that will apply as of year-end 2005.

Key ratio calculations have also been adapted to the new accounting rules.

The EU did not approve IAS 39 as issued by IASB and made a significant change in the autumn of 2004 when the recommendation was introduced in EU legislation. The so-called fair value option was eliminated with respect to the valuation of liabilities, whereby liabilities, with the exception of those categorized as trading and liabilities reported as hedges, will be valued at accrued acquisition value. The option of valuing financial liabilities at fair value is important if FöreningsSparbanken is going to accurately report the results from operations involving fixed-rate financial instruments. If it is unable to value lending, matching funding and related derivatives at fair value, there will be situations where reported results may be more volatile than economic conditions would imply.

Because interest rates on March 31, 2005 did not differ significantly from year-end 2004, the impact of IAS 39 on the Group's income during the first quarter was marginal. Net interest income rose by SEK 55 M due to the effects of IAS 39, while net gains and losses on items at fair value were negatively affected by SEK 60 M. In previous monthly financial statements during the first quarter, however, the impact on income was significant. It is critical to FöreningsSparbanken that IAS 39 is fully approved by the EU. Until this happens, there is a risk, as mentioned above, that reported profit will be more volatile than economic conditions would imply. If the EU approves IAS 39 including the opportunity to apply the "fair value option" for financial liabilities, the effects on reported profit and financial position in 2005 may change.

## **Profit trend for the Group in first quarter 2005**

Comparative figures refer to the first quarter of 2004. Key ratios are based on profit and equity attributable to FöreningsSparbanken's shareholders unless otherwise indicated.

Operating profit rose by 17 percent to SEK 2,907 M (2,476). Income rose by 5 percent to SEK 6,339 M (6,064), while expenses decreased by 3 percent to SEK 3,333 M (3,446). Loan losses decreased by 30 percent to SEK 99 M (142). The return on equity rose to 19.0 percent (18.3), while earnings per share increased to SEK 4.16 (3.59).

### **Income rose 5 percent**

Income rose by 5 percent to SEK 6,339 M (6,064). Net interest income rose by 14 percent and net commission income by 2 percent, while net gains and losses on items at fair value decreased by 42 percent.

### **Strong trend in net interest income**

Net interest income rose by 14 percent to SEK 3,939 M (3,459). Despite continued tight competition in lending with shrinking margins, the Swedish Retail operations raised net interest income by SEK 96 M to SEK 3,119 M (3,023). Net interest income was positively affected by further increases in lending and deposit volumes. Swedbank Markets' net interest income rose by SEK 11 M. In International Banking, net interest income rose by SEK 131 M or 26 percent through strong volume in the Baltics. In Treasury and central units, net interest income rose by SEK 93 M.

### **Net commission income rose 2 percent**

Net commission income rose by 2 percent to SEK 1,530 M (1,504). Greater use of debit and credit cards and an increase in clearance volumes raised payment commissions by 13 percent or SEK 67 M to SEK 587 M (520). Mutual fund contributions and a favorable stock market climate raised assets management commissions by 6 percent or SEK 702 M (663). Brokerage commissions decreased, however, by SEK 25 M.

### **Net gains and losses on items at fair value**

Net gains and losses on items at fair value decreased to SEK 442 M (767). Income from financial assets and liabilities classified as trading as well as derivatives amounted to SEK 255 M (633). Income from other financial instruments at fair value rose by SEK 75 M to SEK 83 M (8). Changes in exchange rates amounted to SEK 104 M (126).

### **Net insurance**

Net insurance includes life and property insurance operations in Robur Försäkring and Hansabank. Net insurance premiums and provisions amounted to SEK 31 M (27).

### **Share of profit/loss of associated companies**

The share of profit/loss of associated companies reported according to the equity method amounted to SEK 72 M (81).

### **Other income**

Other income rose by 44 percent to SEK 325 M (226). The increase is due to one-time income of slightly over SEK 100 M.

### **Expenses decreased 3 percent**

The Group's expenses decreased by 3 percent or SEK 113 M to SEK 3,333 M (3,446).

### **Staff costs**

Staff costs decreased by 4 percent to SEK 1,880 M (1,962). Staff costs excluding profit-based staff costs and staff change costs decreased by 1 percent to SEK 1,639 M (1,662). Included among profit-based costs is the allocation to the employee profit-sharing fund, Kopparmyntet, of SEK 87 M (131). In the Swedish operations, total staff costs decreased by 7 percent to SEK 1,621 M (1,747). In International Banking, staff costs amounted to SEK 259 M (215). Of the increase, SEK 28 M was profit-based.

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

	2005	2004	2004
	March 31	Dec. 31	March 31
Total number of employees	15,187	15,156	15,383
<i>Of which Swedish operations</i>	8,926	9,081	9,273
<i>Of which International banking operations</i>	6,261	6,075	6,110

The sale of FI-Holding in September 2004 reduced the number of employees by 163.

## Other general and administrative costs

Other general administrative costs decreased by 1 percent to SEK 1,317 M (1,334).

## Depreciation/amortization and write-down of tangible and intangible fixed assets

Depreciation/amortization and write-down of tangible and intangible fixed assets decreased by 9 percent to SEK 136 M (150).

## IT expenses

IT expenses include all development and production expenditures as well as computer equipment service costs and depreciation. IT expenses for the period, after deducting income from partly owned banks and independent savings banks, amounted to SEK 513 M (530). The corresponding expense in the Swedish operations was SEK 457 M (466).

## Loan losses further declined

The loan loss level fell to 0.05 percent (0.07). Loan losses declined by 30 percent to SEK 99 M (142). Hansabank's loan losses amounted to SEK 41 M (50), with a loan loss level of 0.3 percent (0.5). The Group's doubtful claims, gross, amounted to SEK 2,619 M (2,579). Loan loss reserves amounted to SEK 3,944 M (3,904). A specification of loan losses and claims is provided in Notes 3 and 4.

## Tax expense 20 percent

Profit before tax amounted to SEK 2,907 M (2,476) and the tax expense was SEK 571 M (588), or an effective tax rate of 20 percent (24). The low tax rate in the first quarter of 2005 compared with the corresponding period of 2004 is mainly due to the recovery of tax provisions from previous years.

## Profit from discontinued operations after tax

Profit from discontinued operations after tax amounted to SEK 230 M for the first quarter of 2004. The discontinued operations relate to FI-Holding, which was sold to Kaupthing Bank in September 2004.

## Interest rate risk

An increase in all market interest rates of one percentage point as of March 31, 2005 would have reduced the value of the Group's interest-bearing assets and liabilities, including derivatives, by SEK 970 M (650). The decrease in the value of positions in SEK would have been SEK 1,027 M (714), while positions in foreign currency would have increased in value by SEK 57 M (64). Comparative figures refer to December 31, 2004.

An interest rate increase of one percentage point would have raised the Group's net gain and losses on items at fair value by SEK 9 M (-220) as of March 31, 2005.

## Capital adequacy

The capital adequacy ratio, which is calculated for the financial companies group, amounted to 10.5 percent (11.6) on March 31, 2005, of which the primary capital ratio was 6.7 percent (8.2).

As of March 31, 2005 FöreningsSparbanken had acquired an additional 29 percent of the shares in Hansabank for SEK 11.5 billion, as described in more detail on page 7 in the interim report. The acquisition reduced the primary capital ratio by approximately 1.6 percentage points. During the second quarter of 2005 FöreningsSparbanken is expected to acquire all outstanding shares in Hansabank as of March 31 for SEK 4.2

billion. This will negatively affect the primary capital ratio by approximately an additional 0.7 percentage points.

Primary capital has not been significantly affected by the accounting changes resulting from the introduction of the new international accounting standards, IFRS. With the support of current regulation and the approval of the Financial Supervisory Authority, a neutrality adjustment in primary capital for economically effective hedging conditions fully compensates for the negative effect on equity due to IAS 39. Primary capital as of March 31 includes profit for the period after deducting the estimated dividend.

Supplementary capital rose by SEK 3.7 billion mainly due to the issuance of fixed-term subordinated loans of USD 300 million in March. The risk-weighted amount for credit risks rose to SEK 526 billion (503) mainly due to volume increases in Spintab and Hansabank. The risk-weighted amount for market risks was unchanged. As of 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.

### Specification of capital adequacy

SEK M	March 31 2005	Dec. 31 2004	March 31 2004
Primary capital	36,648	42,995	42,866
Supplementary capital	23,755	20,034	25,319
Less shares, etc.	-3,709	-3,109	-4,262
Expanded portion of capital base	863	820	994
<b>Capital base</b>	<b>57,557</b>	<b>60,740</b>	<b>64,917</b>
Risk-weighted amount for credit risks	526,434	503,172	578,833
Risk-weighted amount for market risks	21,204	21,378	29,594
<b>Total risk-weighted amount</b>	<b>547,638</b>	<b>524,550</b>	<b>608,427</b>
Capital adequacy ratio, %	10.5	11.6	10.7
Primary capital ratio, %	6.7	8.2	7.1

As of March 31, 2005 the FöreningsSparbanken financial companies group included the FöreningsSparbanken Group, Eskilstuna Rekarne Sparbank AB, Färs och Frosta Sparbank AB, FöreningsSparbanken Sjuhärads AB, FöreningsSparbanken Söderhamn AB, Bergslagens Sparbank AB, Vimmerby Sparbank AB, BoStocken AB and First Securities A/S in Norway. The Group's insurance companies are not included according to the capital adequacy rules for financial groups.

### Savings and investments

Customers' total savings and investments in FöreningsSparbanken amounted to SEK 640 billion (557) as of March 31, 2005, an increase by 7 percent or SEK 44 billion since the beginning of the year. Customers' deposits, excluding repurchase agreements (repos), rose by 10 percent or SEK 28 billion to SEK 305 billion (277). Deposits in SEK rose to SEK 232 billion (215) and deposits in foreign currency to SEK 72 billion (62). Robur's share of net contributions in the Swedish mutual fund market was 18 percent (23). For new household deposits, the market share was 20 percent (17). The market share for issue volumes of equity linked bonds amounted to 26 percent (27).

## Savings and investments, the Group

SEK billion	March 31 2005	Dec. 31 2004	Change %	March 31 2004
<b>Deposits from the public</b>				
Households	141.5	136.4	4	134.4
Households, foreign currency	22.2	20.3	9	18.0
<i>Of which Hansabank</i>	22.1	20.2	9	17.9
Other	90.9	78.7	16	83.9
Other, foreign currency	49.9	41.7	20	42.2
<i>Of which Hansabank</i>	27.0	24.6	10	21.9
<b>Total deposits from the public</b>	<b>304.5</b>	<b>277.1</b>	<b>10</b>	<b>278.5</b>
Discretionary asset management *	20.1	21.3	6	22.2
Fund management	302.2	285.9	6	270.5
<i>Of which unit-linked insurance in own companies</i>	43.9	41.3	6	40.4
Retail bonds, interest-bearing	2.0	1.6	25	2.1
Retail bonds, equity linked	11.2	9.9	13	10.4
<b>Total savings and investments</b>	<b>640.0</b>	<b>595.8</b>	<b>7</b>	<b>583.7</b>

\* excluding investments in Robur's funds

## Lending

The Group's total credit exposure, including contingent liabilities and derivatives, amounted to SEK 895 billion (894). Credit exposure in the Swedish market has risen by SEK 4 billion since December 31, 2004 and in the Baltic market by SEK 9 billion.

## Lending, the Group

SEK billion	March 31 2005	Dec. 31 2004	Change %	March 31 2004
Private individuals	374.0	367.8	2	342.1
<i>Of which Spintab</i>	306.3	300.7	2	278.0
Real estate management	148.7	142.1	5	137.1
Retail, hotels, restaurants	25.3	24.2	4	23.4
Construction	9.7	9.3	4	10.5
Manufacturing	21.7	20.9	3	20.8
Transportation	11.5	11.1	3	10.8
Forestry and agriculture	37.5	37.2	1	34.5
Other service businesses	18.8	16.7	13	17.0
Other business lending	49.1	51.2	-4	49.0
Municipalities excl. municipal cos.	14.4	13.8	4	13.4
<b>Total lending to the public</b>	<b>710.7</b>	<b>694.3</b>	<b>2</b>	<b>658.6</b>
FI-Holding				67.9
<b>Total</b>	<b>710.7</b>	<b>694.3</b>	<b>2</b>	<b>726.5</b>
<i>Of which Hansabank</i>	61.4	52.7	17	42.5
Credit institutions incl. Nat'l Debt Office	66.6	60.0	11	52.8
Repurchase agreements (repos)	102.2	80.6	27	67.8
<b>Total lending</b>	<b>879.5</b>	<b>834.9</b>	<b>5</b>	<b>847.1</b>

The increased ownership in Hansabank has led to a write-up of the lending portfolio by SEK 3.4 billion. Excluding this change in value, the Group's lending to the public rose by 2 percent or SEK 13.0 billion. In the Swedish operations, lending rose to SEK 649 billion (641). Lending by Hansabank rose to SEK 61 billion (53). Loans to private customers rose to SEK 374 billion (368), an increase of 2 percent or SEK 6 billion during the year. Business loans rose by 3 percent to SEK 322 billion (312).

## **Payments**

### **Card payments**

FöreningsSparbanken has 3.1 million bank cards in issue in the Swedish market. The trend toward greater card use is continuing. Compared with the corresponding period of 2004, the number of card purchases rose by 15 percent and the number of card transactions cleared by 21 percent.

### **Giro payments**

Customers continue to switch from paper-based giro payments to an electronic, Internet-based giro system through the Internet bank. The number of private customers in the Swedish market with giro accounts is 2.7 million (2.7), of whom 1.3 million (1.2) are Internet-based.

### **Electronic payments**

With e-billing, bills are sent directly to the Internet bank, where customers can securely and conveniently approve payment. A total of 303 companies in Sweden offer the service, compared with 272 on December 31, 2004. The number of e-bills is rising steadily. During the quarter 313,000 e-bills were sent, against 216,000 in the first quarter of 2004.

## **Other**

### **FöreningsSparbanken issues cash offer for all shares in Hansabank**

In February FöreningsSparbanken announced a cash offer of EUR 11 for each share outstanding in Hansabank (127,863,724 shares, or 40.29 percent of all shares in Hansabank) not already owned by FöreningsSparbanken. On March 22 FöreningsSparbanken raised its offer to EUR 13.50 per share. In March 2005 FöreningsSparbanken acquired slightly over 92.5 million shares in Hansabank for SEK 11.5 billion. As of March 31 FöreningsSparbanken owned 88.86 percent of the shares.

In the preliminary acquisition analysis according to IFRS 3 as of March 31, 2005, the acquisition price of SEK 11.5 billion is distributed as follows: SEK 2.3 billion has reduced the minorities' equity in Hansabank, SEK 3.4 billion has been attributed to the lending, and SEK 5.8 billion is preliminary goodwill. The acquisition analysis may change after final analysis of the acquisition and due to new accounting rules.

### **FöreningsSparbanken and Barclays form joint Nordic credit card company**

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 to become market leader in the entire Nordic region.

The company, which will be headquartered in Stockholm, 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 a 60 percent share of the votes and Barclays 40 percent. The two parties will jointly share decision making on key issues.

FöreningsSparbanken will handle marketing and sales in the Swedish market, while EnterCard will serve the Norwegian market, including many 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 billion will result in an estimated capital gain of SEK 800 M for FöreningsSparbanken. The gain is expected to affect third-quarter results for 2005. The establishment of the new company requires regulatory approval.

### **Changes in Executive Management**

Effective March 1, 2005 Lars Lundquist took over as the new Chief Credit Officer of FöreningsSparbanken and an adjunct member of the Group's Executive Management.

## **Share repurchase**

During the first quarter of 2005 no shares were repurchased. Within the framework of the authorization received from the 2004 Annual General Meeting, the Board of Directors resolved on May 3, 2004 to repurchase a maximum of 26 million of the Bank's shares, corresponding to approximately 5 percent of all shares in the Bank. As of December 31, 2004, 14,937,531 shares, representing 2.8 percent of the shares outstanding, had been repurchased for a total of SEK 2,218 M. The Annual General Meeting on April 21, 2005 issued a new authorization to repurchase shares; see the paragraph "FöreningsSparbanken's Annual General Meeting 2005" on page 9.

## **Changes in accounting principles compared with annual report 2004**

### **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 for 2005 also means that comparative periods in 2004 must be restated according to the principles that apply an interim report. There is an exemption from the requirement to restate comparative periods for 2004 according to the new standards applied by the Group. The exemption pertains to IAS 39 Financial Instruments: Recognition and Measurement, which instead applies from 2005 forward.

As in previous periods, the Bank has prepared its financial statements in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

The interim report for the Group has been prepared in accordance with IAS 34, Interim Financial Reporting, which means that it follows the same accounting principles as the last annual report with the exception of the changes described in the report. The changes in accounting rules, together with the amount of the differences, are described in detail in the attachment. The effects of the changes in accounting rules on equity are also indicated in the equity statement.

### **Consolidated accounts**

Minority interests are now included in both equity and profit. In connection with the profit and loss statement, information is provided on how profit is allocated between the shareholders and minority. Within equity, shareholder and minority equity are reported separately.

In the preparation of the acquisition analysis, acquisition values are divided between the fair value of the identified assets, liabilities and contingent liabilities on the date of acquisition. Acquired balances comprise all intangible assets that can be identified and valued separately even if they are not reported by the acquired company. The remainder that cannot be separated constitutes goodwill, which is tested for impairment instead of amortized.

### **Financial instruments**

Financial assets are divided into the categories financial instruments at fair value via the profit and loss account and loan receivables.

Financial instruments at fair value comprise instruments held for trading and all derivatives, regardless of the purpose of the holding of derivatives. Derivatives were previously reported according to the principle for deferred hedge accounting when they hedged other financial instruments valued at accrued acquisition value. The category also includes other financial assets that were initially reported irrevocably at fair value. The Group has chosen to value financial assets held for sale at fair value with changes in value reported in the profit and loss account. Changes in the value of financial instruments held for sale are otherwise reported directly against equity. The Bank has decided to value a well-defined portfolio of fixed-rate loans at fair value, since the interest rate exposure has been hedged with derivatives. Holdings of securities where the customers bear the investment risk have also been reported at fair value with changes in value reported in the profit and loss account.



As in previous reports, loan receivables are reported at accrued acquisition value as long as they are not considered uncertain, in which case they are instead valued their estimated recovery value. Certain types of commission income in connection with new loans are accrued as interest. Such commissions were previously reported as commission income.

Financial liabilities held for trading, derivatives and liabilities where the customer bears the investment risk constitute financial instruments at fair value reported in the profit and loss account. Other financial liabilities are valued at accrued acquisition value.

Net gains and losses on items at fair value in the profit and loss account comprise changes in the value of financial instruments valued at fair value, the instruments' dividends and interest on trading instruments. It also includes differences that arise when financial instruments valued at accrued acquisition value are redeemed in advance or repurchased.

### **Hedge accounting**

Hedge accounting at fair value is applied in certain cases when the interest exposure in financial instruments is hedged with derivatives. With hedge accounting, the hedged risk in the hedged instrument is also revalued at fair value. Both the change in the value of the hedging instrument (i.e., the derivative) and the change in the value of the hedged risk are reported in the profit and loss account in Net gains and losses on items at fair value.

### **Insurance contracts**

Insurance contracts with an insignificant insurance risk, including unit-linked insurance, are reported as financial instruments. In the profit and loss account, the income is included in net commission income. Other insurance contracts are reported in the balance sheet under provisions. In the profit and loss account, premiums received and insurance provisions for these contracts are reported on separate lines.

### **Discontinued operations**

Discontinued operations are reported on an aggregate basis after tax on a separate line in the profit and loss account after profit for the period from continuing operations.

## **Events after March 31, 2005**

### **Increased ownership in Hansabank**

In late April FöreningsSparbanken's ownership interest in Hansabank amounted to 99 percent. The Bank intends to request a redemption of the remaining shares.

### **FöreningsSparbanken's Annual General Meeting 2005**

FöreningsSparbanken's Annual General Meeting on April 21, 2005 approved a dividend of SEK 6.50 per share. The Board of Directors and the President were discharged from liability for the year 2004.

The AGM resolved to permit the Bank, in its securities operations, to continuously acquire its own shares to facilitate these operations. This decision remains effective until the 2006 AGM and means that shares may be acquired at the market price prevailing at the time of such acquisitions. The holding of shares acquired by the securities operations may at no time exceed 2.5 percent of the total shares in the Bank.

It was also resolved to authorize the Bank's board until the 2006 AGM to decide to acquire and transfer the Bank's own shares over and above any acquisitions made by the securities operations. The purpose of the authorization is to facilitate the continued adaptation of the Bank's capital structure to existing capital needs and to make it possible for the Bank to use its own shares as consideration for possible acquisitions of companies or business activities.

According to the authorization, acquisitions may not raise the Bank's total holding of its own shares, including shares acquired by the securities operations, to more than 10 percent of the total number of the shares in the Bank. Acquisitions may only be made on Stockholmsbörsen (the Stockholm Stock Exchange) and only at a price that lies within the interval between the highest buying rate and the lowest selling rate.

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

Following the AGM, the Board of Directors consists of eight members. The following members were reelected: Bo Forslund, Ulrika Francke, Thomas Johansson, Göran Johnsson, Marianne Qvick Stoltz and Carl Eric Ståhlberg. Birgitta Klasén and Lennart Sundén declined reelection. Anders Sundström resigned in 2004 at his own request. Berith Hägglund-Marcus and Caroline Sundewall were elected as new members. The AGM appointed Carl Eric Ståhlberg as Chairman of the Board.

The AGM approved the principles for the establishment of an election committee. In accordance with the Swedish Code of Corporate Governance, the Bank will announce the names of the members of the election committee at least six months before the AGM. At its statutory meeting immediately following the AGM, the board appointed Bo Forslund as First Deputy Chairman, Ulrika Francke as Second Deputy Chairman and Jan Lidén as President and CEO.

### **Key ratios for the Group**

Key ratios are based on profit and shareholders' equity attributable to shareholders of FöreningsSparbanken.

	<b>March 31 2005</b>	<b>March 31 2004</b>	<b>Full-year 2004</b>
Return on equity, %	19.0	18.3	21.8
Return on total equity, %	1.10	0.95	1.11
Earnings per share, SEK <sup>1)</sup>	4.16	3.59	17.50
Earnings per share after dilution, SEK <sup>2)</sup>	4.16	3.59	17.50
Equity per share, SEK <sup>3)</sup>	88.89	80.31	86.16
Equity per share after dilution, SEK <sup>4)</sup>	88.88	80.28	86.14
C/I ratio before loan losses	0.53	0.57	0.55
Capital adequacy ratio, %	10.5	10.7	11.6
Primary capital ratio, %	6.7	7.1	8.2
Loan loss ratio, net, %	0.05	0.07	0.07
Share of doubtful claims, %	0.18	0.29	0.18
Provision ratio for doubtful claims, % <sup>4)</sup>	151	129	151
No. of shares outstanding at end of period	512,871,312	527,808,843	512,871,312
Avg. no. of shares outstanding during the year	512,871,312	527,808,843	523,171,365
No. of shares in calculation			
1)	512,871,312	527,808,843	523,171,365
2)	512,933,651	527,998,282	523,272,978
3)	512,871,312	527,808,843	512,871,312
4)	512,933,651	527,998,282	512,972,925
5) See Note 4			

## Profit and loss account, the Group

SEK M	Q1 2005	Q1 2004	%	Full-year 2004
<i>Interest receivable</i>	8,625	9,027	-4	35,442
<i>Interest payable</i>	-4,686	-5,568	-16	-20,243
Net interest income	3,939	3,459	14	15,199
<i>Commissions receivable</i>	2,088	2,029	3	8,382
<i>Commissions payable</i>	-558	-525	6	-2,260
Net commission income (Note 1)	1,530	1,504	2	6,122
Net gains and losses on items at fair value (Note 2)	442	767	-42	1,807
<i>Insurance premiums</i>	297	257	16	888
<i>Insurance provisions</i>	-266	-230	16	-745
Net insurance	31	27	15	143
Share of profit/loss of associated companies	72	81	-11	366
Other income	325	226	44	1,046
<b>Total income</b>	<b>6,339</b>	<b>6,064</b>	<b>5</b>	<b>24,683</b>
General administrative expenses				
Staff costs excluding profit-based staff costs	-1,697	-1,675	1	-6,569
Profit-based staff costs	-183	-287	-36	-1,022
Other costs	-1,317	-1,334	-1	-5,457
<b>Total general administrative expenses</b>	<b>-3,197</b>	<b>-3,296</b>	<b>-3</b>	<b>-13,048</b>
Depreciation and write-off of tangible and intangible fixed assets	-136	-150	-9	-563
<b>Total costs</b>	<b>-3,333</b>	<b>-3,446</b>	<b>-3</b>	<b>-13,611</b>
<b>Profit before loan losses</b>	<b>3,006</b>	<b>2,618</b>	<b>15</b>	<b>11,072</b>
Loan losses (Note 3)	-99	-142	-30	-494
<b>Operating profit</b>	<b>2,907</b>	<b>2,476</b>	<b>17</b>	<b>10,578</b>
Tax	-571	-588	-3	-2,399
<b>Profit from continuing operations</b>	<b>2,336</b>	<b>1,888</b>	<b>24</b>	<b>8,179</b>
Profit from discontinued operations after tax		230		1,770
<b>Profit for the period</b>	<b>2,336</b>	<b>2,118</b>	<b>10</b>	<b>9,949</b>
<i>Profit for the period attributable to:</i>				
FöreningsSparbanken's shareholders	2,135	1,894	13	9,157
Minority	201	224	-10	792
Earnings per share, SEK <sup>1)</sup>	4.16	3.59		17.50
Earnings per share after dilution, SEK <sup>1)</sup>	4.16	3.59		17.50

<sup>1)</sup> See key ratios on page 10 for number of shares

## Quarterly profit trend for the Group

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 commission income	1,530	1,554	1,533	1,531	1,504
Net gains and losses on items at fair value	442	413	167	460	767
Net insurance	31	43	36	37	27
Share of profit/loss of associated companies	72	88	128	69	81
Other income	325	260	272	288	226
<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 costs	-1,317	-1,458	-1,282	-1,383	-1,334
<b>Total general administrative expenses</b>	<b>-3,197</b>	<b>-3,241</b>	<b>-3,264</b>	<b>-3,247</b>	<b>-3,296</b>
Depreciation and write-off of tangible and intangible fixed assets	-136	-135	-135	-143	-150
<b>Total costs</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>
Tax	-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>
Attributable to:					
FöreningsSparbanken's shareholders	2,135	2,063	3,161	2,039	1,894
Minority	201	186	192	190	224

## Business area report

SEK M	Swedish Retail Banking		Swedbank Markets		Asset Management and Insurance		International Banking		Shared Services and Group Staffs		Eliminations	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Net interest income	3,119	3,023	200	189	8	10	640	509	73	-20	-101	-252
Net commission income	890	816	102	159	302	314	234	199	-1	15	3	1
Net gains and losses on items at fair value	30	65	160	216	3	5	85	120	-16	105	180	256
Share in profit of associated companies	46	44	15	9			0	27	11	1		
Other income	312	201	11	5	28	27	21	31	818	741	-834	-752
<b>Total income</b>	<b>4,397</b>	<b>4,149</b>	<b>488</b>	<b>578</b>	<b>341</b>	<b>356</b>	<b>980</b>	<b>886</b>	<b>885</b>	<b>842</b>	<b>-752</b>	<b>-747</b>
Staff costs	-1,043	-1,085	-152	-160	-66	-69	-259	-215	-369	-448	9	15
IT expenses	-190	-153	-51	-59	-23	-18	-35	-30	-187	-200	200	188
Other costs	-1,046	-1,065	-73	-75	-60	-57	-137	-117	-258	-292	543	544
Depreciation/amortization	-22	-27	-2	-3	-1	0	-43	-49	-68	-71		
<b>Costs</b>	<b>-2,301</b>	<b>-2,330</b>	<b>-278</b>	<b>-297</b>	<b>-150</b>	<b>-144</b>	<b>-474</b>	<b>-411</b>	<b>-882</b>	<b>-1,011</b>	<b>752</b>	<b>747</b>
<b>Profit before loan losses</b>	<b>2,096</b>	<b>1,819</b>	<b>210</b>	<b>281</b>	<b>191</b>	<b>212</b>	<b>506</b>	<b>475</b>	<b>3</b>	<b>-169</b>		
Loan losses	-60	-81	-1	-10			-41	-50	3	-1		
<b>Operating profit</b>	<b>2,036</b>	<b>1,738</b>	<b>209</b>	<b>271</b>	<b>191</b>	<b>212</b>	<b>465</b>	<b>425</b>	<b>6</b>	<b>-170</b>		
Return on allocated equity, %	22.1	20.6	24.0	32.4	38.3	39.6	7.6	19.3	77.7	neg.		
C/I ratio before loan losses	0.52	0.56	0.57	0.51	0.44	0.40	0.48	0.46	1.00	1.20		
Full-time employees	6,473	6,843	542	536	247	257	6,261	6,110	1,664	1,637		

## Business area accounting principles

The business area report is based on FöreningsSparbanken's organization and internal accounts. Other income includes net insurance.

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 attributable to shareholders (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 possible write-down, 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 Banking

Swedish Retail Banking has responsibility for private and commercial customers, organizations, municipalities and county councils in Sweden as well as the Bank's distribution channels in the form of branches, ATM's, and the telephone and Internet banks. Also included are the unit for customer offerings and products (including the subsidiaries Spintab, FöreningsSparbanken Finans, Kundinkasso and EnterCard), partly owned Swedish banks, private banking operations in Luxembourg, FöreningsSparbanken Fastighetsbyrå AB (real estate brokerage), FöreningsSparbanken Juristbyrå AB (legal services) and the treasury operations of Spintab (responsible for funding mortgage lending operations).

The branch network in Sweden is organized in 66 local banks in 6 regions throughout the country. With 490 branches, FöreningsSparbanken has the largest branch network of any Swedish bank. The cooperation with the partly owned and independent savings banks adds another 282 branches. The branch network is complemented by 208 in-store banking locations. The agreement with Svensk Kassaservice (the Swedish postal service) also gives customers access to certain transactions at another 723 post offices. FöreningsSparbanken has signed an agreement with ICA Banken that allows customers to withdraw cash at 1,400 ICA food stores. On April 18 a pilot project started with five stores.

Approximately 2.2 million customers use the Telephone bank. A total of 1.7 million customers use the Internet bank, of whom approximately 1.6 million were private customers, or 28 percent of private customers at FöreningsSparbanken, the independent savings banks and partly owned banks. Approximately 43 percent of business customers in Sweden use the Internet bank.

## Profit trend

SEK M	Jan-Mar 2005	Jan-Mar 2004	Q 1 2005	Q 4 2004	Q 3 2004	Q 2 2004	Q 1 2004
Net interest income	3,119	3,023	3,119	3,166	3,293	3,021	3,023
Net commission income	890	816	890	883	837	858	816
Net gains and losses on items at fair value	30	65	30	14	28	31	65
Other income	312	201	312	219	243	218	201
Share in profit of associated companies	46	44	46	0	97	28	44
<b>Income</b>	<b>4,397</b>	<b>4,149</b>	<b>4,397</b>	<b>4,282</b>	<b>4,498</b>	<b>4,156</b>	<b>4,149</b>
Staff costs	-1,043	-1,085	-1,043	-1,056	-1,231	-1,051	-1,085
IT expenses	-190	-153	-190	-190	-178	-165	-153
Other costs	-1,046	-1,065	-1,046	-1,141	-1,052	-1,120	-1,065
Depreciation/amortization	-22	-27	-22	-24	-27	-26	-27
<b>Expenses</b>	<b>-2,301</b>	<b>-2,330</b>	<b>-2,301</b>	<b>-2,411</b>	<b>-2,488</b>	<b>-2,362</b>	<b>-2,330</b>
<b>Profit before loan losses</b>	<b>2,096</b>	<b>1,819</b>	<b>2,096</b>	<b>1,871</b>	<b>2,010</b>	<b>1,794</b>	<b>1,819</b>
Loan losses	-60	-81	-60	-50	-77	-81	-81
<b>Operating profit</b>	<b>2,036</b>	<b>1,738</b>	<b>2,036</b>	<b>1,821</b>	<b>1,933</b>	<b>1,713</b>	<b>1,738</b>
Tax	-570	-486	-570	-522	-538	-497	-486
Discontinued operations							
<b>Profit for the period</b>	<b>1,466</b>	<b>1,252</b>	<b>1,466</b>	<b>1,299</b>	<b>1,395</b>	<b>1,216</b>	<b>1,252</b>
Profit for the period attributable to:							
FöreningsSparbanken's shareholders	1,464	1,251	1,464	1,300	1,394	1,215	1,251
Minority	2	1	2	-1	1	1	1
Allocated equity	26,524	24,325	26,524	24,325	24,325	24,325	24,325
Return on allocated equity, %	22.1	20.6	22.1	21.4	22.9	20.0	20.6
<b>Income items</b>							
Income from external customers	4,046	3,883	4,046	4,011	4,230	3,871	3,883
Income from transactions with other segments	351	266	351	271	268	285	266
<b>Business volumes, SEK billion</b>							
Lending	639	601	639	629	619	614	601
Deposits	255	237	255	232	242	245	237
Mutual funds & insurance	198	183	198	190	186	185	183
Other investment volume	10	12	10	9	8	8	12
Shares and participating interests in associated companies, SEK billion	1	1	1	2	1	1	1
Risk-weighted volume, SEK billion	434,	398	434	429	417	406	398
Total assets, SEK billion	743	675	743	704	704	689	675
Total liabilities, SEK billion	716	651	716	680	679	665	651
Full-time employees	6,473	6,843	6,473	6,615	6,669	6,722	6,843

Operating profit amounted to SEK 2,036 M, an increase of SEK 298 M or 17 percent from the previous year.

Income rose by SEK 248 M or 6 percent to SEK 4,397 M. Expenses decreased by SEK 29 M or 1 percent to SEK 2,301 M, mainly due to lower staff costs.

Loan losses amounted to SEK 60 M, a decrease of SEK 21 M or 26 percent compared with the previous year. The loan loss ratio was 0.04 percent (0.05). The return on allocated equity was 22.1 percent (20.6).

Operating profit for the first quarter of 2005 was SEK 215 M higher than the fourth quarter of 2004.

The number of full-time positions was reduced by 370 compared with the previous year and by 142 compared with the previous quarter.

## Swedbank Markets

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

Swedbank Markets offers trading in securities and derivatives in the equity, fixed income and foreign exchange markets, as well as financing solutions and professional analysis and advice. The research unit issues a steady stream of analyses on around 150 Nordic companies. For individual investors, Swedbank Markets offers stock trading and broad-market products, such as equity linked bonds, through the Group's Swedish branch network, independent savings banks and partly owned banks, as well as through the Internet bank and Telephone bank.

### Profit trend

SEK M	Jan-Mar 2005	Jan-Mar 2004	Q 1 2005	Q 4 2004	Q 3 2004	Q 2 2004	Q 1 2004
Net interest income	200	189	200	369	294	212	189
Net commission income	102	159	102	133	145	146	159
Net gains and losses on items at fair value	160	216	160	72	-61	151	216
Other income	11	5	11	12	13	9	5
Share in profit of associated companies	15	9	15	19	2	9	9
<b>Income</b>	<b>488</b>	<b>578</b>	<b>488</b>	<b>605</b>	<b>393</b>	<b>527</b>	<b>578</b>
Staff costs	-152	-160	-152	-153	-148	-145	-160
IT expenses	-51	-59	-51	-50	-47	-48	-59
Other costs	-73	-75	-73	-60	-75	-83	-75
Depreciation/amortization	-2	-3	-2	-2	-2	-3	-3
<b>Expenses</b>	<b>-278</b>	<b>-297</b>	<b>-278</b>	<b>-265</b>	<b>-272</b>	<b>-279</b>	<b>-297</b>
<b>Profit before loan losses</b>	<b>210</b>	<b>281</b>	<b>210</b>	<b>340</b>	<b>121</b>	<b>248</b>	<b>281</b>
Loan losses	-1	-10	-1	-21	-2	19	-10
<b>Operating profit</b>	<b>209</b>	<b>271</b>	<b>209</b>	<b>319</b>	<b>119</b>	<b>267</b>	<b>271</b>
Tax	-59	-76	-59	-89	-34	-74	-76
<b>Profit for the period</b>	<b>150</b>	<b>195</b>	<b>150</b>	<b>230</b>	<b>85</b>	<b>193</b>	<b>195</b>
Profit for the period attributable to: FöreningsSparbanken's shareholders	150	195	150	230	85	193	195
Allocated equity	2,497	2,405	2,497	2,405	2,405	2,405	2,405
Return on allocated equity, %	24.0	32.4	24.0	38.3	14.1	32.1	32.4
<b>Income items</b>							
Income from external customers	421	501	421	521	328	455	501
Income from transactions with other segments	67	77	67	84	65	72	77
<b>Business volumes, SEK billion</b>							
Lending	11	14	11	12	12	14	14
Deposits		1					1
Mutual funds & insurance	1	1	1	1	1	1	1
Other investment volume	13	10	13	12	11	10	10
Shares and participating interests in associated companies, SEK billion							
Risk-weighted volume, SEK billion	36	45	36	31	44	57	45
Total assets, SEK billion	336	276	336	311	307	319	276
Total liabilities, SEK billion	334	274	334	309	305	317	274
Full-time employees	542	536	542	534	554	544	536

Swedbank Markets' operating profit amounted to SEK 209 M, a decrease of SEK 62 M or 23 percent from the previous year. In Investment Banking, income decreased by 14 percent or SEK 34 M. In fixed income and foreign exchange trading in Merchant Banking income fell by 15 percent or SEK 48 M.

The return on allocated equity was 24.0 percent (32.4).

## Asset Management and Insurance

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

### Profit trend

SEK M	Jan-Mar 2005	Jan-Mar 2004	Q 1 2005	Q 4 2004	Q 3 2004	Q 2 2004	Q 1 2004
Net interest income	8	10	8	7	7	5	10
Net commission income	302	314	302	331	330	317	314
Net gains and losses on items at fair value	3	5	3	4	-2	3	5
Other income	28	27	28	37	29	31	27
Share in profit of associated companies							
<b>Income</b>	<b>341</b>	<b>356</b>	<b>341</b>	<b>379</b>	<b>364</b>	<b>356</b>	<b>356</b>
Staff costs	-66	-69	-66	-50	-70	-65	-69
IT expenses	-23	-18	-23	-30	-23	-25	-18
Other costs	-60	-57	-60	-55	-54	-55	-57
Depreciation/amortization	-1	0	-1	-1	-1	-1	0
<b>Expenses</b>	<b>-150</b>	<b>-144</b>	<b>-150</b>	<b>-136</b>	<b>-148</b>	<b>-146</b>	<b>-144</b>
<b>Profit before loan losses</b>	<b>191</b>	<b>212</b>	<b>191</b>	<b>243</b>	<b>216</b>	<b>210</b>	<b>212</b>
Loan losses							
<b>Operating profit</b>	<b>191</b>	<b>212</b>	<b>191</b>	<b>243</b>	<b>216</b>	<b>210</b>	<b>212</b>
Tax	-43	-59	-43	-89	-56	-55	-59
<b>Profit for the period</b>	<b>148</b>	<b>153</b>	<b>148</b>	<b>154</b>	<b>160</b>	<b>155</b>	<b>153</b>
Profit for the period attributable to: FöreningsSparbanken's shareholders	148	153	148	154	160	155	153
Allocated equity	1,547	1,547	1,547	1,547	1,547	1,547	1,547
Return on allocated equity, %	38.3	39.6	38.3	39.8	41.4	40.1	39.6
<b>Income items</b>							
Income from external customers	750	702	750	754	703	707	702
Income from transactions with other segments	-409	-346	-409	-375	-339	-351	-346
<b>Business volumes, SEK billion</b>							
Lending							
Deposits							
Mutual funds & insurance	297	270	297	280	273	274	270
Other investment volume	20	22	20	21	22	21	22
Shares and participating interests in associated companies, SEK billion							
Risk-weighted volume, SEK billion	0	0	0	0	0	0	0
Total assets, SEK billion	50	46	50	46	46	46	46
Total liabilities, SEK billion	49	44	49	44	44	44	44
Full-time employees	247	257	247	249	251	253	257

Operating profit amounted to SEK 191 M, a decrease of SEK 21 M or 10 percent from the previous year.

The return on allocated equity in 2004 was 38.3 percent (39.6).

### Fund savings, volumes and flows

Net contributions to Robur's own mutual funds and those it markets amounted to SEK 4.9 billion during the first quarter of 2005, against SEK 7.0 billion in the corresponding period a year earlier. Of net contributions, SEK 3.5 billion (3.1) was from premium pension investments and SEK -0.1 billion (0.9) from unit-linked insurance in Robur Försäkring.

Robur's assets under management as of March 31, 2005 amounted to SEK 296 billion (280). The change is due to an appreciation in the value of fund assets of SEK 11 billion, mainly from rising stock prices during the year. After net fund contributions of SEK 5 billion, the increase in fund assets during the year was SEK 16 billion. The institutional asset management operations managed SEK 44 billion (43), of which SEK 24 billion (22) was invested in Robur funds.



Robur's share of net contributions in the Swedish mutual fund market was 18 percent (23) in the first quarter 2005. Its share of assets under management in the fund market was 28 percent (28) on December 31, 2004.

	<b>March 31 2005</b>	<b>Dec. 31 2004</b>	<b>March 31 2004</b>
<b>Fund management</b>			
Assets under management (SEK billion)	296	280	271
<i>Of which: Swedish equities, %</i>	29.4	29.4	27.3
<i>Foreign equities, %</i>	35.1	34.2	37.3
<i>Interest-bearing securities, %</i>	35.5	36.4	35.4
Number of customers (thousands)	2,795	2,795	2,793
<b>Unit-linked insurance</b>			
Assets under management (SEK billion)	43.6	41.4	40.5
<i>Of which in Robur funds</i>	43.3	41.3	40.5
Number of policies (thousands)	735	724	700
<b>Discretionary asset management</b>			
Assets under management (SEK billion)	44	43	42
<i>Of which in Robur funds</i>	24	22	20

### **Unit-linked insurance**

Sales (premiums paid) of unit-linked insurance during the first quarter of 2005 amounted to SEK 2.2 billion (1.8). Robur Försäkring's assets under management amounted to SEK 43.6 billion (41.4) on March 31, 2005. The market share for new unit-linked insurance was 13 percent (13) on December 31, 2004. Robur Försäkring had 735,000 (700,000) policies at year-end, in addition to around 1 million group life insurance policies.

### **Fund management results**

The majority of Robur's equity funds posted positive returns during the period. Swedish equity funds rose in value by 6 percent, while its public savings funds returned 4 percent, net, after management fees. Robur's blend funds rose by between 3 and 5 percent and its Swedish fixed income funds gained between 1 and 2 percent. Returns after management fees were highest for its small-cap funds and Russia fund. Blend funds and fixed income funds slightly underperformed their indexes. Morningstar's average rating on Robur's funds at the end of the quarter was 3.4 (3.3). According to the periodical Global Investor, Robur has the third highest ranking among European fund managers with more than 40 equity funds.

## International Banking

The International Banking business area includes the subsidiary Hansabank in the Baltic states and the shareholdings in SpareBank 1 Gruppen and Aktia. FI-Holding in Denmark was included through August 2004. Due to the reduced ownership interests, SpareBank 1 Gruppen is no longer reported as an associated company as of June 2004, nor Aktia as of December 2004.

Allocated equity for the business area rose by SEK 3.7 billion. Due to the acquisition of the remaining shares in Hansabank for approx. SEK 15.7 billion, the equity allocated for Hansabank increased by SEK 8.7 billion, while the sale of FI-Holding reduced equity by SEK 4.7 billion.

On March 11, 2005 Hansabank finalized its acquisition of the Russian bank Kvestbank in Moscow.

### Profit trend

SEK M	Jan-Mar 2005	Jan-Mar 2004	Q 1 2005	Q 4 2004	Q 3 2004	Q 2 2004	Q 1 2004
Net interest income	640	509	640	650	577	551	509
Net commission income	234	199	234	220	210	206	199
Net gains and losses on items at fair value	85	120	85	107	-17	133	120
Other income	21	31	21	48	73	72	31
Share in profit of associated companies	0	27	0	11	25	24	27
<b>Income</b>	<b>980</b>	<b>886</b>	<b>980</b>	<b>1,036</b>	<b>868</b>	<b>986</b>	<b>886</b>
Staff costs	-259	-215	-259	-255	-221	-228	-215
IT expenses	-35	-30	-35	-45	-36	-36	-30
Other costs	-137	-117	-137	-181	-123	-125	-117
Depreciation/amortization	-43	-49	-43	-45	-40	-42	-49
<b>Expenses</b>	<b>-474</b>	<b>-411</b>	<b>-474</b>	<b>-526</b>	<b>-420</b>	<b>-431</b>	<b>-411</b>
<b>Profit before loan losses</b>	<b>506</b>	<b>475</b>	<b>506</b>	<b>510</b>	<b>448</b>	<b>555</b>	<b>475</b>
Loan losses	-41	-50	-41	-25	-67	-63	-50
<b>Operating profit</b>	<b>465</b>	<b>425</b>	<b>465</b>	<b>485</b>	<b>381</b>	<b>492</b>	<b>425</b>
Tax	-30	-29	-30	-33	-6	-95	-29
<b>Profit for the period from continuing operations</b>	<b>435</b>	<b>396</b>	<b>435</b>	<b>452</b>	<b>375</b>	<b>397</b>	<b>396</b>
Discontinued operations		230		14	1,362	164	230
<b>Profit for the period</b>	<b>435</b>	<b>626</b>	<b>435</b>	<b>466</b>	<b>1,737</b>	<b>561</b>	<b>626</b>
Profit for the period attributable to:							
FöreningsSparbanken's shareholders	231	406	231	285	1,550	373	406
Minority	204	220	204	181	187	188	220
Allocated equity	12,121	8,406	12,121	8,406	8,406	8,406	8,406
Return on allocated equity, %	7.6	19.3	7.6	13.6	73.8	17.7	19.3
<b>Income items</b>							
Income from external customers	980	886	980	1,036	868	986	886
<b>Business volumes, SEK billion</b>							
Lending	61	110	61	53	49	114	110
Deposits	49	40	49	45	43	42	40
Mutual funds & insurance	5	4	5	6	5	4	4
Shares and participating interests in associated companies, SEK billion	0	1	0	0	1	1	1
Risk-weighted volume, SEK billion	73	155	73	61	77	145	155
Total assets, SEK billion	95	150	95	83	77	154	150
Total liabilities, SEK billion	83	142	83	75	69	146	142
Full-time employees	6,261	6,110	6,261	6,075	6,054	6,103	6,110

Operating profit amounted to SEK 465 M, an increase of SEK 40 M or 9 percent from the previous year.

Income in Hansabank rose by SEK 128 M or 15 percent compared with the previous year to SEK 1,005 M. Expenses rose by SEK 63 M or 15 percent to SEK 472 M. Loan losses decreased by SEK 9 M to SEK 41 M.

For Hansabank, the return on allocated equity was 8.7 percent (32.0). The reason for the change was the increase in Hansabank's own allocated equity. The reported return for Hansabank as an independent company was 25.7 percent (24.6).

Hansabank's operating profit for the first quarter of 2005 was SEK 29 M higher than the fourth quarter of 2004.

The number of full-time employees at Hansabank rose by 312 compared with the previous year and 186 compared with the previous quarter. The increase was in Latvia and Russia.

## Shared Services and Group Staffs

Shared Services and Group Staffs comprise IT and other shared services, Treasury, Group Staffs and the Group's own insurance company, Sparia. The business area also includes a limited number of loan loss provisions that are not reported by units with customer responsibility.

### Profit trend

SEK M	Jan-Mar 2005	Jan-Mar 2004	Q 1 2005	Q 4 2004	Q 3 2004	Q 2 2004	Q 1 2004
Net interest income	73	-20	73	12	-39	51	-20
Net commission income	-1	15	-1	-24	22	-2	15
Net gains and losses on items at fair value	-16	105	-16	47	63	20	105
Other income	818	741	818	698	709	739	741
Share in profit of associated companies	11	1	11	58	4	8	1
<b>Income</b>	<b>885</b>	<b>842</b>	<b>885</b>	<b>791</b>	<b>759</b>	<b>816</b>	<b>842</b>
Staff costs	-369	-448	-369	-272	-324	-394	-448
IT expenses	-187	-200	-187	-181	-190	-191	-200
Other costs	-258	-292	-258	-218	-259	-250	-292
Depreciation/amortization	-68	-71	-68	-63	-65	-71	-71
<b>Expenses</b>	<b>-882</b>	<b>-1,011</b>	<b>-882</b>	<b>-734</b>	<b>-838</b>	<b>-906</b>	<b>-1,011</b>
<b>Profit before loan losses</b>	<b>3</b>	<b>-169</b>	<b>3</b>	<b>57</b>	<b>-79</b>	<b>-90</b>	<b>-169</b>
Loan losses	3	-1	3	-3	13	5	-1
<b>Operating profit</b>	<b>6</b>	<b>-170</b>	<b>6</b>	<b>54</b>	<b>-66</b>	<b>-85</b>	<b>-170</b>
Tax	131	62	131	46	42	189	62
<b>Profit for the period</b>	<b>137</b>	<b>-108</b>	<b>137</b>	<b>100</b>	<b>-24</b>	<b>104</b>	<b>-108</b>
Profit for the period attributable to:							
FöreningsSparbanken's shareholders	142	-111	142	94	-28	103	-111
Minority	-5	3	-5	6	4	1	3
Allocated equity	731	638	731	638	638	638	638
Return on allocated equity, %	77.7	neg.	77.7	58.9	neg.	64.6	neg.
<b>Income items</b>							
Income from external customers	214	155	214	224	67	197	155
Income from transactions with other segments	671	687	671	567	692	619	687
<b>Business volumes, SEK billion</b>							
Lending	0	1	0	0	0	0	1
Shares and participating interests in associated companies, SEK billion	1	0	1	0	0	0	0
Risk-weighted volume, SEK billion	5	7	5	4	5	6	7
Total assets, SEK billion	107	85	107	95	86	75	85
Total liabilities, SEK billion	107	84	107	94	85	74	84
Full-time employees	1,664	1,637	1,664	1,683	1,655	1,667	1,637

The business area reported operating profit of SEK 6 M, an increase of SEK 176 M compared with the previous year and a decrease of SEK 48 M compared with the previous quarter

## Eliminations

SEK M	Jan-Mar 2005	Jan-Mar 2004	Q 1 2005	Q 4 2004	Q 3 2004	Q 2 2004	Q 1 2004
Net interest income	-101	-252	-101	-165	-153	-118	-252
Net commission income	3	1	3	11	-11	6	1
Net gains and losses on items at fair value	180	256	180	169	156	122	256
Other income	-834	-752	-834	-711	-759	-744	-752
<b>Total income</b>	<b>-752</b>	<b>-747</b>	<b>-752</b>	<b>-696</b>	<b>-767</b>	<b>-734</b>	<b>-747</b>
Staff costs	9	15	9	3	12	19	15
IT expenses	200	188	200	138	172	168	188
Other costs	543	544	543	555	583	547	544
<b>Total costs</b>	<b>752</b>	<b>747</b>	<b>752</b>	<b>696</b>	<b>767</b>	<b>734</b>	<b>747</b>
<b>Business volumes, SEK billion</b>							
Mutual funds & insurance	-199	-184	-199	-191	-187	-186	-184
Other investment volume	-10	-9	-10	-9	-8	-8	-9
Total assets, SEK billion	-243	-176	-243	-218	-215	-190	-176
Total liabilities, SEK billion	-243	-176	-243	-218	-215	-190	-176

## Profit and loss account, the Bank

SEK M	Jan-Mar 2005	Jan-Mar 2004	%	Full-year 2004
<i>Interest receivable</i>	4,387	4,283	2	16,741
<i>Interest payable</i>	-2,695	-2,483	9	-9,606
Net interest income	1,692	1,800	-6	7,135
Dividends received	118	58		7,896
<i>Commissions receivable</i>	1,352	1,338	1	5,402
<i>Commissions payable</i>	-277	-270	3	-1,153
Net commission income (Note 1)	1,075	1,068	1	4,249
Net profit on financial operations (Note 2)	318	228	39	1,011
Other operating income	214	215	0	1,901
<b>Total income</b>	<b>3,417</b>	<b>3,369</b>	<b>1</b>	<b>22,192</b>
General administrative expenses				
- Staff costs	-1,489	-1,595	-7	-6,154
- Other	-1,002	-1,066	-6	-4,356
Total general administrative expenses	<b>-2,491</b>	<b>-2,661</b>	<b>-6</b>	<b>-10,510</b>
Depreciation and write-off of tangible fixed assets	-78	-90	-13	-339
Amortization of goodwill	-30	-25	20	-119
<b>Total costs</b>	<b>-2,599</b>	<b>-2,776</b>	<b>-6</b>	<b>-10,968</b>
<b>Profit before loan losses</b>	<b>818</b>	<b>593</b>	<b>38</b>	<b>11,224</b>
Loan losses (Note 3)	-96	-135	-29	-504
Write-off of financial fixed assets				-21
Reversal of write-off of financial fixed assets				7
<b>Profit before appropriations and tax</b>	<b>722</b>	<b>458</b>	<b>58</b>	<b>10,706</b>
Appropriations	-5	-5		4,857
Tax	-175	-121	37	-3,322
<b>Profit for the period</b>	<b>542</b>	<b>332</b>	<b>66</b>	<b>12,241</b>

## Balance sheet

SEK M	Group			Bank		
	Mar. 31 2005	Dec. 31 2004	Mar. 31 2004	Mar. 31 2005	Dec. 31 2004	Mar. 31 2004
<i>Assets</i>						
Loans to credit institutions	127,231	108,215	108,777	208,120	181,622	165,801
Loans to the public	752,224	726,675	738,331	232,197	221,069	195,688
Interest-bearing securities	83,931	80,370	101,663	94,597	92,462	109,689
Shares and participating interests	51,833	48,714	46,564	35,298	27,608	32,375
- for which customers bear the investment risk	43,844	41,576	40,606			
Derivatives	33,513	33,102	29,672	29,891	34,973	30,756
Other assets	39,263	23,929	30,412	15,940	16,238	15,989
<b>Total assets</b>	<b>1,087,995</b>	<b>1,021,005</b>	<b>1,055,419</b>	<b>616,043</b>	<b>573,972</b>	<b>550,298</b>
<i>Liabilities, provisions and equity</i>						
Amounts owed to credit institutions	122,131	101,924	101,306	157,756	137,125	126,624
Deposits and borrowings from the public	309,711	285,540	288,145	260,633	240,471	238,804
Debt securities in issue	445,873	433,830	462,728	76,491	71,507	67,736
Liabilities for which customers bear the investment risk	43,854	41,580	40,613			
Derivatives	34,497	37,586	33,920	28,576	35,629	28,829
Other liabilities and provisions	54,692	46,758	51,095	30,277	31,493	30,867
Subordinated liabilities	30,630	26,430	29,939	25,664	21,792	23,350
Untaxed reserves				3,122	3,122	7,940
Equity	46,607	47,357	47,673	33,524	32,833	26,148
- of which allocated to minority	1,017	3,169	5,285			
- of which allocated to FSB shareholders	45,590	44,188	42,388	33,524	32,833	26,148
<b>Total liabilities, provisions and equity</b>	<b>1,087,995</b>	<b>1,021,005</b>	<b>1,055,419</b>	<b>616,043</b>	<b>573,972</b>	<b>550,298</b>
Assets pledged for own liabilities	103,035	100,921	99,068	58,341	59,076	58,709
Other assets pledged	17,315	17,583	12,013	17,311	17,529	11,659
Contingent liabilities	23,364	23,077	23,312	27,433	27,027	25,810
Commitments	4,211,017	4,083,592	3,706,244	3,965,371	3,857,216	3,365,190

## Statement of cash flows

January – March, SEK M	Group		Bank	
	2005	2004	2005	2004
Liquid assets at beginning of period *)	<b>80,032</b>	<b>66,241</b>	<b>69,537</b>	<b>52,240</b>
<b>Operating activities</b>				
Operating profit	2,907	2,476	722	458
Adjustments for non-cash items	3,410	2,539	1,217	316
Taxes	-3,061	-224	-2,791	-357
Change in receivables from credit institutions	-2,503	-2,854	-10,084	-11,241
Change in loans to the public	-12,016	-1,851	-2,848	863
Change in securities classified as current assets	1,637	-7,641	1,192	-15,701
Change in deposits and borrowings from the public, including retail bonds	18,542	11,169	15,851	11,496
Change in amounts owned to credit institutions	4,482	5,680	4,919	11,839
Change in other assets and liabilities, net	-13,815	-3,006	-5,980	3,113
<b>Cash flow from operating activities</b>	<b>-417</b>	<b>6,288</b>	<b>2,198</b>	<b>786</b>
- of which discontinued operations		635		
<b>Investing activities</b>				
Purchase of fixed assets	-6,948	-503	-6,784	-355
Sale of fixed assets	1,309	281	943	51
<b>Cash flow from investing activities</b>	<b>-5,639</b>	<b>-222</b>	<b>-5,841</b>	<b>-304</b>
- of which discontinued operations		-25		
<b>Financing activities</b>				
Issuance of interest-bearing securities	53,480	70,655	2,266	4,234
Redemption of interest-bearing securities	-31,737	-58,560	-258	-80
Change in other funding	-9,389	10,895	3,739	21,516
<b>Cash flow from financing activities</b>	<b>12,354</b>	<b>22,990</b>	<b>5,747</b>	<b>25,670</b>
- of which discontinued operations		-3,049		
<b>Cash flow for the period</b>	<b>6,298</b>	<b>29,056</b>	<b>2,104</b>	<b>26,152</b>
<b>Exchange rate differences in liquid assets</b>	<b>179</b>	<b>366</b>		
<b>Liquid assets at end of period *)</b>	<b>86,509</b>	<b>95,663</b>	<b>71,641</b>	<b>78,392</b>
*) of which securities pledged for OM, etc.				
- at beginning of period	2,296	3,207	2,296	3,207
- at end of period	507	1,197	507	1,197

## Change in equity

Group	Minority equity	Equity attributable to the shareholders			Equity
		Restricted equity	Non-restricted equity	Total	
SEK M					
<b>Opening balance Jan. 1, 2004</b>	<b>5,198</b>	<b>30,113</b>	<b>10,243</b>	<b>40,356</b>	<b>45,554</b>
Transfers between restricted and non-restricted equity		344	-344		
Translation difference			301	301	301
Exchange rate difference financing subsidiaries and associated companies			-163	-163	-163
Other	-137				-137
Profit for the period	224		1,894	1,894	2,118
<b>Closing balance March 31, 2004</b>	<b>5,285</b>	<b>30,457</b>	<b>11,931</b>	<b>42,388</b>	<b>47,673</b>
<b>Closing balance Dec. 31, 2004</b>	<b>3,169</b>	<b>26,766</b>	<b>17,422</b>	<b>44,188</b>	<b>47,357</b>
Change in accounting principle for IAS 39 Financial instrument: Recognition and Measurement		-2,309	1,521	-788	-788
<b>Opening balance Jan. 1, 2005</b>	<b>3,169</b>	<b>24,457</b>	<b>18,943</b>	<b>43,400</b>	<b>46,569</b>
Transfers between restricted and non-restricted equity		32	-32		
Translation difference	55		106	106	161
Change in value of hedge of foreign net investment			-51	-51	-51
Acquisition from minority	-2,408				-2,408
Profit for the period	201		2,135	2,135	2,336
<b>Closing balance March 31, 2005</b>	<b>1,017</b>	<b>24,489</b>	<b>21,101</b>	<b>45,590</b>	<b>46,607</b>
<b>Comparison with previously applied accounting principles</b>					
<b>Closing balance Dec. 31, 2003 according to previously applied accounting principles</b>		<b>30,137</b>	<b>11,782</b>	<b>41,919</b>	<b>41,919</b>
Minorities added	5,198				5,198
Change in accounting principle for RR 29					
Employee benefits		-24	-1,539	-1,563	-1,563
<b>Opening balance IFRS Jan. 1, 2004</b>	<b>5,198</b>	<b>30,113</b>	<b>10,243</b>	<b>40,356</b>	<b>45,554</b>
<b>Closing balance Mar. 31, 2004 according to previously applied accounting principles</b>		<b>30,457</b>	<b>11,779</b>	<b>42,236</b>	<b>42,236</b>
Minorities added	5,271				5,271
Change in the period's profit due to goodwill no longer amortized	14		152	152	166
<b>Closing balance IFRS Mar. 31, 2004</b>	<b>5,285</b>	<b>30,457</b>	<b>11,931</b>	<b>42,388</b>	<b>47,673</b>
<b>Closing balance Dec. 31, 2004 according to previously applied accounting principles</b>		<b>26,673</b>	<b>16,951</b>	<b>43,624</b>	<b>43,624</b>
Minorities added	3,145				3,145
Change in accounting principle for IFRS 3, Business Combinations					
-Translation difference			-1	-1	-1
-Acquisition from minority	-12				-12
-Profit for the year	36	93	472	565	601
<b>Closing balance IFRS Dec. 31, 2004</b>	<b>3,169</b>	<b>26,766</b>	<b>17,422</b>	<b>44,188</b>	<b>47,357</b>
<b>Bank</b>					
SEK M		Restricted equity	Non-restricted equity	Total	
<b>Opening balance Jan. 1, 2004</b>		<b>19,127</b>	<b>6,689</b>	<b>25,816</b>	
Transfers between restricted and non-restricted equity		-193	193		
Share repurchase			-2,218	-2,218	
Dividend			-3,035	-3,035	
Group contributions, net			-42	-42	
Merger result FSB Boländirekt Bank			71	71	
Profit for the year			12,241	12,241	
<b>Closing balance Dec. 31, 2004</b>		<b>18,934</b>	<b>13,899</b>	<b>32,833</b>	
Change in accounting principle for IAS 39 Financial instrument: Recognition and Measurement		-2,090	2,290	200	
<b>Adjusted opening balance Jan. 1, 2005</b>		<b>16,844</b>	<b>16,189</b>	<b>33,033</b>	
Change in value of hedge of foreign net investment			-51	-51	
Profit for the year			542	542	
<b>Closing balance March 31, 2005</b>		<b>16,844</b>	<b>16,680</b>	<b>33,524</b>	

**Note 1. Net commission income**

SEK M

	Group		Bank	
	Jan – Mar 2005	Jan – Mar 2004	Jan – Mar 2005	Jan – Mar 2004
Payment processing commissions	841	766	619	575
Lending commissions	89	93	89	94
Brokerage	111	136	84	117
Asset management	702	663	346	309
Other securities commissions	20	62	19	62
Other commissions receivable	325	309	195	181
<b>Total commissions receivable</b>	<b>2,088</b>	<b>2,029</b>	<b>1,352</b>	<b>1,338</b>
Payment processing commissions	-254	-246	-213	-207
Securities commissions	-42	-50	-29	-37
Other commissions payable	-262	-229	-35	-26
<b>Total commissions payable</b>	<b>-558</b>	<b>-525</b>	<b>-277</b>	<b>-270</b>
<b>Total commissions, net</b>	<b>1,530</b>	<b>1,504</b>	<b>1,075</b>	<b>1,068</b>

**Note 2. Net gains and losses on items at fair value**

SEK M

	Group	
	Q1 2005	Q1 2004
<b>Financial instruments classified as trading as well as derivatives</b>		
Shares and participating interests	58	63
- Change in value	58	63
- Dividend		
Interest-bearing instruments	166	499
- Change in value	70	81
- Interest	96	418
Other financial instruments	31	71
- Change in value	31	71
<b>Total</b>	<b>255</b>	<b>633</b>
<b>Other financial instruments at fair value</b>		
Shares and participating interests	-20	4
- Change in value	-23	
- Dividend	3	4
Interest-bearing instruments	103	4
- Change in value	103	4
<b>Total</b>	<b>83</b>	<b>8</b>
<b>Change in exchange rates</b>	<b>104</b>	<b>126</b>
<b>Total</b>	<b>442</b>	<b>767</b>

**Net profit on financial operations**

SEK M

	Bank	
	Q1 2005	Q1 2004
Capital gains/losses		
Shares and participating interests	-10	-8
Interest-bearing securities	582	-472
Other financial instruments		0
<b>Total</b>	<b>572</b>	<b>-480</b>
Unrealized changes in value		
Shares and participating interests	53	50
Interest-bearing securities	-341	550
Other financial instruments	1	0
<b>Total</b>	<b>-287</b>	<b>600</b>
Change in exchange rates	33	108
<b>Total</b>	<b>318</b>	<b>228</b>



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

SEK M	Group		Bank	
	2005	2004	2005	2004
<b>January - March</b>				
<i>Specific provisions for claims assessed individually</i>				
The period's write-off for established loan losses	-138	-273	-84	-201
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	80	194	48	152
The period's provisions for anticipated loan losses	-74	-117	-13	-42
Recoveries from previous periods' established loan losses	97	121	12	35
Reversal of provisions for anticipated loan losses	38	69	10	20
<b>The period's net expense</b>	<b>3</b>	<b>-6</b>	<b>-27</b>	<b>-36</b>
<i>Collective provisions for individually assessed claims</i>				
<b>Allocations to collective provisions</b>	<b>-67</b>	<b>-103</b>	<b>-55</b>	<b>-81</b>
<i>Collectively valued homogeneous groups of claims with limited value and similar credit risk</i>				
The period's write-off for established loan losses	-29	-29	-15	-16
Recoveries from previous years' established loan losses	3	1	0	0
Allocations/withdrawals from loan loss reserve	-1	-2	-1	-1
<b>The period's net expense for collectively assessed homogeneous claims</b>	<b>-27</b>	<b>-30</b>	<b>-16</b>	<b>-17</b>
<i>Contingent liabilities</i>				
<b>The period's net expense for discharged guarantees and other contingent liabilities</b>	<b>-8</b>	<b>-3</b>	<b>2</b>	<b>-1</b>
<b>The period's net loan loss expense</b>	<b>-99</b>	<b>-142</b>	<b>-96</b>	<b>-135</b>
Change in the value of property taken over	0	0	0	0
<b>Total loan losses, net, and change in value of property taken over</b>	<b>-99</b>	<b>-142</b>	<b>-96</b>	<b>-135</b>

**Note 4. Claims** (Loans to credit institutions and loans to the public)

SEK M	Group			Bank		
	Mar. 31 2005	Dec. 31 2004	Mar. 31 2004	Mar. 31 2005	Dec. 31 2004	Mar. 31 2004
Book value (before accounting for provisions)	883,399	838,794	852,176	443,665	405,533	364,389
Specific provisions for claims assessed individually	-820	-858	-1,284	-581	-624	-659
Provisions for collectively valued homogeneous groups of claims with limited value and similar credit risk	-185	-184	-205	-106	-105	-110
Collective provisions for individually assessed claims	-2,939	-2,862	-3,579	2,168	-2,113	-2,131
<b>Total provisions</b>	<b>-3,944</b>	<b>-3,904</b>	<b>-5,068</b>	<b>-2,855</b>	<b>-2,842</b>	<b>-2,900</b>
<b>Book value</b>	<b>879,455</b>	<b>834,890</b>	<b>847,108</b>	<b>440,810</b>	<b>402,691</b>	<b>361,489</b>
Book value of doubtful claims	1,611	1,537	2,442	744	743	979
Book value of unsettled claims not included in doubtful claims and for which accrued interest has been entered as income	311	271	437	80	77	103
<b>Property taken over to protect claims:</b>						
- Buildings and land	1	1	7	0	0	0
- Shares and participating interests	12	12	14	7	7	10
- Other	2	2	2	0	0	0
<b>Total</b>	<b>15</b>	<b>15</b>	<b>23</b>	<b>7</b>	<b>7</b>	<b>10</b>
Doubtful claims as % of total lending	0.18	0.18	0.29	0.17	0.18	0.27
Excl. FI-Holding			0.26			
Total provision ratio for doubtful claims, % *	151	151	129	199	193	166
Excl. FI-Holding			125			
Provision ratio for individually identified doubtful claims, %	38	40	38	48	50	44
Excl. FI-Holding			37			

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

## Specification of claims

Sector/Industry SEK M March 31, 2005	Book value before accounting for provisions	Specific provisions for individually assessed claims	Collective provisions for individually assessed claims	Provisions for collectively valued homogeneous groups of claims	Book value of claims after accounting for provisions	Book value of doubtful claims (unsettled)	Book value of unsettled claims for which interest is entered as income
Private individuals	374,341	20	155	185	373,981	358	215
Real estate management	149,012	98	224		148,690	178	47
Retail, hotels, restaurants	25,687	98	314		25,275	254	4
Construction	9,772	38	63		9,671	65	0
Manufacturing	22,367	209	488		21,670	271	2
Transportation	11,563	19	59		11,485	64	0
Forestry and agriculture	37,642	21	75		37,546	73	5
Other service businesses	19,195	22	385		18,788	186	36
Other business lending	50,587	261	1,176		49,150	162	2
Municipalities (municipal companies not included)	14,399				14,399		
<b>Lending</b>	<b>714,565</b>	<b>786</b>	<b>2,939</b>	<b>185</b>	<b>710,655</b>	<b>1,611</b>	<b>311</b>
Credit institutions incl. Nat'l Debt Office	66,666	34			66,632	0	
Repurchase agreements - credit institutions incl. Nat'l Debt Office	62,524				62,524		
Repurchase agreements - public	39,644				39,644		
<b>Total lending to credit institutions and the public</b>	<b>883,399</b>	<b>820</b>	<b>2,939</b>	<b>185</b>	<b>879,455</b>	<b>1,611</b>	<b>311</b>

## Warrant program

In the spring of 2000 employees of FöreningsSparbanken and wholly owned Group companies in Sweden and members of local bank boards were offered the opportunity to buy warrants in FöreningsSparbanken on market terms. The 8,008,100 outstanding warrants carry the right to subscribe for an equal number of shares during a specific period in 2005, as detailed in their terms and conditions. The premium was SEK 15 and the subscription price SEK 187. On March 31, 2005 the price of the FöreningsSparbanken share was SEK 167 and the warrant SEK 1.30.

## Derivatives in the Group on March 31, 2005

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.

SEK M	Interest-related	Currency-related	Equity-related	Other
Derivatives with positive book values	22,686	9,101	1,303	21
Derivatives with negative book values	24,470	8,349	1,248	28

## Ratings, March 31, 2005

	S&P		Moody's		BFSR*	Fitch		R/I	
	Short	Long	Short	Long		Short	Long	Long	
<b>FöreningsSparbanken</b>	A-1	A	P-1	Aa3	B	F1	A+	AA-	
<b>Spintab</b>	A-1	-	P-1	Aa3	-	F1+	AA-	-	
<b>Hansabank</b>	-	-	P-1	A1	C	F1	A	-	

\* Bank Financial Strength Rating

## **Financial information**

The Group's financial reports can be obtained or ordered on FöreningsSparbanken's website at <http://www.fsb.se/ir> or at the nearest branch of FöreningsSparbanken.

FöreningsSparbanken will publish financial reports on the following dates:

- Interim report January–June 2005 on August 18, 2005
- Interim report January–September 2005 on October 27, 2005

## **Stockholm, April 28, 2005**

*Jan Lidén*

President and Chief Executive Officer

## **Audit report**

We have reviewed this interim report in accordance with the recommendation issued by the Swedish Institute of Authorized Public Accountants. A review is considerably limited in scope compared with an audit. Nothing has come to our attention that causes us to believe that the interim report does not comply with the requirements of the Securities and Clearing Operations Act, the Annual Accounts Act for Credit Institutions and Securities Companies and IAS 34, "Interim reporting".

Deloitte & Touche AB

Ernst & Young AB

*Jan Palmqvist*

Authorized Public Accountant

*Lars Träff*

Authorized Public Accountant

*Ulf Järlebro*

Authorized Public Accountant  
Appointed by the Swedish Financial  
Supervisory Authority

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## Attachment

### Restatement of Group profit and loss account 1<sup>st</sup> quarter 2004 from transition to IFRS

SEK M	Profit and loss account according to previous accounting rules	Restatement of profit	Reclassifications	Discontinued operations	Profit and loss account restated acc. to IFRS
Net interest income	4,104		-344	-301	3,459
Net commission income	1,611		-94	-13	1,504
Net gains and losses on items at fair value	388		427	-48	767
Net insurance			27		27
Share of profit/loss of associated companies		14	103	-36	81
Other income	247		-16	-5	226
<b>Total income</b>	<b>6,350</b>	<b>14</b>	<b>103</b>	<b>-403</b>	<b>6,064</b>
Staff costs	-1,709			34	-1,675
Profit based staff costs	-287				-287
Other costs	-1,365			31	-1,334
<b>Total general administrative expenses</b>	<b>-3,361</b>			<b>65</b>	<b>-3,296</b>
Depreciation and right off of tangible and intangible fixed assets	-306	152		4	-150
<b>Total costs</b>	<b>-3,667</b>	<b>152</b>		<b>69</b>	<b>-3,446</b>
<b>Profit before loan losses</b>	<b>2,683</b>	<b>166</b>	<b>103</b>	<b>-334</b>	<b>2,618</b>
Loan losses	-163			21	-142
Share of profit/loss of associated companies	103		-103		
<b>Operating profit</b>	<b>2,623</b>	<b>166</b>		<b>-313</b>	<b>2,476</b>
Tax	-671			83	-588
Minority interests	-210	-14	224		
<b>Profit for the period from continuing operations</b>	<b>1,742</b>	<b>152</b>	<b>224</b>	<b>-230</b>	<b>1,888</b>
Profit from discontinued operations after tax				230	230
<b>Profit for the period</b>	<b>1,742</b>	<b>152</b>	<b>224</b>		<b>2,118</b>
Attributable to:					
FöreningsSparbanken's shareholders					1,894
Minority					224

Restatement has been done with the operational profit and loss account as the starting point, but profit for the period does not differ between the operational and legal profit and loss account that were used 2004.

## Restatement of Group profit and loss account full-year 2004 from transition to IFRS

SEK M	Profit and loss account according to previous accounting rules	Restatement of profit	Reclassifications	Discontinued operations	Profit and loss account restated acc. to IFRS
Net interest income	16,273		-314	-760	15,199
Net commission income	6,658		-465	-71	6,122
Net gains and losses on items at fair value	1,047		783	-23	1,807
Net insurance			143		143
Share of profit/loss of associated companies		110	301	-45	366
Other income	2,496	-71	-147	-1 232	1,046
<b>Total income</b>	<b>26,474</b>	<b>39</b>	<b>301</b>	<b>-2,131</b>	<b>24,683</b>
Staff costs	-6,672			103	-6,569
Profit based staff costs	-1,022				-1,022
Other costs	-5,537			80	-5,457
<b>Total general administrative expenses</b>	<b>-13,231</b>			<b>183</b>	<b>-13,048</b>
Depreciation and right off of tangible and intangible fixed assets	-1,137	562		12	-563
<b>Total costs</b>	<b>-14,368</b>	<b>562</b>		<b>195</b>	<b>-13,611</b>
<b>Profit before loan losses</b>	<b>12,106</b>	<b>601</b>	<b>301</b>	<b>-1,936</b>	<b>11,072</b>
Loan losses	-495			1	-494
Share of profit/loss of associated companies	301		-301		
<b>Operating profit</b>	<b>11,912</b>	<b>601</b>		<b>-1,935</b>	<b>10,578</b>
Tax	-2,564			165	-2,399
Minority interests	-756	-36	792		
<b>Profit for the year from continuing operations</b>	<b>8,592</b>	<b>565</b>	<b>792</b>	<b>-1,770</b>	<b>8,179</b>
Profit from discontinued operations after tax				1,770	1,770
<b>Profit for the year</b>	<b>8,592</b>	<b>565</b>	<b>792</b>		<b>9,949</b>
Attributable to:					
FöreningsSparbanken's shareholders					9,157
Minority					792

Restatement has been done with the operational profit and loss account as the starting point, but profit for the year does not differ between the operational and legal profit and loss account that were used 2004.

## Restatement of Group balance sheet

SEK M	Adopted acc. to annual report 2004	Reclassi- fications	Re- valuation IFRS 3	Restated balance sheet Dec. 31 2004	Revaluation IAS 39	Balance sheet Jan. 1, 2005
Loans to credit institutions	108,039	176		108,215		108,215
Loans to the public	726,701	-26		726,675	493	727,168
Interest-bearing securities	79,007	1,363		80,370	2	80,372
Assets in insurance operations	43,366	-43,366				
Shares and participating interests		48,604	110	48,714	457	49,171
- Of which the customers bear the investment risk		41,576		41,576		41,576
Derivatives		33,102		33,102	2,930	36,032
Other assets	63,346	-39,895	478	23,929	-91	23,838
<b>Total assets</b>	<b>1,020,459</b>	<b>-42</b>	<b>588</b>	<b>1,021,005</b>	<b>3,791</b>	<b>1,024,796</b>
Amounts owed to credit institutions	101,924			101,924	-1,058	100,866
Deposits and borrowings from the public	285,540			285,540		285,540
Debt securities in issue	433,830			433,830	-4,467	429,363
Liabilities in insurance operations	43,280	-43,280				
Liabilities for which customers bear the investment risk		41,580		41,580		41,580
Derivatives		37,586		37,586	9,522	47,108
Other liabilities and provisions	82,686	-35,928		46,758	-819	45,939
Subordinated liabilities	26,430			26,430	1,401	27,831
Minority interests	3,145	-3,145				
Equity	43,624	3,145	588	47,357	-788	46,569
- of which allocated to minority		3,145	24	3,169		3,169
- of which allocated to FSB shareholders		43,624	564	44,188	-788	43,400
<b>Total liabilities, provisions and equity</b>	<b>1,020,459</b>	<b>-42</b>	<b>588</b>	<b>1,021,005</b>	<b>3,791</b>	<b>1,024,796</b>