



Annual Report 2003



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2003 in summary. 2003 was a successful year for FöreningsSparbanken. Its return on equity was the highest among major Nordic banks. Income rose and loan losses fell. Business volumes increased in all product areas. The Board of Directors is proposing an increase in the dividend to SEK 5.75 per share.

Profit for the year rose by 53 percent to SEK 6,343 M (4,152). Income rose by 6 percent to SEK 24,453 M (23,001), while expenses increased slightly to SEK 13,841 M (13,698). Loan losses decreased by 38 percent to SEK 987 M (1,603). The return on equity rose to 15.9 percent (11.0) and earnings per share climbed to SEK 2.02 (7.87).

Profit was affected by a capital gain of SEK 489 M on the sale of shares in HSB Bank and a write-off of the shareholding in SpareBank 1 Gruppen of SEK 311 M.

Net interest income

The Group's largest income item, net interest income, rose by 4 percent. Lending and deposits contributed heavily thanks to higher volumes. In Swedish lending operations, interest rose as well. On the deposit side, margins declined, mainly due to higher interest rate levels and an overflow of deposits to high-interest accounts. Successful fixed income trading by the Bank Markets also contributed

to the increase in net interest income, as did Hansabank.

Net commission income

A rising stock market helped to lift net commission income during the latter part of the year. Commissions from payment services also improved. As a whole, however, net commission income remained unchanged.

Expenses

The Group's expenses rose marginally to SEK 13,841 M (13,698). Expenses in the Swedish operations rose by SEK 259 M, due partly to the acquisition of HSB Bank and EMU preparations. In International Banking operations, expenses were trimmed by SEK 116 M, mainly through efficiency improvements in Hansabank's operations in Lithuania.

Credit quality

Loan losses decreased by 38 percent to SEK 987 M (1,603), corresponding to a loan loss ratio of 0.14 percent

(0.23). Doubtful claims rose from SEK 3,600 M to SEK 3,862 M.

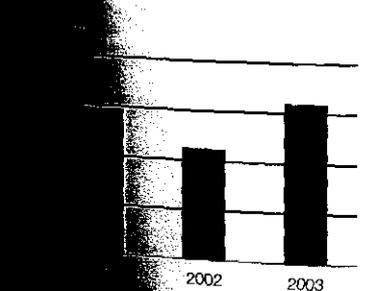
Volumes and market shares

Strong sales of mortgage loans contributed to an increase in lending of 7 percent to SEK 721 billion. The market share in the Swedish lending operations held steady for retail customers and rose for commercial customers. Deposit volume rose by 8 percent to SEK 275 billion. The subsidiary Robur, which is Sweden's largest fund manager, had a market share of 28 percent and assets under management of SEK 249 billion.

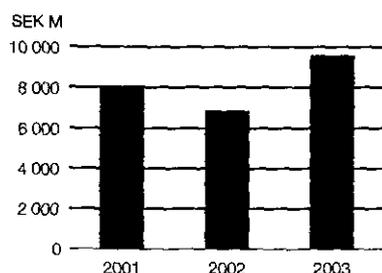


FöreningsSparbanken was named Sweden's Commercial Bank of the Year in 2003 in the business magazine Affärsvärlden's Financial Barometer survey.

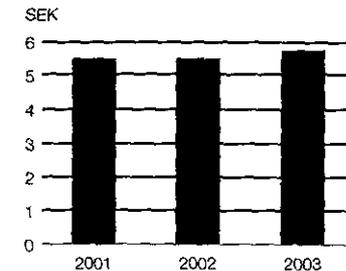
Return on equity



Operating profit



Dividend



Highlights of 2003

Profit for the year rose by 53 percent to SEK 6,343 M (4,152)

The return on equity rose to 15.9 percent (11.0)

Expenses rose by 1 percent to SEK 13,841 M (13,698)

Loan losses decreased by 38 percent to SEK 987 M (1,603)

Deposits rose by 14 percent, lending by 7 percent and funds assets by 21 percent during the year

The Board of Directors is recommending that the dividend be raised to SEK 5.75 per share (5.50)

FöreningsSparbanken was named Commercial Bank of the Year

Robur was named Top Fund Manager

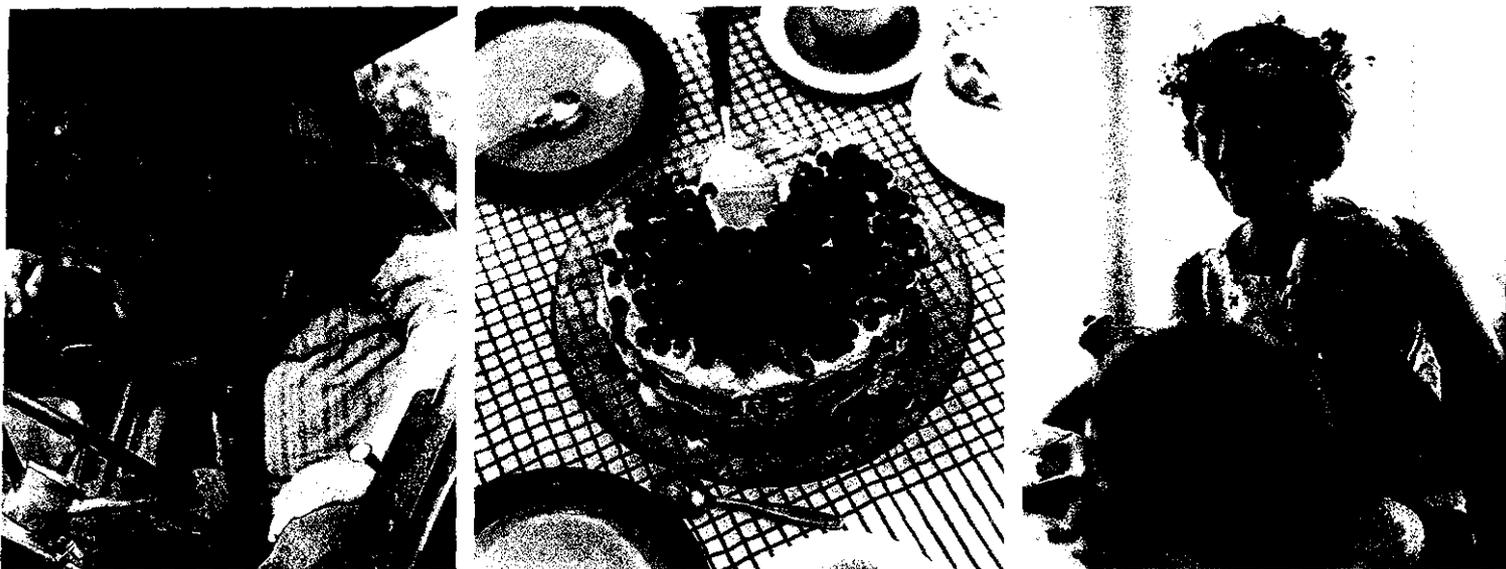
The Bank received an award as Sweden's best workplace

According to the Swedish Quality Index, FöreningsSparbanken and independent savings banks were the only banks to clearly improve customer satisfaction among both commercial and private customers

FöreningsSparbanken was the first listed Nordic bank to be environmentally certified according to the international ISO 14001 standard

The Board of Directors proposed an authorization to repurchase the Bank's shares and established new financial objectives

After the end of the year Jan Lidén took over as the new President and CEO.



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<p>36 SWEDBANK MARKETS FöreningsSparbanken's investment bank noted strong development in its fixed income and foreign exchange units.</p> <p>38 ASSET MANAGEMENT AND INSURANCE Sweden's largest fund management company, Robur, was named top manager of the year by Dagens Industri.</p> <p>41 INTERNATIONAL BANKING Stable profit for Hansabank in Baltic region and improvement for SpareBank 1 Gruppen in Norway. 42 Hansabank 44 FIH 45 Aktia 45 SpareBank 1 Gruppen</p> <p>47 TREASURY MANAGEMENT Continued success in risk management.</p> <p>48 SHARED SERVICES AND GROUP STAFFS Business support resources for Swedish retail operations were merged in the Shared Services unit.</p> <p>51 BOARD OF DIRECTORS' REPORT</p> <p>54 PROFIT AND LOSS ACCOUNT, BRIDGE BETWEEN OPERATIONAL AND LEGAL</p> <p>55 BUSINESS AREAS</p> <p>59 FINANCIAL ANALYSIS</p>	<p>64 THE GROUP'S RISK CONTROL</p> <p>66 ACCOUNTING PRINCIPLES</p> <p>69 PROFIT AND LOSS ACCOUNT</p> <p>70 BALANCE SHEET</p> <p>71 STATEMENT OF CASH FLOWS</p> <p>72 CHANGES IN SHAREHOLDERS' EQUITY</p> <p>73 NOTES</p> <p>109 PROPOSED DISPOSITION OF PROFIT</p> <p>110 AUDITORS' REPORT</p> <p>111 BOARD OF DIRECTORS AND AUDITORS</p> <p>112 BOARD WORK</p> <p>114 BOARD OF DIRECTORS</p> <p>117 GROUP MANAGEMENT</p> <p>119 OTHER SENIOR EXECUTIVES</p> <p>120 ADDRESSES</p> <p>Rear flap DEFINITIONS</p> <p>Rear flap ANNUAL GENERAL MEETING AND FINANCIAL INFORMATION</p>
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Continued customer focus is producing results. 2003 was a successful year for FöreningsSparbanken. Today we are the most profitable major bank in the Nordic region. To further increase our focus on customers and customer satisfaction, the extensive efforts we began in 2002 were continued and reinforced.

FöreningsSparbanken strives to be the best bank for the majority of people and businesses in its markets. Our focus is on constantly adapting our service and offering to all our customers. The success of these efforts was confirmed by the Swedish Quality Index, which showed that FöreningsSparbanken and the independent savings banks and partly owned banks are the only banks to raise their levels of customer satisfaction in 2003 among both private and commercial customers.

The cooperation with the independent savings banks and partly owned banks is a very vital element. Together, these banks account for about a fourth of the Group's product sales in the Swedish market. In Sweden, FöreningsSparbanken has a customer base of slightly over 4 million customers. Together with the independent savings banks and partly owned banks, there is a customer base of 6 million.

Alongside the branches, channels such as the Internet and Telephone play an important role. The number of Internet customers is steadily rising and passed 1.5 million during the year, including customers from independent savings banks and partly owned banks. Through improvements and new services such as e-cards, e-book-keeping and Bank ID, we offer customers greater value. Accessibility should apply to everyone, regardless of their circumstances. Our handicap friendly website was awarded Bank Product of the Year by the publication Privata Affärer.

Commercial Bank of the Year 2003
FöreningsSparbanken now has around

240,000 commercial customers in Sweden. This means that practically every other company in Sweden is a customer. The Bank targets companies around the country, especially in growth regions. In the last few years we have substantially raised our ambitions with regard to large companies, and during the year we have strengthened our resources working with small and medium-size companies. During the year we hired professional financial advisors for both private individual and businesses at a time when the financial industry is otherwise cutting back. In September we were named Commercial Bank of the Year in the business magazine Affärsvärlden's Financial Barometer.

Customer demands drive the organization

To increase the impact of the priority measures we are taking to raise customer satisfaction and profitability, we have initiated an improvement program that will encompass the entire Swedish retail operations. The work will result in, among other things, a more systematic approach to customer contacts and sales, with clearly delegated professional roles tied to various private and commercial customer segments. The areas of the retail operations that implemented improvements during the year have performed better in terms of higher customer satisfaction.

Competence development is a key to enhancing our employees' roles and living up to customer demands for the right competence. FöreningsSparbanken has never invested as much in

employee development as it does now. In part because of our employee wellness programs, we received the award for Sweden's best workplace in 2003 from the occupational pension company Alecta.

Increased IT efficiency is another important aspect in order to free up time for customer contacts. In November FöreningsSparbanken received the Compass Prize 2003 for "world class" IT efficiency. During the year we again reached our goal to complete around 20 percent more transactions without raising costs.

Strong development of operations

The year 2003 was distinguished by continued global concerns, low interest rates and a hesitant economy. In spite of this, FöreningsSparbanken generated very strong results. Profit for the year rose by 53 percent to SEK 6,343 M. Today we are the most profitable major Nordic bank in terms of return on equity, at 15.9 percent. Our cost/income ratio was 0.57 percent before loan losses, compared with 0.63 percent in 2002. The Board of Directors has recommended that the dividend be raised to SEK 5.75 per share, or a yield of 4.1 percent based on the share price at year-end.

In 2003 our market share was 34 percent for new sales of mortgage loans, 24 percent for household bank deposits and 20 percent for fund and unit-linked insurance contributions. FöreningsSparbanken preliminarily reached a market share of nearly 20 percent for new savings in the Swedish market in terms of deposits from household customers, funds and unit-linked insur-

Jan Lidén
President and CEO



ance from all customer categories, and retail and equity linked bonds.

After spiraling downward for several years, global stock prices bounced back in 2003. The Stockholm Stock Exchange gained 29 percent. Sales – but more importantly fund performance, the most important factor from our fund investors' standpoint – rose for Robur, Sweden's largest fund manager. One measure of this success is that Robur's funds' average rating by the fund research firm Morningstar rose from 2.85 to 3.18. At year-end Robur accounted for more than 20 percent of net fund contributions in Sweden, largely thanks to its new Access funds, which were introduced at the end of the year. In January 2004 Robur was named Fund Manager of the Year by the business daily Dagens Industri and Morningstar.

Continued positive development in Baltic region

The development of our operations in Norway and Finland has been positive during the year and the Danish operations are continued stable.

Hansabank, the leading bank in the Baltic market, has generated an average profit growth of 27 percent between 1999 and 2003. Its market share has climbed to one third, but at the same time the Baltic market for financial services is steadily maturing. The increased integration between European markets is reducing the interest margin. Against this background, Hansabank revised its annual growth objective during the year from 20 percent to 10 percent. Despite a slower growth rate, we anticipate

continued development opportunities for Hansabank.

The environment is part of our business

The Bank has worked extensively with environmental and sustainability issues since the mid-1990's. We have been a trailblazer in the financial sector, and environmental and sustainability work is integrated with our business operations. During the year FöreningsSparbanken was the first listed bank in the Nordic region to receive ISO 14001 environmental certification, proof that we are working in a systematic and structured manner with environmental issues.

Outlook for 2004

FöreningsSparbanken is devoting all its energy to fulfilling the strategy we have worked with since 2001. Satisfied customers remain our highest priority. A customer perspective steers the development of products, services,

branch operations and the Group's entire direction. We want to take advantage of growth opportunities in metropolitan regions and growth regions elsewhere in the country. With a continued focus on customer work in our branches and improved economic conditions, we have good prospects of a positive development.

Our large customer base, competent employees, complete range of products and services, and key partners are strengths in this continued work. We are stronger today than we have been in a long time, and our strategy is clear and firmly established among the Board of Directors, management and employees.

Stockholm, February 2004

Jan Lidén
President and CEO

Five-year summary

Key ratios, the Group

	2003	2002	2001	2000	1999
Profit					
Operating profit SEK M	9,564	6,848	8,039	9,366	6,454
Investment margin, %	1.59	1.58	1.54	1.51	1.48
Interest margin, %	1.77	1.43	1.38	1.35	1.33
C/I ratio before loan losses	1.57	0.63	0.60	0.57	0.63
C/I ratio after loan losses	1.01	0.70	0.66	0.61	0.66
Return on equity, %	5.9	11.0	14.7	19.7	15.7
Return on total capital, %	5.9	0.69	0.82	1.04	0.83
Earnings per share, SEK	5.9	7.87	9.86	12.10	8.70
Earnings per share after dilution, SEK ¹⁾	5.9	7.86	9.85	12.08	8.70
Capital adequacy					
Capital adequacy ratio, %	10.8	10.8	11.3	10.8	10.4
Capital base, SEK M	61,208	61,743	61,743	54,999	46,475
Primary capital ratio, %	7.1	7.1	7.1	6.9	6.0
Credit quality					
Loan loss ratio, net, %	0.23	0.23	0.21	0.19	0.13
Share of doubtful claims, %	0.27	0.27	0.32	0.22	0.34
Provision ratio for individually identified doubtful claims, %	40	40	41	48	49
Total provision ratio for doubtful claims, %	134	134	103	105	85
Balance sheet data					
Total lending	802,059	802,059	793,816	759,933	673,876
Mortgage lending	367,645	367,645	340,997	321,332	307,777
Deposits and borrowing from the public	263,419	263,419	247,190	247,438	210,537
Shareholders' equity	38,602	38,602	37,483	34,954	31,007
Total assets	957,503	957,503	959,632	929,439	833,710

Other data

	2003	2002	2001	2000	1999
Private customers, millions	7.8	7.8	7.0	5.3	5.3
Commercial customers, thousands	400	400	370	320	308
Internet banking customers, thousands ²⁾	2,152	2,152	1,509	1,028	587
Telephone banking customers, thousands ²⁾	2,565	2,565	2,219	2,061	1,833
Employees	15,468	15,468	16,068	13,002	12,791
Branches ²⁾	858	858	951	760	818
ATM's ²⁾	2,029	2,029	1,932	1,636	1,466
In-store banking terminals ²⁾	260	260	328	249	150

¹⁾ In 2005 a maximum of 8,008,100 shares could be added if employee warrants are fully converted.

²⁾ Includes independent savings banks and jointly owned banks.

Operational profit and loss account

SEK M	2003	2002	2001	2000	1999
Interest receivable	47,755	52,013	55,535	52,560	40,197
Interest payable	- 31,554	- 36,464	- 40,519	- 38,971	- 28,854
Net interest income	16,201	15,549	15,016	13,589	11,343
Dividends received	105	90	148	247	159
Commissions receivable	7,661	7,558	7,742	8,377	6,119
Commissions payable	- 1,922	- 1,794	- 1,670	- 1,593	- 1,216
Net commission income	5,739	5,764	6,072	6,784	4,903
Net profit on financial operations	801	441	1,110	1,694	579
Other operating income	1,607	1,157	1,063	1,689	2,087
TOTAL INCOME	24,453	23,001	23,409	24,003	19,071
General administrative expenses					
Staff costs	- 6,976	- 7,005	- 6,614	- 6,448	- 5,792
Other	- 5,585	- 5,279	- 5,873	- 6,000	- 5,556
Depreciation/amortization and write-offs of tangible and intangible fixed assets	- 1,279	- 1,414	- 1,407	- 1,271	- 798
TOTAL EXPENSES	- 13,841	- 13,698	- 13,894	- 13,719	- 12,146
PROFIT BEFORE LOAN LOSSES	10,612	9,303	9,515	10,284	6,925
Loan losses, net, and change in the value of property taken over	- 987	- 1,603	- 1,337	- 1,115	- 636
Write-down of financial fixed assets		- 264	- 10		
Reversal of write-off of financial fixed assets	55				
Share of profit/loss of associated companies	116	- 588	- 129	197	165
OPERATING PROFIT	9,564	6,848	8,039	9,366	6,454
Appropriations	19	- 76	- 87	- 5	70
Taxes	- 2,567	- 1,983	- 2,123	- 2,476	- 1,904
Minority interest	- 636	- 637	- 625	- 501	- 28
PROFIT FOR THE FINANCIAL YEAR	6,343	4,152	5,204	6,384	4,592

Balance sheet

SEK M	2003	2002	2001	2000	1999
Loans to credit institutions	76,643	98,662	131,580	130,196	104,468
Loans to the public	749,752	703,397	662,236	629,737	569,408
Interest-bearing securities					
Treasury bills and other bills eligible for refinancing with central banks	14,136	15,885	22,922	29,145	28,019
Bonds and other interest-bearing securities	63,038	48,999	41,824	30,151	29,665
Shares and participating interests	5,413	6,561	7,699	11,330	11,728
Assets in insurance operations	38,199	32,242	42,614	45,505	39,645
Other assets	55,153	51,757	50,757	53,375	50,777
TOTAL ASSETS	1,002,334	957,503	959,632	929,439	833,710
Amounts owed to credit institutions	95,441	102,814	122,599	126,478	127,948
Deposits and borrowings from the public	283,616	263,419	247,190	247,438	210,537
Debt securities in issue	442,103	420,254	420,362	379,620	344,082
Liabilities in insurance operations	88,082	32,243	43,198	45,389	39,473
Other liabilities	74,347	72,516	57,196	66,201	55,311
Subordinated liabilities	26,826	27,655	31,604	29,359	25,352
Shareholders' equity	41,919	38,602	37,483	34,954	31,007
TOTAL LIABILITIES, PROVISIONS AND SHAREHOLDERS' EQUITY	1,002,334	957,503	959,632	929,439	833,710

Market shares in Sweden. In the Swedish market, FöreningsSparbanken is the leader in household deposits and lending, mutual fund investments, individual pension savings and issuing cards.

Private market

FöreningsSparbanken	Date of market share	Market shares, percent					Volumes, SEK billion				
		2003	2002	2001	2000	1999	2003	2002	2001	2000	1999
Deposits	0312	26	26	25	26	27	134	124	116	109	115
Bank loans	0312	21	21	22	24	26	61	59	60	61	59
Mortgage financing	0312	34	35	35	36	36	267	242	222	203	192
Individual pension savings	0309	34	34	34	34	35	9	7	8	9	9
Retail market bonds	0312	21	19	19	23	18	10	9	8	11	15
Fund investments	0312	28	29	30	32	34	249	206	263	288	290
Unit-linked insurance*	0312	13	18	23	26	30	37	33	43	45	40
Bank cards (thousands)		u.s.	u.s.	u.s.	u.s.	u.s.	2,887	2,725	2,585	2,457	2,341
Credit/debit cards (thousands)		u.s.	u.s.	u.s.	u.s.	u.s.	490	440	411	415	422

Commercial market

FöreningsSparbanken	Date of market share	Market shares, percent					Volumes, SEK billion				
		2003	2002	2001	2000	1999	2003	2002	2001	2000	1999
Bank deposits	0312	17	12	12	12	12	51	40	37	39	35
Bank loans	0312	20	17	18	19	21	113	100	107	103	100
Mortgage financing	0312	22	21	20	20	19	100	97	94	95	94
Leasing via finance companies	0312	6	5	5	5	5	7	6	6	5	4
Installment purchases via finance companies	0312	15	15	15	15	15	11	9	8	7	6

Municipal market

FöreningsSparbanken	Date of market share	Market shares, percent					Volumes, SEK billion				
		2003	2002	2001	2000	1999	2003	2002	2001	2000	1999
Bank deposits	0312	34	33	34	37	37	7	5	6	6	7
Bank loans	0312	20	16	17	20	26	6	5	6	6	8
Mortgage financing	0312	43	45	43	44	41	8	8	7	7	8
Municipal commercial paper	0312	33	36	31	19	22	2	2	1	1	1

* Market shares refer to new policies.

Sources: Statistics Sweden, Swedish Central Bank and the Swedish Insurance Association.

FöreningsSparbanken's market position in Sweden

SAVINGS AND INVESTMENTS

1st	household deposits
1st	mutual fund investments
1st	individual pension savings
3rd	unit-linked insurance
1st	premium pension savings
3rd-10th	stock trading

SALARIES AND PAYMENTS

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

HOUSING

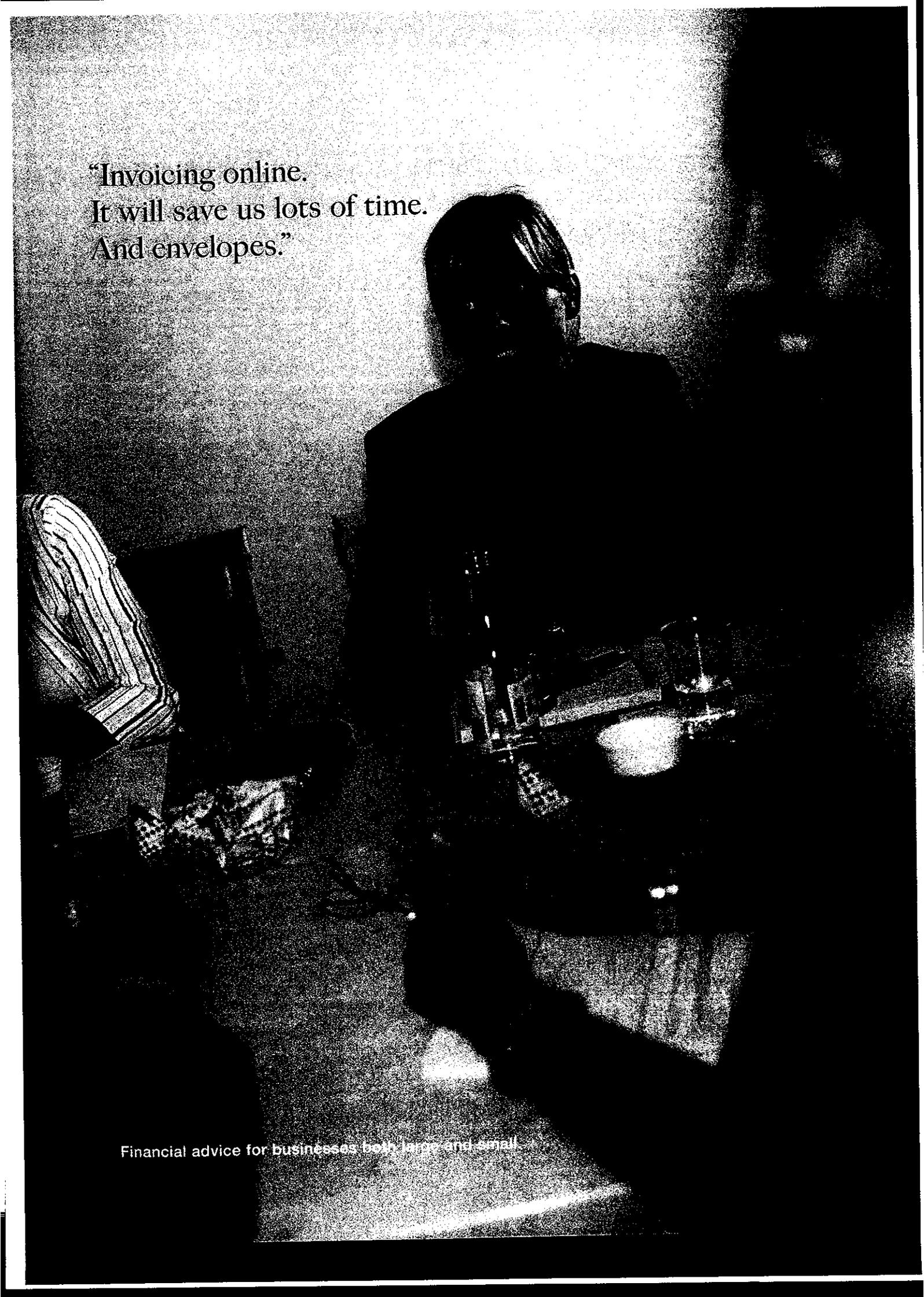
1st -2nd	mortgage loans
1st -2nd	real estate brokerage

MEETING PLACES

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

COMMERCIAL MARKET, 20-30%

deposits
lending
installment financing and leasing



“Invoicing online.
It will save us lots of time.
And envelopes.”

Financial advice for businesses both large and small.

Owners and share data. The FöreningsSparbanken share is listed on Stockholmsbörsen's (the Stockholm Stock Exchange's) A list of its most active stocks.

No. of shareholders, December 31, 2003

Size of holding	No. of shares	No. of shareholders
1-500	34,924,462	372,522
501-1 000	10,965,111	15,482
1 001-2 000	5,858,521	4,149
2 001-5 000	4,861,044	1,560
5 001-10 000	2,677,376	369
10 001-20 000	3,300,094	226
20 001-50 000	6,069,942	192
50 001-100 000	6,378,257	89
100 001-500 000	37,959,429	165
500 001-	414,814,607	386
TOTAL	527,808,843	395,140
of which, nominee-registered	376,736,026	19,525

Shareholders, December 31, 2003

Percent of capital and voting rights	2003	2002
Savings bank foundations	21.1	21.0
Independent savings banks	7.6	7.2
Alecta	5.2	4.5
Robur funds	3.3	3.7
AMF Pension	3.2	2.2
Farmers' cooperatives	3.0	3.2
SHB/SPP funds	2.5	2.0
SEB funds	2.1	1.8
AFA Försäkringar	1.9	2.1
FSB profit-sharing funds	1.6	1.4
2nd Nat'l Pension Fund	1.4	1.3
Other Swedish institutional investors	16.6	17.9
General public	11.0	11.1
International investors	19.5	20.6
TOTAL	100.0	100.0

A round lot of the Bank's share on Stockholmsbörsen (the Stockholm Stock Exchange) is 100 shares. There is one class of shares, Class A, which means that each share carries one vote and all shares have equal rights to participate in the Bank's assets and profits. FöreningsSparbanken is one of Sweden's most widely held shares.

Market capitalization and turnover

As of December 31, 2003 FöreningsSparbanken was the eighth largest company on Stockholmsbörsen, with a market capitalization of SEK 75 billion. In 2003 the FöreningsSparbanken share was the 16th most actively traded on the exchange. During the year a total of 117,188 trades were settled, comprising slightly over 513 million shares with an aggregate value of SEK 58 billion.

Socially responsible investors

FöreningsSparbanken has qualified for investments in, among others, the Dow Jones Sustainability Index (DJSI), FTSE4Good and OEKOM.

Banking analysts who cover FöreningsSparbanken

Firm	Analyst
ABG Securities	Sigmund Håland
Alfred Berg FK	Rodney Alfvén
BNP Paribas	Jagoba Garcia
Carnegie	Magnus Andersson
CAI Cheuvreux	Mats Anderson
Citigroup	Ronit Ghose
Conventum	Bengt Dahlström
CSFB	Jonas Erikson
Deutsche Bank	Michael Gallagher
Enskilda Securities	Thomas Johansson
Fox-Pitt, Kelton	Garth Leder
Goldman Sachs	Christoffer Melmer
Hagströmer & Qviberg	Hampus Brodén
Handelsbanken	Mikael Hallåker
HSBC	Jin-Wee Tan
ING	Sigrid Baas
JP Morgan	Markus Pietikainen
Kaupthing Bank	Lars Frick
Lehman Brothers	Henrik Schmidt
Merrill Lynch	Denise Vergot-Holle
Morgan Stanley	Amit Mehta
Swedbank	Christian Brunlid
UBS Warburg	Andreas Håkansson
West LB Panmure	Kim Bergoe
Öhman FK	Tobias Hornberger

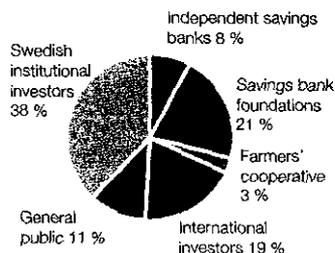
Employee warrant program

During the spring of 2000 employees of FöreningsSparbanken and its wholly owned Group companies and the board members of the local banks were offered the opportunity to buy warrants in FöreningsSparbanken. The 8,008,100 warrants that were subscribed can be converted to an equal number of shares in 2005. The subscription price is SEK 187.

Share price performance 2003

During the year Stockholmsbörsen's general index rose by 29 percent and the banking and insurance index by 30 percent. At the same time the FöreningsSparbanken share climbed 37 percent. The share reached a high of SEK 142 on December 29 and a low of SEK 94.5 on February 10.

Shareholder categories, December 31, 2003



Changes in subscribed capital

Year	Transaction	Par value per share, SEK	Price, %	Added no. of shares	Accumulated no. of shares	Subscribed capital SEK M
1990					4,880,000	2,440
1990	New share issue	500	100	1,000,000	5,880,000	2,940
1991	New share issue	500	120	960,000	6,840,000	3,420
	New share issue	500	100	1,200,000	8,040,000	4,020
1992	Split 5:1	100		32,160,000	40,200,000	4,020
	New share issue	100	100	10,000,000	50,200,000	5,020
1993	Split 10:1	10		451,800,000	502,000,000	5,020
1994	New share issue	10	573	38,000,000	540,000,000	5,400
1995	New share issue/reduction	10	650/630 ¹⁾	- 261,819,298	278,180,702	2,782
	Bonus issue	20			278,180,702	5,564
1996		20			278,180,702	5,564
1997	New share issue	20		72,717,269	350,897,971	7,018
1997	New share issue	20		974,591	351,872,562	7,037
1998		20			351,872,562	7,037
1999	Bonus issue 1:2	20		175,936,281	527,808,843	10,556
2000		20			527,808,843	10,556
2001		20			527,808,843	10,556
2002		20			527,808,843	10,556
2003		20			527,808,843	10,556

¹⁾ Prices are the result of the conversion of four different classes of preferred shares in the spring of 1995.

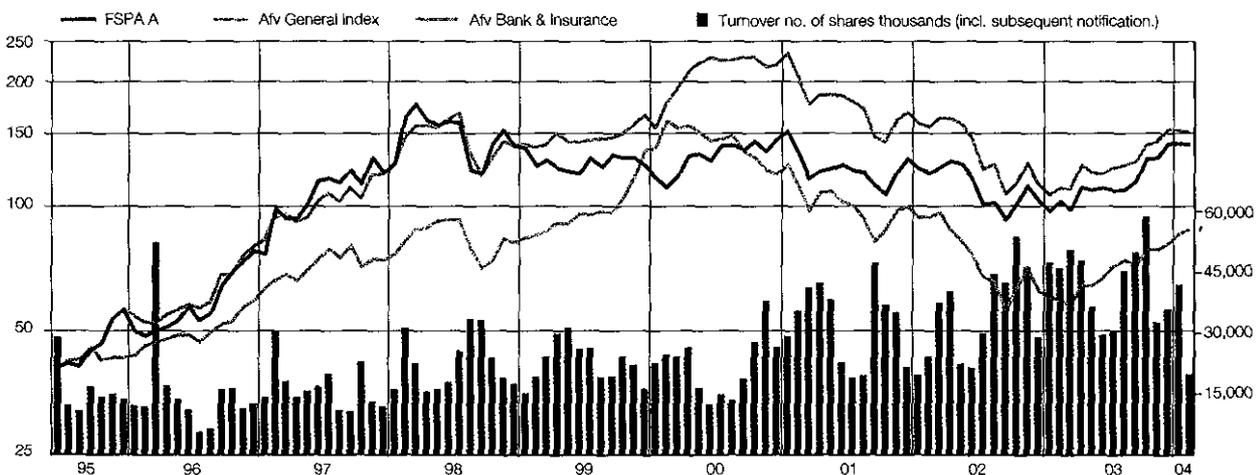
Data per share

SEK	2003	2002	2001	2000	1999
Earnings per share	12.02	7.87	9.86	12.10	8.70
Earnings per share after dilution ²⁾	12.01	7.86	9.85	12.08	8.70
Equity per share	79.42	73.13	71.02	66.22	58.75
Equity per share after dilution ²⁾	79.39	73.11	70.92	66.11	58.75
Net asset value per share	77.32	77.49	71.92	77.80	70.89
Net asset value per share after dilution ²⁾	77.29	77.47	71.83	77.67	70.89
Adjusted equity per share	79.43	73.16	71.12	66.28	58.75
Cash flow per share	14.87	-67.87	32.22	-5.35	18.67
Cash dividend per share	5.75 ¹⁾	5.50	5.50	5.50	5.00
Share price at year-end	141.50	103.00	130.00	144.50	125.00
Yield, %	4.08	5.34	4.23	3.81	4.00
P/E	11.73	13.09	13.19	12.05	14.29
Price/equity per share, %	177.5	140.8	183.0	218.2	212.8

¹⁾ According to Board of Directors' proposal.

²⁾ In 2005 a maximum of 8,008,100 shares could be added if employee warrants are fully converted.

FöreningsSparbanken share performance compared with bank index and general index



Business concept, vision and strategy. FöreningsSparbanken's goal is to be a leading bank for households and small and medium-size companies in the Nordic and Baltic region.

Business concept

FöreningsSparbanken's business concept is to offer a customer-friendly, easy-to-use and complete range of financial services that provides customers with lasting economic value.

Objective

FöreningsSparbanken's objective is to be a leading bank in the Nordic and Baltic region.

The Bank should be regarded as the *clear choice among banking alternatives* for private customers, businesses, the agricultural sector, municipalities, county councils and organizations.

Vision

FöreningsSparbanken is a bank for one and all – for customers, shareholders, employees and the community.

For customers, the vision means assistance in meeting all their financial needs and realizing their opportunities.

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

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

Strategy

FöreningsSparbanken's strategies for achieving its objectives can be divided into two parts: a national and an international strategy. Customer satisfaction is the most important success factor regardless of strategy.

Increased customer satisfaction leads to more business, which in turn means improved results and greater

room for expansion. Put simply, satisfied customers are essential to the Group's future operations.

The national strategy is based on customized products and services that provide value-added. Equally important is changing the organization so that the Bank's customer focus is even clearer.

An important ingredient in the national strategy is strengthening our positions in growth regions, primarily Stockholm, Gothenburg and Malmö. Demand is increasing for professional financial advice, which is why we are placing a priority on competence development for personal and business financial advisors.

The international strategy is essentially to strengthen our presence in the Nordic and Baltic region. The Bank's long-term aim in cases where it becomes a co-owner of banks and financial institutions in these markets is to try to secure majority ownership.

Financial objectives. During the year the Board of Directors established new financial objectives for FöreningsSparbanken's operations. The new objectives take effect on January 1, 2004.

Return on equity

The Group's return on equity shall exceed the average for all major, publicly listed Nordic banks. It should also be at least 20 percent higher than the long-term risk-free rate of interest plus a normal risk premium. At current interest rates (January 2004), this corresponds to a return of approximately 14 percent. The comparative banks are SEB, Handelsbanken, Nordea, Danske Bank and DnB NOR.

Previous objective: a return on equity that exceeds the average for all other major listed banks in the Nordic region.

Operational efficiency

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

Previous objective: a C/I ratio of 0.5 after loan losses.

Capital adequacy

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

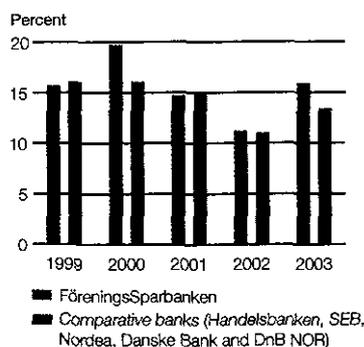
Previous objective: a primary capital ratio in the range of 6.5 to 7.5 percent and a capital adequacy ratio of 10.5 to 11.5 percent.

Dividend

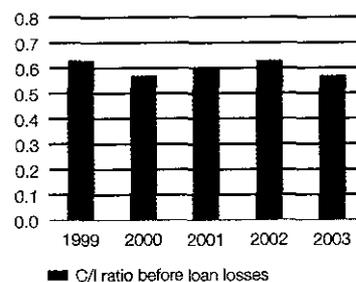
FöreningsSparbanken's objective is to distribute to its shareholders a dividend corresponding to at least 40 percent of after-tax profit. The size of the annual dividend is based on the most recent dividend while also taking into consideration the expected profit trend, the capital that is expected to be needed to develop operations and the market's yield requirements.

Previous objective: at least 30 percent of after-tax profit.

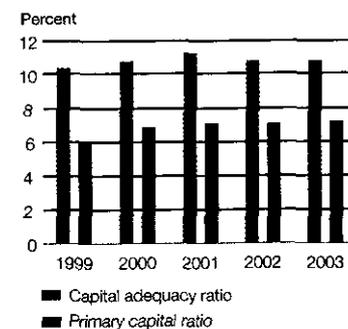
Return on equity



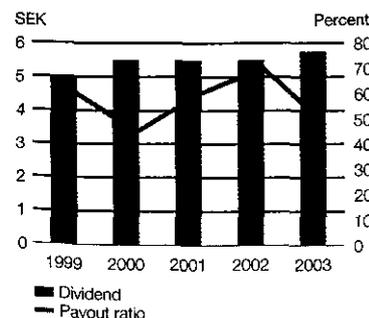
C/I ratio before loan losses



Capital adequacy



Dividend and payout ratio



Independent savings banks and swedish partly owned banks.

The savings banks cooperation is an important part of FöreningsSparbanken's operations. The savings banks account for approximately one fourth of FöreningsSparbanken's total product sales.

The longstanding cooperation between FöreningsSparbanken, the independent savings banks and partly owned banks is based in part on a shared history and values and in part on mutual business and customer-related benefits. The cooperation gives FöreningsSparbanken customers access to the savings banks' branch system and thus a nationwide network. The savings banks, for their part, are able to offer their customers the entire range of products and services from FöreningsSparbanken and its subsidiaries. The cooperation also provides an opportunity to distribute development costs over a larger business volume.

Together, the independent savings banks and partly owned banks account for approximately one fourth of the Group's product sales in the Swedish market. FöreningsSparbanken has a customer base of slightly over 4 million customers. Together with the independent savings banks and partly owned banks, the customer base is 6 million in Sweden.

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

The independent savings banks and partly owned banks together are one of the largest shareholders in FöreningsSparbanken, with a combined 7.6 percent of the capital and voting rights.

Coordinated market presence

A fundamental principle of the cooperation is that the parties will act as a nationwide unit in competition with other market players. Operations are based on a strong local presence. With the collective customer base and an essentially uniform customer offering, economies of scale can be achieved. An important aspect of the coopera-

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

Partly owned Swedish banks

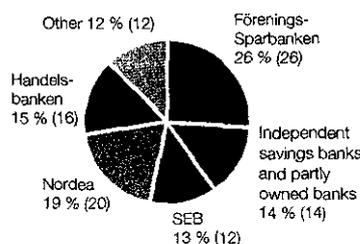
At year-end 2003 FöreningsSparbanken was co-owner of seven former savings banks that have converted to banking companies. They include FöreningsSparbanken Sjuhärad (47.5 percent), Eskilstuna Rekarne Sparbank (50 percent), FöreningsSparbanken Öland (60 percent), FöreningsSparbanken Söderhamn (40 percent),

Independent savings banks and swedish partly owned banks

SEK bn	2003	2002
Deposits	95.1	86.2
Lending	90.6	86.0
Lending via Spintab	66.3	79.9
Savings via Robur	62.9	56.1
Business volume	335.4	308.2
Aggregate assets	120.5	112.0
No. of employees	3,290	3,352

Including FöreningsSparbanken Öland AB and Eskilstuna Rekarne Sparbank AB, which are part of the FöreningsSparbanken Group (ownership interests of 60 and 50 percent, respectively).

Market shares for household deposits December 31, 2003 (December 31, 2002)



Färs & Frosta Sparbank (30 percent), Bergslagens Sparbank (48 percent) and Vimmerby Sparbank (40 percent).

Development of savings bank alliance

As part of the Board's strategy work, overall guidelines were established in the autumn of 2003 for the future co-

operation with the independent savings banks and partly owned banks.

FöreningsSparbanken's long-term strategic aim is to maintain a largely unified approach to business and operational development for itself and the savings banks while retaining a local connection.

In principle, FöreningsSparbanken's Board is positive to enquiries on ownership or part-ownership of banking companies converted from savings banks. The preference is for full ownership.

Bergslagens Sparbank

SEK M	2003	2002
Income	97	105
Expenses	-80	-80
Loan losses	-14	-10
Operating profit	3	15
Loans to the public	991	1 017
Deposits and borrowings from the public	1 751	1 611
Capital adequacy ratio, %	16.8	16.2
Number of employees	69	68
Number of branches	7	7

FöreningsSparbanken's ownership interest as of Dec. 31, 2003 is 48 percent.

FöreningsSparbanken Sjuhärad

SEK M	2003	2002
Income	351	361
Expenses	-228	-229
Loan losses	-9	-21
Operating profit	114	111
Loans to the public	5 524	5 449
Deposits and borrowings from the public	5 378	5 013
Capital adequacy ratio, %	12.7	12.6
Number of employees	203	221
Number of branches	15	17

FöreningsSparbanken's ownership interest as of Dec. 31, 2003 is 47.5 percent.

FöreningsSparbanken Öland

SEK M	2003	2002
Income	82	85
Expenses	-69	-68
Loan losses	-2	-3
Operating profit	11	14
Loans to the public	1 575	1 531
Deposits and borrowings from the public	1 250	1 212
Capital adequacy ratio, %	16.1	15.2
Number of employees	63	57
Number of branches	6	6

FöreningsSparbanken's ownership interest as of Dec. 31, 2003 is 60 percent.

Eskestuna Rekarne Sparbank

SEK M	2003	2002
Income	147	151
Expenses	-116	-110
Loan losses	-1	-2
Operating profit	30	39
Loans to the public	2 187	2 124
Deposits and borrowings from the public	2 516	2 364
Capital adequacy ratio, %	15.1	14.9
Number of employees	99	97
Number of branches	5	5

FöreningsSparbanken's ownership interest as of Dec. 31, 2003 is 50 percent.

FöreningsSparbanken Söderhamn

SEK M	2003	2002
Income	47	49
Expenses	-39	-37
Loan losses	-2	-6
Operating profit	6	6
Loans to the public	680	655
Deposits and borrowings from the public	804	745
Capital adequacy ratio, %	16.6	17.0
Number of employees	32	30
Number of branches	2	2

FöreningsSparbanken's ownership interest as of Dec. 31, 2003 is 40 percent.

Färs & Frosta Sparbank

SEK M	2003	2002
Income	389	391
Expenses	-300	-289
Loan losses	-12	-10
Operating profit	77	92
Loans to the public	6 042	5 555
Deposits and borrowings from the public	6 130	5 618
Capital adequacy ratio, %	15.3	14.6
Number of employees	226	224
Number of branches	19	23

FöreningsSparbanken's ownership interest as of Dec. 31, 2003 is 30 percent.

FöreningsSparbanken Vimmerby

SEK M	2003	2002
Income	45	44
Expenses	-36	-35
Loan losses	-	-16
Operating profit	9	-7
Loans to the public	628	574
Deposits and borrowings from the public	761	731
Capital adequacy ratio, %	15.4	15.6
Number of employees	24	25
Number of branches	2	2

FöreningsSparbanken's ownership interest as of Dec. 31, 2003 is 40 percent.

Employees. Its employees' knowledge of customer needs is the Bank's main success factor. Working continuously to ensure access to key competencies is therefore an issue of great strategic importance.

During the year the efforts to remain an attractive employer continued through investments in wellness programs, gender equality, competence development and leadership.

Attractive employer

In a competition arranged by the occupational pension company Alecta, FöreningsSparbanken was named Sweden's Best Workplace 2003 "for its work, as a group, in developing and implementing tools and programs that create a working environment where soft values are a cornerstone in the efforts to raise profitability." The determining criteria in the competition are committed leaders, long-term thinking, committed and involved employees, cooperation, preventives measures and profitability.

The Bank's codetermination agreement, IDA (Insight, Involvement, Responsibility), which encourages employees to take part in the Bank's operations, and "the Health Offensive project" were important reasons for FöreningsSparbanken's award.

FöreningsSparbanken's aim is to consistently be among Sweden's 20 most attractive employers. In the Universum Företagsbarometern survey in 2003, it ranked 17th.

Young Professionals is the Bank's network for young employees. The purpose of the network is to encourage social interaction and an exchange of knowledge.

Human capital development

For more than ten years, FöreningsSparbanken has continuously measured human capital development in Sweden.

Among the indexes it will follow from here on are the "Satisfied Employee Index," which measures employees' opinions of their personal situation; "Value-creating ability," which measures employees' opinions of their ability to create value for customers, and "Well-being," which measures employees' opinions on health-related issues.

In 2003 human capital reached the highest level since 1997.

Wellness

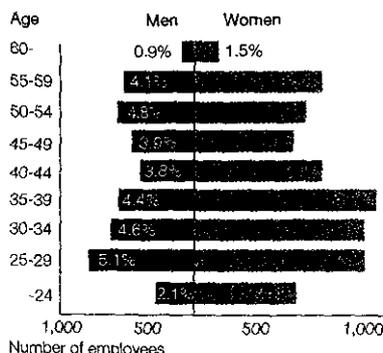
FöreningsSparbanken continues to pursue its Health Offensive aimed in part at reducing sick leave in Sweden. After several years of increased absences, sick leave declined from 4.8 to 4.6 percent in 2003. Special measures have been taken to intensify rehabilitation work.

To increase the focus on healthy employees, a new measure has been introduced, "long-term healthy employees," defined as employees who take a maximum of five sick days during a 12-month period. The share of long-term healthy employees rose from 71.3 to 73.2 percent in 2003. To ensure a systematic, long-term approach to health issues, the Bank has decided to create a new wellness and occupation health organization that integrates health and wellness issues with occupation health issues.

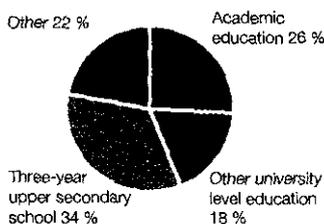
Gender equality

In the Swedish operations, gender equality objectives have been introduced to raise the share of women in

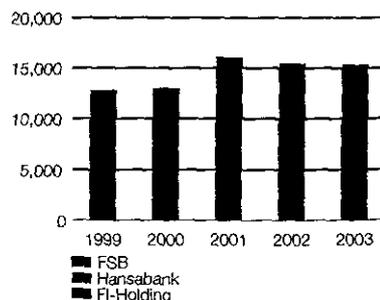
Group employees by age and gender in Sweden, December 31, 2003



Education level of Group employees December 31, 2003



Number of full-time positions in the Group



managerial and specialist positions and encourage more men to take parental leave. The gender equality objective for 2003 – that 35 percent of managerial and specialist positions are filled by women – was met. The share of men who take parental leave has risen from 38 to 41 percent.

Competence development

During the year a platform for competence development was implemented in the Swedish operations. The aim is to ensure that these efforts are focused on meeting operating needs and that managers and employees have the opportunity to quickly identify and meet competence needs.

The process of certifying all employees who deal directly with customers continued during the year and is an element in the Bank's internal quality work. At the same time it prepares the Bank to meet the require-

ments of Sweden's legislation on financial advisory services.

In the Swedish part of the Group, the total training investments amounted to SEK 146 M, or approximately SEK 15,500 per employee. The time devoted to competence development corresponds to about 2.5 percent of available hours per year.

Leadership

FöreningsSparbanken offers an extensive development program for its management. In 2003 the CEO and members of Executive Management held a large number of regional management meetings. All branch managers were invited to these meetings, held on two occasions in each region, to discuss the Bank's direction and priorities.

Employees

External employee turnover in Sweden

was 6 percent (4) during the year. Internal employee turnover was 15 percent (16).

The personnel reduction program in 2002-2003 was completed according to plan and comprised around 500 employees. The program did not require lay-offs.

Priorities

To ensure satisfied customers, satisfied employees and continued profitability, the following areas will be prioritized in 2004:

- Strengthen employees' competencies and increase customer focus in the organization
- Ensure adequate leadership at all levels of the Bank
- Create a working environment where employees have a greater sense of well-being and health risks are actively controlled.

Human capital development

	Local bank 2001	Other units 2001	Local bank 2003	Other units 2003
"Empowerment"	36	31	37	38
"Satisfied Employee Index"	**	**	65	62
"Well-being"	**	**	75	80

** Measurements were not made as part of these indexes in 2001.

No measurements were made in 2002.

Sustainability and the environment. Sustainability weaves together economics, the environment and community relations. For FöreningsSparbanken, environmental and sustainability work has been an integral part of its operations for several years.

FöreningsSparbanken has a tradition of strong commitment to the local community. Since its founding in the first half of the 19th century, the Bank's goal has been to offer financial services for broad-based groups while at the same time contributing to society's development. Responsibility to the community is a fundamental aspect of the Bank's values.

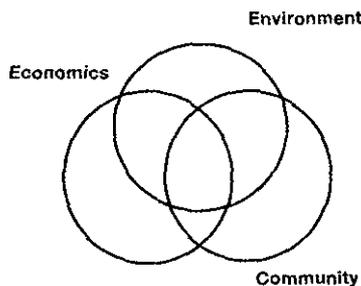
Sustainability

FöreningsSparbanken's work with environmental and sustainability issues was broadened and extended in 2003. FöreningsSparbanken's commitment to sustainability issues has a direct tie to its long-term profitability. By focusing on sustainability, the Bank feels it will improve loyalty and confidence among customers, while at the same time strengthening the brand. Sustainability work also helps to identify new business opportunities, reduce risk and cut operating expenses.

Sustainability weaves together economics, the environment and community relations. According to the World Commission on Environment and Development, also known as the Brundtland Commission, sustainability can also be defined as "development that satisfies present needs without compromising the ability of future generations to meet their own needs."

Integration of sustainability

For 2003, the Bank has chosen to report its sustainability work as an integrated part of its official annual report. This provides a more comprehensive description of the company and a complement to the financial information. The reporting conforms to



international guidelines for sustainability reporting as set by the Global Reporting Initiative, GRI.

COMMUNITY

FöreningsSparbanken's social commitment is a function of its values, including accessibility for everyone regardless of their circumstances. Social commitment is an integral part of the Bank's business operations.

In concrete terms, this is expressed in several ways. The Bank reaches its customers through a broad-based branch network across the country, complemented by other channels such as the Internet and telephone. In this way, the Bank contributes to maintaining and developing a financial infrastructure.

In areas with large immigrant populations, such as Rosengård in Malmö, Biskopsgården in Gothenburg and Rinkeby outside Stockholm, the Bank is represented by special multicultural branches to serve bank customers with various ethnic backgrounds. In addition, it offers special services for the visually and hearing impaired. FöreningsSparbanken's efforts to adapt its website to the physically impaired resulted 2003 in its certification by the company

"Funka Nu". The website also received an award as the Bank Product of the Year by the magazine *Privata affärer*.

In cooperation with Sweden's senior citizens organizations, the Bank in 2003 produced a series of articles for their members' magazines on money, bill paying and the Internet. A special "senior's loan" is available. Young people have their own Internet bank, FöreningsSparbanken by Internet - Young. These are just two examples of how the Bank embraces diversity in society. In addition, it is engaged in a number of other cooperative projects and partnerships.

One example is a collaboration in which the Bank, along with Volvo, was the initiator behind Plural. Fifteen major Swedish companies are part of the project, started in 2003, to increase awareness of diversity issues in the business community and prove that diversity promotes growth and profitability.

In 2003 the Bank's efforts to certify all its financial advisors were intensified.

The Bank also participates, especially in cooperation with foundations, in various projects involving research and development in society.

Human rights

FöreningsSparbanken's operations rest upon a humanistic approach and respect for each person's value and integrity. From a sustainability perspective, it is important therefore that the Bank supports basic human rights, including the right of every worker to union representation. At FöreningsSparbanken, union membership among employees is in fact high, at about 80 percent.

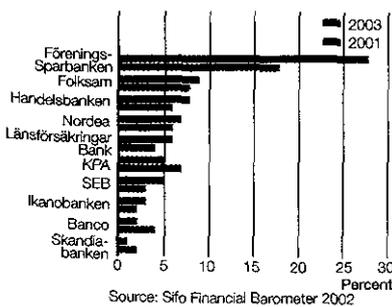
In addition, FöreningsSparbanken is one of the few Swedish companies to support the Global Compact, the UN's voluntary initiative for companies to support basic human rights, workplace conditions according to ILO Convention standards and the environment. The UN's website mentions the multicultural banks and the "cities working together" project of FöreningsSparbanken.

In its purchasing, FöreningsSparbanken selects suppliers that meet the overall requirements of its environmental policy, environmental management system and other overriding rules.

Sponsorship

FöreningsSparbanken's sponsorship commitments have a direct connection to its business operations. A number of these commitments clearly have a community benefit. One example last year was Årets Nybyggare, a competition that promotes entrepreneurship among immigrants. The Banks also supports the organization Kooperation Utan Gränser (Without Boundaries), which arranges microfinancing in Africa and Latin America.

Which of the following companies take their social responsibility most seriously?



ENVIRONMENT

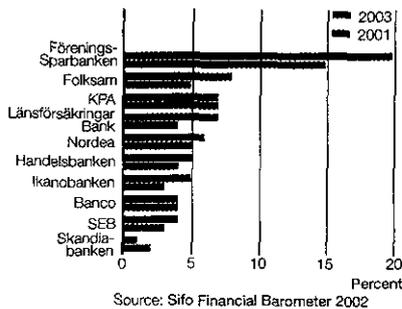
The Bank's environmental work should be looked at from the perspective of risks and opportunities. A concrete example of how this work is integrated in operations is the environmental analyses conducted in connection with business loan evaluations. By doing so, the Bank can avoid granting loans that may entail environmental risks. Environmental analyses also evaluate whether it makes business and environmental sense to grant loans for investments in improvements that will reduce a company's environmental impact. In the process, business opportunities for the Bank increase as well.

In 2003 FöreningsSparbanken also marketed a number of environmentally oriented products and services as well as others based on special sustainability criteria. These include a number of savings products, funds and cards.

ISO 14001

FöreningsSparbanken has drafted and implemented an environmental management system for its Swedish opera-

Which of the following companies are the best at working with the environment?



tions. In early 2003 the environmental management system was certified according to the international ISO 14001 standard. As a result, FöreningsSparbanken became the first Nordic bank with environmental certification. Certification was preceded by extensive preparations over several years. All units and parts of the Bank participated in the various projects and working groups involved with the environmental management system and preparations for certification. Essentially all personnel have received basic training, led by instructors. In addition, Executive Management has attended training specifically on environmental issues. The environmental training has been followed up with two series of tests for employees via the Bank's intranet. Special training has been provided for the Bank's environmental coordinators. In con-

ISO certificate



nection with these efforts, extensive information work was done to clarify the connection between environmental work and the Bank's business operations.

The environmental management system has been implemented in the Bank's day-to-day operations since 2003.

Direct and indirect environmental impact
FöreningsSparbanken's greatest environmental impact is of an indirect nature, based on the choices its customers make. The Bank can play a role, for example, by offering socially responsible and environmentally oriented products and services. It also

conducts an environmental analysis in connection with each business loan application in order to minimize credit risks and encourage other companies' environmental work. By offering online banking services, the Bank also helps to reduce travel by customers to and from bank branches.

Indirect environmental impact in Sweden

Products and services	Environmental analysis in commercial lending	2002	2003
Environmental impact	With help of an environmental analysis model, companies' environmental work is analyzed from a risk perspective. This provides an incentive for commercial customers to review their environmental impact.	242,000 commercial customers' environmental work can be impacted	243,000 commercial customers' environmental work can be impacted
Environmental & socially responsible funds	Funds invest in companies engaged in credible sustainability work.	2.9% of Robur's total assets under management	3.7% of Robur's total assets under management
Sustainability equity-linked bonds	Share index loan with environmental and socially responsible focus.	SEK 44.3 M	SEK 33.6 M
WWF-card	SEK 50 of the annual fee and SEK 1 per payment are donated to the World Wildlife Fund, WWF, which works to reduce CO ₂ emissions and preserve biological diversity.	SEK 1,147,000 to WWF. 14,857 active cards	SEK 2,100,138 to WWF. 19,491 active cards
Shares of bank cards used in stores	These services contribute to reduced travel, transports and paper handling. The environment effects are lower acidification, overfertilization and climate impact as well as increased resource conservation.	73%	74%
Share of all giro payments made online	See above.	39%	45%
Internet bank	Alternative access to banking services reduces travel, transports and paper handling. The environment effects are lower acidification, overfertilization and climate impact.	1.3 million customers	1.6 million customers
Telephone bank		2.0 million customers	2.1 million customers
WAP		14,800 customers	21,500 customers
Branch network, number of branches		538	516
In-store banking terminals, number		241	235

Direct environmental impact in Sweden

	2000	CO ₂	2001	CO ₂	2002	CO ₂	2003	CO ₂
Electricity	62.2 GWh		53.6 GWh		48.9 GWh		49.5 GWh	
	5.9 MWh/empl ¹⁾	63 kg/empl	5.2 MWh/empl	0.35 kg/empl ²⁾	4.9 MWh/empl		5.1 MWh/empl	
	149 kWh/sq.m.		126 kWh/sq.m.		119.7 kWh/sq.m.		121.7 kWh/sq.m.	
Stationery								
- paper ³⁾	100 kg/empl		171 kg/empl		52 kg/empl		94 kg/empl	
- envelopes	58 kg/empl		63 kg/empl		20 kg/empl		47 kg/empl	
- forms	26 kg/empl		28 kg/empl		25 kg/empl		18 kg/empl	
- supplies	SEK 2,210 empl		SEK 1,745 empl		SEK 1,275 empl		SEK 2,112 empl	
Business travel								
- cars	796 km/empl ⁴⁾	158 kg/empl	818 km/empl	162 kg/empl	677 km/empl	136 kg/empl	656 km/empl	132 kg/empl
- rental cars	153 km/empl	23 kg/empl	77 km/empl	15 kg/empl	325 km/empl	65 kg/empl	276 km/empl	53 kg/empl
- air	1,336 km/empl	151 kg/empl	1,057 km/empl	119 kg/empl	1,137 km/empl	85 kg/empl	725 km/empl	130 kg/empl
- rail	418 km/empl	0.002 kg/empl	490 km/empl	0.003 kg/empl	616 km/empl	0.004 kg/empl	600 km/empl	0.003 kg/empl
Security transports ⁵⁾	1,350,000 km	311 tons	1,500,000 km	345 tons	1,560,000 km	352 tons	1,872,000 km	421 tons

¹⁾ "empl" = employee.

²⁾ Centrally procured electricity is a good environmental choice and explains the major reduction in carbon dioxide emissions.

³⁾ Paper volume is based on purchased volume, not consumed paper.

⁴⁾ The sum was adjusted from the previous year because all units had not been included.

⁵⁾ Estimated.

FöreningsSparbanken's direct impact on the environment is from its employees' business travel and the consumption of electricity and paper, among other things.

Business ethics and corporate governance

FöreningsSparbanken strives to maintain high ethical standards and morals in its business operations. The importance of good governance has increased in recent years, particularly in light of recent business scandals internationally as well as in Sweden. The importance of a company's reputation has increased. The scope of business ethics has therefore been broadened to include areas such as money laundering, bribery and corruption, financing of terrorism etc. Shareholders and other interest groups also have the opportunity, in dialogue with the Bank, to express their ideas and suggestions, for example, through frequent "stakeholder dialogues" that the Bank conducts.

Management systems

FöreningsSparbanken has special management systems for environmental and quality work. Its environmental management system is certified according to the ISO 14001 standard and comprises the Group's entire Swedish operations.

In addition, a number of units have introduced and had their certify quality management systems certified according to ISO 9001: Spintab, FöreningsSparbanken Finans, the Custody unit of Swedbank Markets and the Bank's lending operation.

Index and rating (SRI)

FöreningsSparbanken is rated continuously by a number of sustainability oriented stock indexes. In 2003 the Bank's share was included in, among others, the following indexes and evaluations.

Company	Volume
DJSI	EUR 2.45 bn
FTSE4Good	334 M £
Oekom	> EUR 1 bn

Goals and goal fulfillment 2003

FöreningsSparbanken has formulated a number of strategic goals in the sustainability area.

These goals are continuously followed up. Goals and goal fulfillment for 2003 are reported below.

Sustainability organization

President Jan Lidén is ultimately responsible for the Bank's sustainability work. The others responsible are Peter Nygårds, Head of Community Relations, Henrik Kolga, Head of Communications, and Göran Theodorsson, Head of Human Resources. Sustainability work is coordinated by the Bank's Environmental Manager, Britt-Marie Lundh.

Read more about the Bank's environmental policy and sustainability work at www.foreningssparbanken.se/hallbarhet

Strategic goals and goal fulfillment

	Key ratio	Goal 2002	Outcome 2002	Goal 2003	Outcome 2003	Goal 2005
Community	Be the best company at taking responsibility for the community *	Be the best company at taking responsibility for the community	Achieved	Be the best company at taking responsibility for the community	Achieved (28%)	35%
Owners	Included in Dow Jones Sustainability Index (DJSI)	Be among the ten best companies in DJSI industry index	Achieved	Be among the ten best companies in DJSI industry index	Not achieved	Be among the ten best companies in DJSI industry index
Environment	Be the best company at working with the environment *	Not specified	Not measured 17% 2001	25 percent of the Swedish population should consider FSB the best at working with the environment	20%	25%

* Source: Sifo Financial Barometer; refer to graphs on page 19.

"Saving is like baking bread.
All the ingredients have to be fresh
and you have to check now and again
to make sure the dough is rising."



Regular advice gives more.

Operating environment and market development. Despite continued global concerns, 2003 was a good year for the stock market and Stockholmsbörsen rose by 30 percent. The fixed interest market was distinguished by the Riksbank's cuts in the repo rate from 3.75 to 2.75 percent.

Stock markets 2003

After three years of declining stock prices, Stockholmsbörsen reported an increase of 30 percent, at the same time that the majority of the world's major exchanges gained over 20 percent.

The year began on a down note with to the spread of SARS and the war in Iraq. The outbreak of the war and rapid military gains actually gave global stock markets a major boost. The weakening dollar proved to be a growing problem for Swedish export companies during the autumn; the dollar declined by 17 percent against the krona during the year.

On the other hand, Sweden's EMU referendum had relatively little impact from a stock market perspective. At the same time companies continued to drastically cut costs, and third quarter earnings reports surprised positively. Earnings forecasts began, for the first time in a while, to be adjusted upward. The rising optimism was reflected in increased investments in the world's stock markets. Also, there was no recurrence of the forced stock sales by life insurance companies that weighed down the stock market in 2002.

The shares that performed best during the year were companies rebounding from financial crises, such as Ericsson, ABB and a number of IT-related companies. The financial sector also outperformed the market as a whole following strong reports and modest loan losses for banks.

A brighter economic outlook provided a boost for engineering stocks as well. The weakest performers were more defensive sectors, such as consumer goods. Globally, the weakest were pharmaceuticals, energy and telecom operators.

2003 was also a year of more corporate scandals. In Sweden, the media's focus was on Skandia; in Europe, Ahold and Parmalat stole the headlines.

Fixed income markets 2003

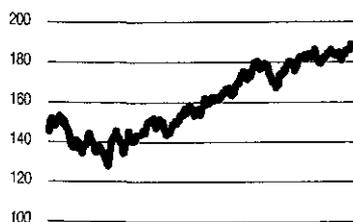
The key macrostatistics for the fixed income market were relatively weak during the spring and inflation low. In addition, the Iraq war broke out, and together these factors led central banks to further reduce their key interest rates. In Sweden, the Riksbank reduced the repo rate in three stages, from 3.75 percent at the beginning of the year to 2.75 percent at year-end. The

ECB cut its discount rate by a total of 0.75 basis points to 2 percent, while the U.S. Federal Reserve was satisfied with a 0.25 bp cut, to 1 percent.

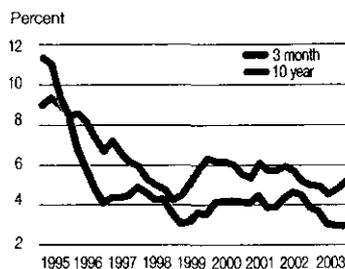
During the late summer market interest rates began to rise from their historic lows, pushed by continued gains in the stock market, stronger macrostatistics, fewer deflation worries and an increased willingness to take on risk. The rise during the autumn was significant, but relative to the beginning of the year movement was actually small. The Swedish ten-year bond rate rose 0.05 percentage points to 4.76 percent. The corresponding Euroland rate rose 0.11 percentage points to 4.29 percent, while the U.S. ten-year rate rose 0.43 percentage points to 4.25 percent.

The aforementioned EMU referendum did not have much impact on the fixed income market, either. The trend toward the end of the year was lower interest rate differentials versus Euroland primarily with regard to short-term bonds. This was probably because the Riksbank, given current interest rate levels, is thought to have greater opportunities than the ECB to adjust its key rates.

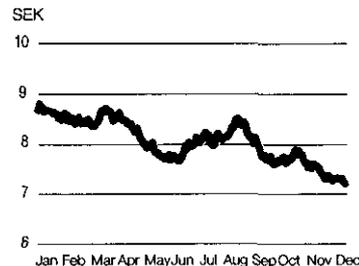
Stock performance, Stockholmsbörsen 2003 Affärsvärlden's Generalindex



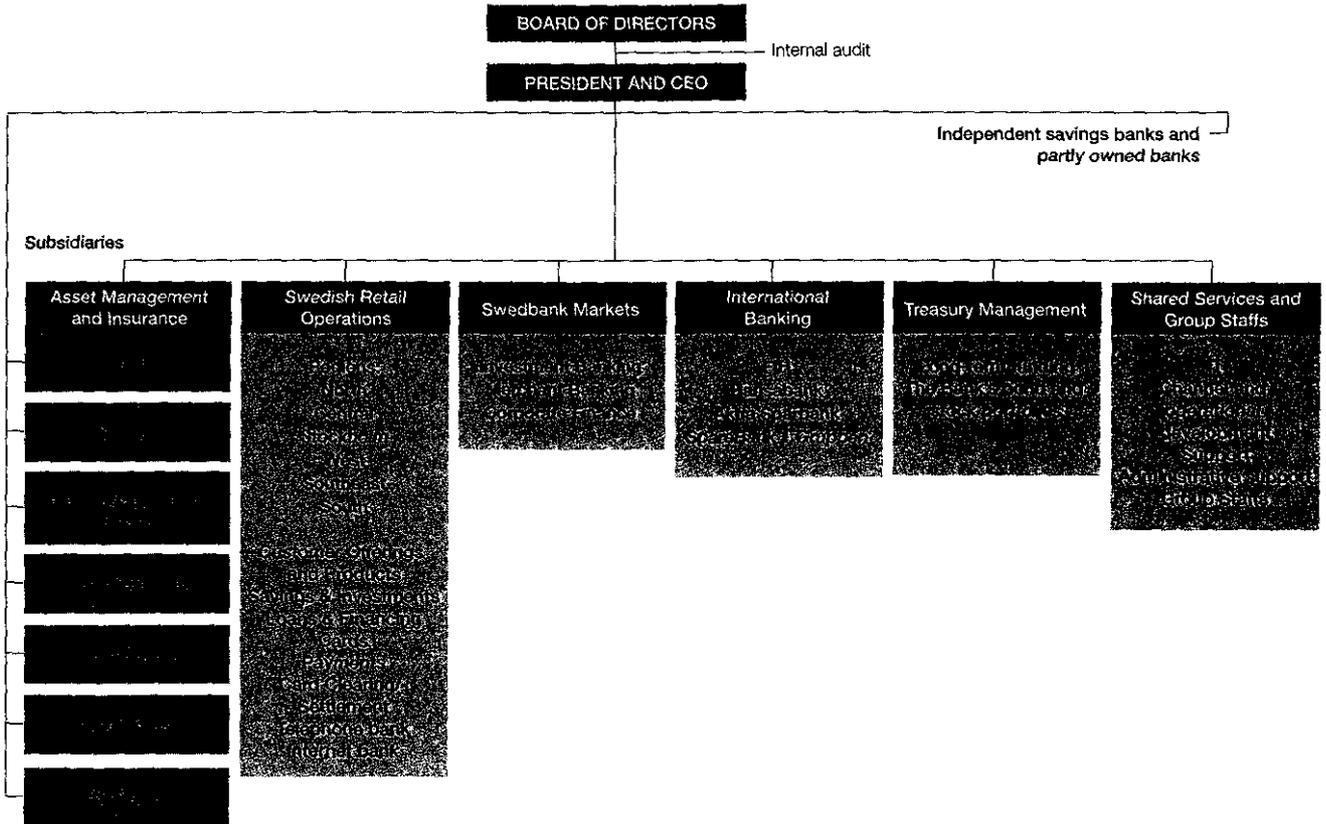
Interest rates



Exchange rate USD/SEK 2003



FöreningsSparbanken's business areas and subsidiaries



Swedish Retail Operations. The Swedish Retail Operations are the Bank's distribution network in the Swedish market. Satisfied customers are the highest priority. The Bank was named Commercial Bank of the Year by the magazine *Affärsvärlden* and customer satisfaction improved according to the Swedish Quality Index.

Swedish Retail Operations have responsibility for private customers, businesses, organizations, municipalities and county councils in Sweden as well as the Bank's distribution channels in the form of branches, ATM's, the telephone and Internet banks in Sweden, the Customer Offerings and Products unit, HSB Bank, partly owned Swedish banks, FöreningsSparbanken Fastighetsbyrå AB (real estate brokerage), FöreningsSparbanken Juristbyrå AB (legal services) and the private banking operations in Luxembourg. As of November 2003 the Norwegian card company EnterCard A/S is included as well.

The branch network in Sweden is organized in 86 local banks in six geographic regions: North, Central, Stockholm, Southeast, West and South. In total, there are about 7,000 employees in the retail operations. With 516 branches throughout the country, FöreningsSparbanken has the largest branch network of any Swedish bank. Together with the independent

savings banks and partly owned banks, the Bank's customers have access to 820 branches, 1,173 ATM's and around 235 in store banking terminals around the country.

Improvements ensure customer satisfaction

To increase the impact of the priority measures being taken to raise customer satisfaction and profitability, the Bank initiated an improvement program during the year that will eventually encompass the entire Swedish retail operations. The work will result in, among other things, a more systematic approach to customer contacts and sales, with clearly delegated roles tied to various private and commercial customer segments. During the year six local banks implemented the improvement measures. All six showed positive gains in customer satisfaction and sales.

Satisfied customers

Satisfied customers are essential to

the entire Group and are a priority objective of the retail operations. FöreningsSparbanken and the independent savings banks were the only banks to raise their levels of customer satisfaction, according to the annual survey by the Swedish Quality Index. Improved customer satisfaction applied to both private and commercial customers.

Changing customer needs

Customers' use of the services in the retail operations has steadily changed in recent years. From having been a place where all types of banking business was transacted, from simple payments to professional financial advice, branches have become a meeting place used more for financial planning advice for both individuals and businesses. One reason is that customers are increasingly demanding individualized advice and a personal contact at their local branch. Another reason is that customers today have far greater opportunity to handle simple transac-

Swedish Retail Operations

SEK M	2003	2002
Income	15,308	15,449
Expenses	9,138	-8,774
Profit before loan losses	6,168	6,675
Loan losses	928	-1,139
Share of profit/loss of associated companies	49	-146
Operating profit	5,131	5,390
Return on equity, %	15.0	18.8
C/I ratio	0.80	0.57
Share of Group's operating profit, %	56.8	78.7
No. of full-time employees	7,038	7,252

Private individuals	
FSB	4.3 million customers
Partly owned banks independent savings banks	0.4 million customers
	1.3 million customers

Municipalities (289) County councils (21)	
FSB	212 municipalities
Partly owned banks independent savings banks	20 municipalities
FSB	93 municipalities
	21 county councils

FöreningsSparbanken

Small and medium-size businesses	
FSB	241,000 companies
Partly owned banks independent savings banks	25,000 companies
	94,000 companies
Large companies	

Nationwide organizations	
Union	
Cooperative	
Religious	

tions through electronic channels such as the telephone and Internet. Today, for example, 46 percent of giro payments are made online, compared with 32 percent two years ago. For mutual fund purchases and redemptions, the corresponding figures are 33 and 22 percent.

The largest commercial bank

FöreningsSparbanken is Sweden's largest commercial bank and works with around 243,000 companies around the country, or about a third of Sweden's small and medium-size businesses. These companies are a priority target group for the Bank, and in 2003 transactions and business development for small and medium-size businesses were intensified.

Commercial bank of the year

FöreningsSparbanken was named Sweden's Commercial Bank of the Year in 2003 in the business magazine Affärsvärlden's Financial Barometer, Sweden's largest independent survey of the banking, financial services and insurance market. Among the factors that were weighed were customers' opinions of their bank's prices, range of services and friendliness of the staff. The overall assessment was that FöreningsSparbanken's business customers are more satisfied than are customers of other banks.

New unit improving customer offering

The Customer Offerings and Products unit, which was established in 2003, includes the product areas Savings & Investments, Loans & Financing, Cards, Payments and Card Clearing/Settlement. The unit supports the retail operations, most importantly by providing customer offerings suited to the Bank's various target groups. Teamwork with the retail operations is critical. Customer Offerings and Products is demand-driven and focuses on support and measures requested by customers and branches. Based on customers' needs, Customer Offerings and Products develops offerings in various product areas that are then distributed by the branch network and the Internet and telephone banks.

Consideration for the environment

The environment and social responsibility are important considerations when developing new products and services. With regard to the environment, FöreningsSparbanken complies with ISO 14001.

For example, the Bank has developed a special tool for environmental analysis in connection with loan evaluations. The e-savings account, e-billing and other totally electronic services minimize paper handling and

the need for physical travel and therefore are practically ideal from an environmental standpoint.

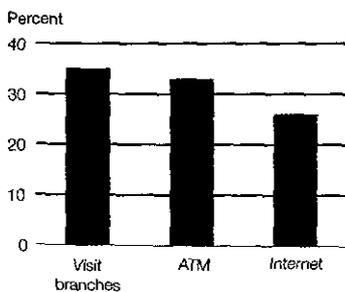
Priorities

A high-priority aim in the Swedish market is to strengthen the Bank's positions in growth regions such as Stockholm, Gothenburg and Malmö, areas where it is weaker in relative terms than the rest of the country.

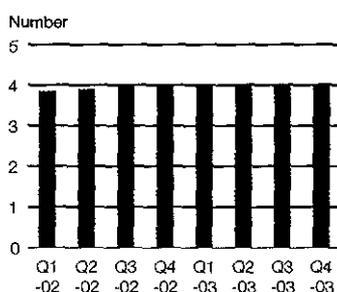
The branches are and will remain the hub of FöreningsSparbanken's operations. Personal interaction with customers builds confidence in the Bank, which is why it is important to have branches where customers can receive personal advice and service.

Customers are constantly placing new and higher demands on their bank contacts. Advisory services at branches are growing in importance, which is why one of the Bank's priorities is competence development through certification and licensing of financial advisors for both private and business customers.

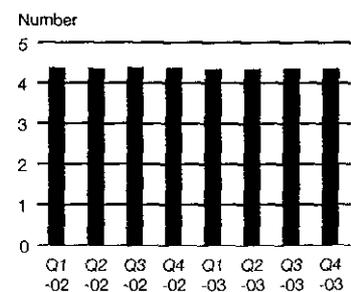
Private customers' main means of contacting the Bank



Average number of products per private customer



Number of products per business customer



“Great! I just booked a meeting with my personal financial advisor.”



Regular advice gives so much more.

Savings & Investments. In 2003 FöreningsSparbanken consolidated its position as the market leader in funds and household deposits. It also strengthened its position in structured products and is now one of the market's leading players in this growth area as well.

The Savings & Investments product area is responsible for ensuring that FöreningsSparbanken has a complete range of products in the savings area. Active market monitoring and a continuous dialogue with the retail operations provide feedback on customer needs.

The product area's role is to serve as a purchaser for the product development units at Swedbank Markets and Robur with regard to capital market products, funds and insurance. The range of deposit products is Savings & Investments' own responsibility. The product area also coordinates the Bank's activities involving savings products for various customer segments.

New savings were strong in 2003 and the market share preliminary rose to 19.5 percent (18.3). Owing to a more bullish stock market, households over the course of the year showed

greater interest in equity funds, individual stocks and structured products, wholly or partly capital guaranteed bonds.

Household deposits in Sweden amounted to SEK 521 billion at year-end 2003, an increase of 5.5 percent compared with the previous year. This corresponds to 22 percent of households' investable assets. Competition in savings remains tight. Slightly less pressure from niche banks was compensated by increased activity from the other major banks and the National Debt Office. Still, FöreningsSparbanken consolidated its position as the market leader in household deposits with a market share of 25 percent. One reason for its success was the e-savings account. Low interest rates in 2003 made customers more interested in savings accounts at the expense of transaction accounts.

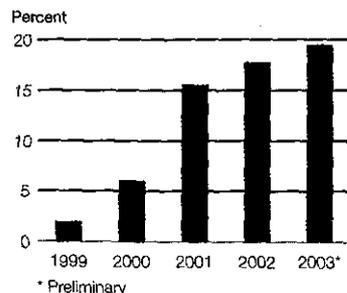
During the year FöreningsSparbanken strengthened its position in the growth area of structured products and is now one of the market's leading players. At year-end the Bank's market share for new volume was 21 percent. SPAX Peking and EuroSPAX were among the products that achieved the greatest success during the year.

In fund savings, Robur strengthened its share of the total market to 20.3 percent, against 17.1 percent in 2002. A contributing reason was the successful launch of three so-called Funds of Funds, which are mutual funds that invest in other mutual funds, under the name Robur Access.

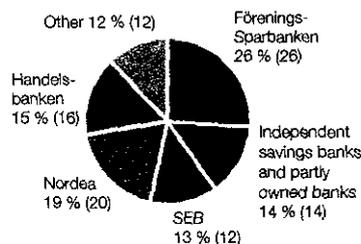
Outlook 2004

FöreningsSparbanken's objective in 2004 is to reach a market share of 25 percent of new household savings.

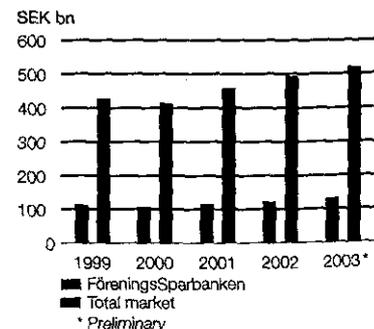
Market share, net new savings
1999-2003



Market share for household deposits
December 31, 2003 (December 31, 2002)



Household deposits, FöreningsSparbanken and total market



Loans & Financing. FöreningsSparbanken is Sweden's largest lender. The Bank's mortgage institution, Spintab raised its market share despite growing competition.

The Loans & Financing product area supplies FöreningsSparbanken's retail operations, the independent savings banks and partly owned banks with mortgage loans from the subsidiaries Spintab and Jordbrukskredit, finance company products from FöreningsSparbanken Finans and traditional bank lending. Customers include households, tenant-owner associations, companies, agricultural enterprises and municipalities. In total, lending in the product area amounted to SEK 614 billion.

The lending market was distinguished in 2003 by growing competition, primarily from large, established commercial banks as well as the state-owned residential mortgage lender SBAB.

The mortgage financing market continues to grow and during the year had a growth rate of 7 percent. Growth was primarily in the household market. Appreciation in real estate prices, lower interest rates and higher disposable income led to higher loan demand.

Spintab succeeded well in tough competition. Its lending rose by 8 percent or SEK 31 billion. Development was strongest in the household market, which grew by 10 percent. During the year Spintab also raised its market share in the corporate market. Spintab's overall market share amounted to 31 percent.

After a relatively weak 2002, the market for business loans and financing rebounded slightly. Corporate finance products are gaining ground on several fronts. Spintab's subsidiary, Jordbrukskredit, had a good year, raising its sales by 18 percent. Finance company lending by FöreningsSparbanken Finans also increased, resulting in higher market shares.

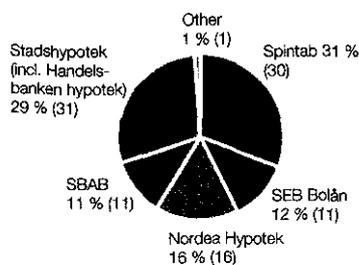
FöreningsSparbanken AB's bank loans rose during the year by SEK 4 billion to SEK 182 billion at the same time that the total market declined. As a result, the Bank's market share climbed to 16 percent. Bank loans to private customers in Sweden rose by 9 percent and to commercial customers by 4 percent.

As of 2004 the rules have changed with regard to contractual security rights for chattel mortgages, complicating lending with this form of collateral. A new factoring product, Fakturakredit, was launched as a complement in 2003 and proved successful. Another important event during the year was the establishment of the subsidiary HSB Bank as a new sales channel for financing tenant-owned apartments in metropolitan areas. At year-end 2003 HSB Bank changed its name to FSB Boländirekt Bank, through which FöreningsSparbanken offers online mortgage loans.

Outlook 2004

In 2004 Loans & Financing will focus on meeting increased customer demand for faster loan processing. It also plans to launch new versions of its factoring products and financing solutions for car dealers.

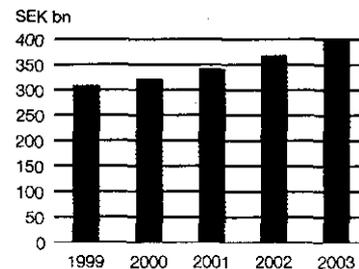
Market shares, mortgage lenders in Sweden, December 31, 2003 (December 31, 2002)

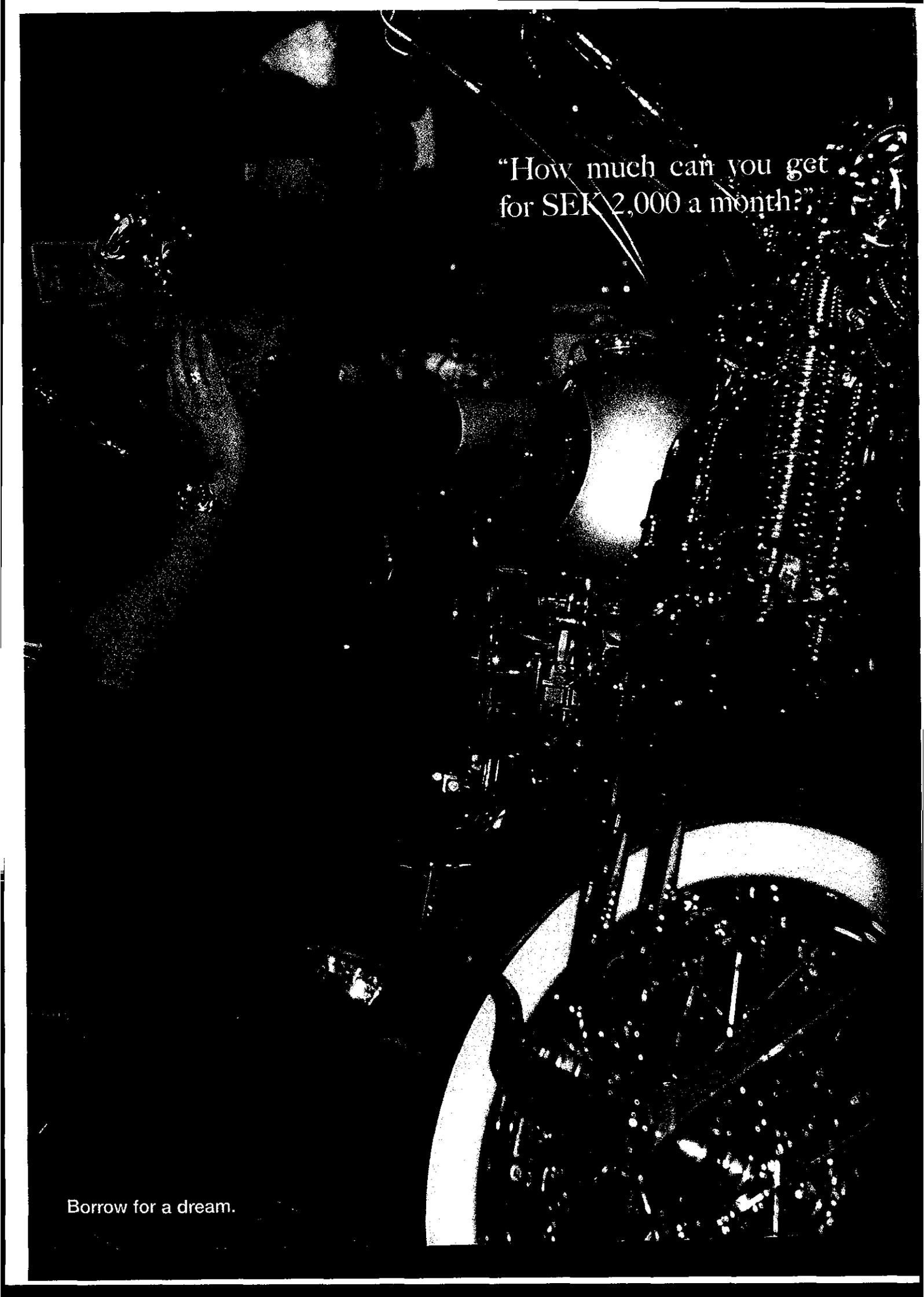


Lending by customer segment, Group excl. FIH and Hansabank

SEK M	Lending		Change %
	Dec. 31, 2003	2003	
Private	325,371	27,184	9.1
Real estate mgmt.	132,748	8,396	6.8
Companies	141,434	5,333	3.9
Municipalities	14,229	573	4.2
TOTAL	613,782	41,486	7.2

Lending, Spintab





"How much can you get
for SEK 2,000 a month?"

Borrow for a dream.

Cards. FöreningsSparbanken consolidated its position as Sweden's largest card issuer in 2003. Customers' card purchases exceeded SEK 100 billion for the first time.

FöreningsSparbanken offers cards with payment functions for private, commercial and organization customers as well as customers of the independent savings banks and partly owned banks. Customers can choose between debit cards linked to a transaction account or charge/credit cards where purchases are made on credit.

The Bank also offers retail financing services for consumers and retail chains and issues affinity cards with other companies' logotypes. Cards are issued with the Visa, MasterCard, Maestro and American Express brands as well as the Nationellt Bankkort debit card.

2003 was a record year for the Bank's card operations. Bank card customers made purchases for over SEK 100 billion, and in 2004 the number of bank-issued cards is expected to close in on three million. Card purchases have been steadily increasing for some time and continue to rise by approximately 20 percent a year.

There is a clear trend in which many customers are replacing their ATM cash cards with debit cards that also allow them to make payments. The range of available options and terms for retail customers have been simplified, which helped spark sales during the year. E-card, a new payment function for secure online purchases, has nearly 50,000 users, of whom 30,000 were added in 2003.

The market share for debit and credit cards improved in 2003. Marketing campaigns and simplified sales methods contributed to this success.

The market for corporate cards is the most highly competitive. Since the product range was complemented with the American Express Corporate Card, the Bank now offers a complete range of card solutions for all customer segments. Demand for affinity cards is high, and today the Bank has 15 partners with individualized cards.

In retail financing services, where the Bank provides financing solutions

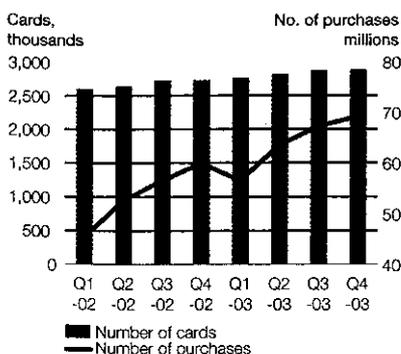
for retail customers, profitability rose thanks to previous efficiency improvements. In 2004 new functions were launched for online installment loans and international cards.

In 2003 FöreningsSparbanken acquired EnterCard AS in Norway. EnterCard provides cards for Spare-Bank 1 Gruppen and TerraGruppen in Norway, but also markets its own cards. The acquisition is expected to generate synergies in the form of lower administrative costs and the possible launch of Swedish card products in the Norwegian market.

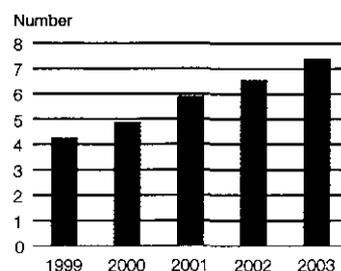
Priorities 2004

2004 will be distinguished by issuance of chip cards, along with further sales activities for debit and credit cards. The goal for the latter is volume growth of 50 percent.

Bank cards, number of cards and purchases by quarter



Number of card purchases/customer per month



Payments. Electronic payment services developed well in 2003 and remain a priority area. During the year new general agreements on payment services were signed with the Swedish state and the Swedish Church.

The Payments unit provides a broad range of payment products and services for the private and commercial market as well as financial institutions. By continuously adapting and renewing the product range and production, the Bank is able to create payment services suited to specific market needs.

In 2003 the payment market was distinguished by tight competition, especially in the public sector. *FöreningsSparbanken* retained however its strong position among both private and small business customers.

During the year the Swedish state signed a general agreement whereby payment transactions by all government authorities will be handled by *FöreningsSparbanken*, *Nordea* and *SEB*. *FöreningsSparbanken* also signed a general agreement with the Swedish Church.

In 2003 sales in most product areas outperformed expectations. One priority area was the sale of electronic

payment and information services, such as the Internet bank, e-billing, e-payroll lists and BankID. Electronic services significantly increase the Bank's accessibility and are less expensive and more efficient for all parties concerned, at the same time less paper handling means less impact on the environment.

During the year the number of users of the Internet bank's payment services rose by 17 percent to 1.1 million among private customers and by 19 percent to 114,000 among business customers. The Autogiro service also rose and at year-end had nearly 2 million users. The number of companies that offer e-billing rose by 84 percent to 212. Interest in e-billing is high, and sales are expected to continue to grow in 2004.

In international payments, a new EU regulation was introduced in 2003 that prohibits banks from charging higher fees for payments to and from

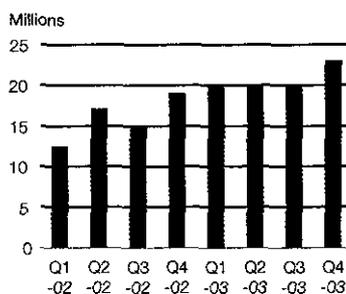
abroad than for domestic payments. *FöreningsSparbanken's* international payments rose more than expected during the year.

During the year Payments continued to work together with the Bank's branches to market payment solutions. The goal for *FöreningsSparbanken* is to handle all its customers' payment transactions. The work is progressing according to plan and will continue in 2004. In 2003 a portion of payment operations for the private market that had previously been outsourced by Postgirot was shifted over to Privatgirot.

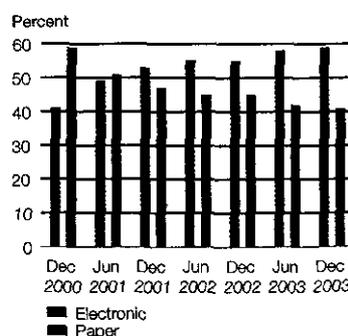
Outlook for 2004

In 2004 Payments will continue to develop new electronic information services, along with further simplifying routines for bank branches. Moreover, a new cash management solution will be launched for the Bank's larger customers.

Number of Internet payments



Breakdown between electronic and paper-based private payments



Card Clearing/Settlement. FöreningsSparbanken is the Nordic region's largest card payment processor and one of the largest processors of Visa transactions in Europe. In 2003 card purchases rose by approximately 23 percent and several large retailers became customers of the Bank.

FöreningsSparbanken provides payment clearance and settlement services for card purchases in stores and online through the processing operations of Babs. Basically this means converting payments made by card in stores and on the Internet to cash for the seller. Clearance transactions are provided for bank, debit and credit cards from Visa and MasterCard, Sweden's national bank card, Finax, the GE Capital Card and international cards. For American Express and Diners Club, Babs collects and analyzes card transactions.

Card terminals are offered by the subsidiary Babs Paylink. Various forms of e-commerce solutions are provided as well. In cooperation with certain customers, the Bank has also developed integrated card/POS (point-of-

sale) solutions. Today many large retail chains are Babs' customers.

FöreningsSparbanken is the Nordic region's largest card payment processor and one of the largest processors of Visa transactions in Europe. In total, the Bank has nearly 40,000 customers for its clearing and settlement services.

In 2003 the Bank continued to strengthen its market position in card payment processing. Card purchases in Sweden rose by approximately 23 percent for Babs to nearly 370 million transactions.

Clearing and settlement operations are also part of the Bank's overall international strategy. Among other things, it is developing cross-border processing, where it directly handles card purchases in other countries, primarily the rest of the Nordic

region. For customer companies, this means improved cash handling and simpler routines.

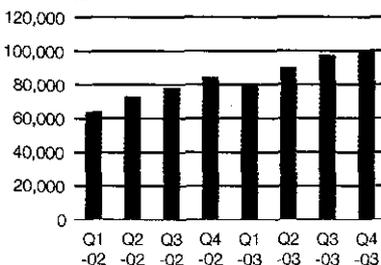
During the year the Bank's cooperation with the Swedish Federation of Trade continued, in part through the joint card concept company All-round. The Bank and Federation of Trade are also working together to raise in-store security through increased card purchases.

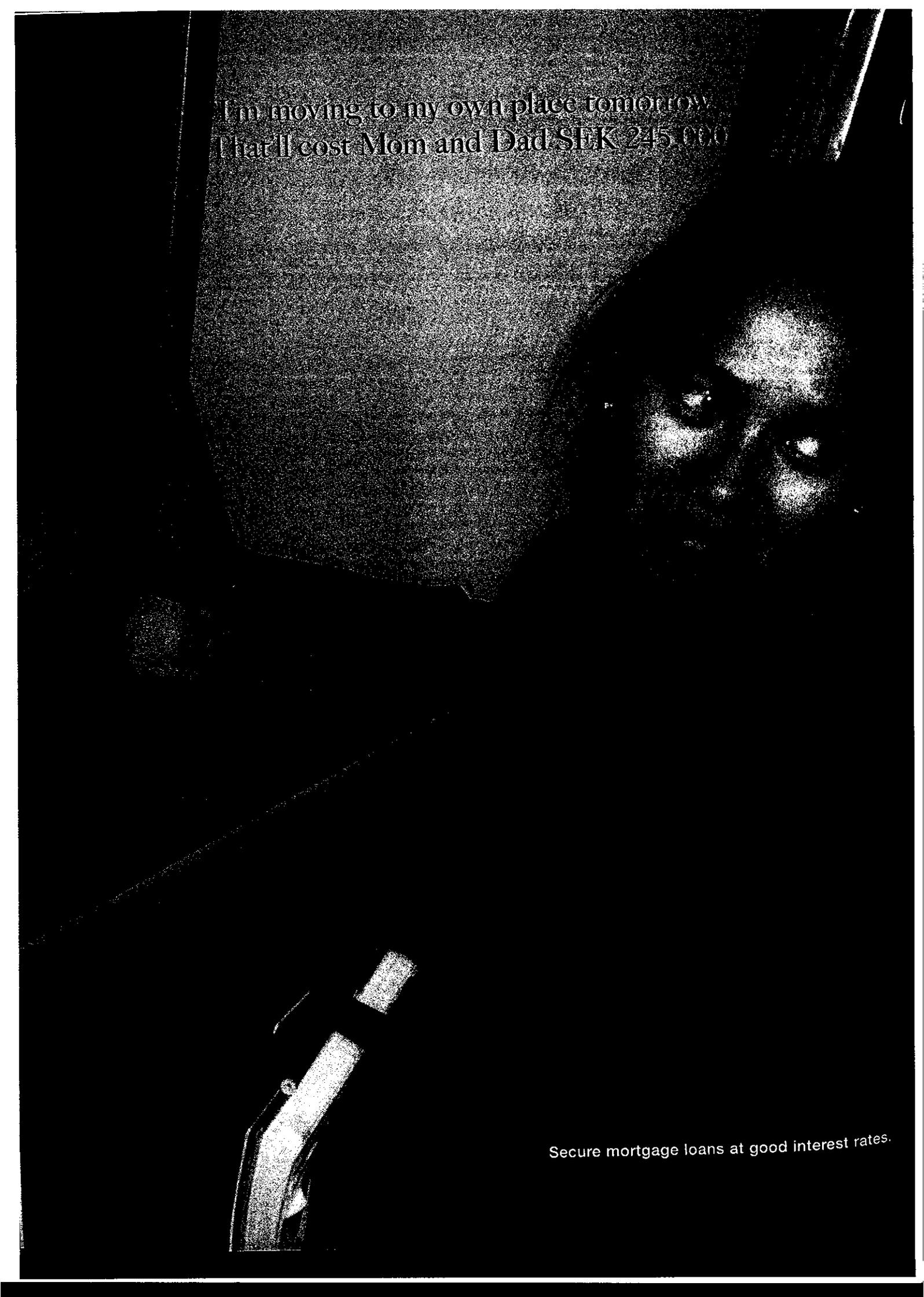
Outlook for 2004

The priorities for 2004 are increased card use, the introduction of a new card standard based on EMV chip technology, internationalization, intensified cooperation with the branches and continued efficiency improvements.

Card clearance transactions

Thousands





I'm moving to my own place tomorrow.
That'll cost Mom and Dad SEK 245,000.

Secure mortgage loans at good interest rates.

Internet bank and Telephone bank. Customers who use the Internet bank and Telephone bank are among the Bank's most satisfied. The Internet and telephony are also growth areas. The number of users and services is steadily increasing.

FöreningsSparbanken's customers can handle most of their transactions by telephone or online. They also have access to special services offered strictly through these channels.

Internet bank

The Internet bank offers a complete range of services for both private and business customers. In addition to day-to-day transactions, customers submit an average of 6,000 applications per month via this channel for loans or to order bank cards and IP savings. For businesses, additional services such as e-bookkeeping and e-payroll lists are available as well. Young people have their own Internet bank, FöreningsSparbanken by Internet – Young. The Internet bank is also accessible with the help of WAP.

Through the Internet bank, customers can also communicate directly with their bank branch and their local contact. The branches send approximately 30,000 personal messages per month through the Internet bank. In 2003 sales of online banking services rose by 36 percent.

E-bookkeeping, a service where businesses link their bookkeeping to

the Internet bank's payment service, was introduced in 2003. Also new is BankID, an electronic identification that customers use in contacts with companies and government authorities. The Bank's website was certified for use by the disabled in 2003. The next step is to also certify the whole Internet bank.

The Internet bank's goal in 2003 was to reach 1,530,000 customers, including the independent savings banks and partly owned banks, an increase of approximately 15 percent. This goal was reached by November, with around 4,000 new customers added per week.

Accessible round the clock

The Bank is accessible round the clock via telephone. The Personal Assistance option is available between 6:00 a.m. and midnight, seven days a week with the exception of major holidays. With self-service, customers can handle most basic transactions. With personal assistance, they can receive help from advisors for practically any transaction.

Including the independent savings banks and partly owned banks, the

telephone bank has slightly over 2.1 million customers, of whom 1.5 million use Personal Assistance, a total increase of 4 percent during the year and 9 percent for Personal Assistance.

The largest sales increase during the year was in loan applications and card sales, the latter by 70 percent.

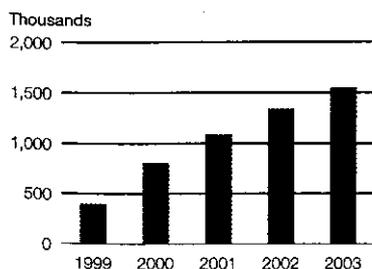
During the year 300,000 customer contacts were made through the telephone bank to schedule customers meetings on behalf of the branches.

Outlook for 2004

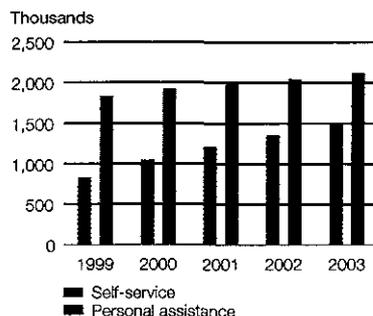
In 2004 sales in the lending and payments areas will be given priority. The objective is to raise the number of customers with Internet service by 20 percent.

A new IT platform will be launched in 2004 to increase capacity and operating stability. During the first part of the year private customers will receive an offer for mobile phone subscriptions from the Bank and Vodafone. Large companies are offered Group accounts and a service for mass payments.

Number of Internet banking customers



Number of telephone banking customers



Swedbank Markets. During the year Swedbank Markets raised its market share of the turnover on Stockholmsbörsen to nearly 4 percent. Fixed income and foreign exchange operations developed well during the entire year. Equity-related operations grew stronger during the second half of the year.

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

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

Swedbank Markets' goal is to be one of the leading players in the Nordic region. Branch offices in London and New York and the representative office in Shanghai provide services primarily to Swedish customers in these markets.

Improvements and development during the year

The action program that was implemented has led to higher operating efficiency and stronger competence,

putting Swedbank Markets in a favorable position prior to the improvement in market conditions in 2003.

As an element in its Nordic expansion, Swedbank Markets has established itself in the Norwegian fixed income market, which was made possible through a close cooperation between the partly owned brokerage firm First Securities and the Bank's branch in Oslo.

FöreningsSparbanken has long been a major player in the market for structured investments, such as index-linked bonds. Thanks to intensified product development and increased marketing, it more than doubled issue volumes in 2003 compared with the two previous years.

In 2003 Swedbank Markets became the largest issuer of credit bonds in SEK. This is the result of consistent efforts over a period of several years to broaden the customer base of both issuers and investors.

As part of the Bank's focus on business customers, Swedbank Markets

during the year established special competence centers in Stockholm and Gothenburg. The aim is to strengthen the work with the Bank's medium-size and large business customers through a close cooperation between customer service representatives in the regions and Swedbank Markets' product specialists.

Local stock trading in cooperation with the retail operations has continued according to plan. Because of the growing interest in stock trading among the Bank's customers, the local stock desks have played an important role.

Fixed income and foreign exchange operations were also strengthened in 2003. Good customer volumes, in combination with successful risk management, produced favorable results. The outcome of Sweden's national referendum on EMU membership means that foreign exchange and fixed income trading in SEK will remain an important business for Swedbank Markets.

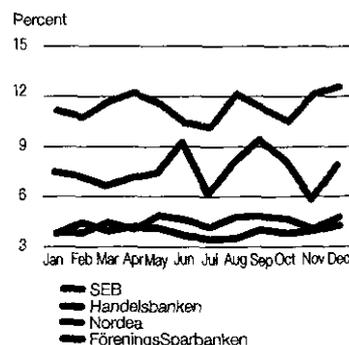
Swedbank Markets

SEK M	2003	2002
Income	1,902	1,371
Expenses	1,110	- 1,170
Profit before loan losses	792	201
Loan losses	17	- 73
Share of profit/loss of associated companies	7	- 13
Operating profit	781	115
Return on equity, %	26.4	3.8
C/I ratio	0.58	0.85
Share of Group's operating profit, %	3.0	1.7
No. of full-time employees	535	526

Swedbank Markets, Stockholmsbörsen, position

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

Market shares 2003 OM Stockholmsbörsen, turnover



Swedbank Markets' stock analysis climbed up various ranking lists and attained a top position in certain priority sectors. Customer activity increased during the year but was still relatively low. Trading results by Swedbank Markets, however, clearly improved compared with the previous year.

Corporate Finance, which helps business customers with financing and structural issues, had an upswing

after several years of difficult market conditions. The increase was mainly in services related to structural transactions. The capital market, on the other hand, remained sluggish. The volume of business with the medium-sized business customers of the retail operations grew. Structured Finance, which works with export and project financing, continued to develop well.

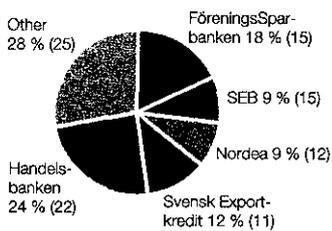
Outlook 2004

Swedbank Markets has the Nordic region as its home market. In 2004 Norway and Sweden are the priorities. In Norway the emphasis will be on further increasing fixed income trading. The focus on structured investments, such as index-linked bonds, will continue.

Index-linked bonds

New registrations according to VPC

December 31, 2003 (December 31, 2002)



Asset Management and Insurance. Interest in mutual fund investing rose during the year. Robur raised its market share for new savings from 17 to 20 percent. One reason was the successful launch of the Robur Access Funds of Funds.

Robur, one of Sweden's leading players in the savings market, is a wholly owned subsidiary of FöreningsSparbanken. Robur offers mutual funds and discretionary asset management for individual investors, institutional customers and businesses. Investments are offered by way of direct contributions to mutual funds, individual pension savings, insurance solutions (including contractual pensions) and premium pensions.

Products are offered through FöreningsSparbanken, independent savings banks and partly owned banks in Sweden.

Cooperations are in place with Aktia Sparbank in Finland and Spare-Bank 1 Gruppen in Norway. Funds are also offered through Hansabank in the Baltic states and by Swedbank Luxembourg.

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

During the year there was considerable media coverage of fund management and insurance companies, particularly traditional life insurance companies. Due to the extended decline in stock prices, many life

insurance companies had very low solvency margins at the start of the year. Statistics also show that demand was affected by lower sales of new pension insurance policies.

The top fund management company
Robur offers 78 funds, slightly over half of which are equity funds. Sixty percent of these equity funds outperformed their comparative index during the year. The corresponding figure in 2002 was 42 percent. The highest relative returns were generated by the Sweden, Small Cap Sweden, Realinvest and Eastern Europe funds.

In 2003 Robur was named the top fund management company in a competition arranged by the business daily Dagens Industri and Morningstar Sweden. Furthermore, Robur's Export Fund was named Fund of the Year in the Swedish Equity Fund class by the magazine Privata Affärer.

Four new funds were launched during the year, one of which is a socially responsible fund, Etik Sweden MEGA, which invests in listed companies in Sweden that meet Robur's ethical criteria.

During the year Robur conducted a customer survey of fund investors' savings habits, which showed that

most customers, mainly due to a lack of interest and knowledge, rarely change their fund holdings. For this reason, Robur launched three Funds of Funds under the name Robur Access. These funds, which invest other funds from Robur and other companies, have different distributions between equity and fixed income holdings, are actively managed and offer great flexibility in terms of allocation between asset classes, regions and sectors.

Increased mutual fund interest

In 2003 interest in mutual funds increased. Compared with the previous year, net contributions in the fund market rose by 22 percent. Equity funds gained the most, accounting for 42 percent of fund investments, against 30 percent in 2002. Fixed income funds still attract the highest contributions.

Net contributions to Robur's funds totaled SEK 14.1 billion kronor during the year, an increase of 45 percent compared with 2002. The corresponding market share rose from 17 to 20 percent.

In institutional asset management, where Robur offers both equity and

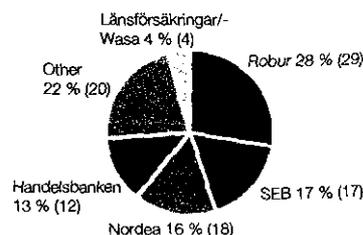
Asset Management and Insurance

SEK M	2003	2002
Income	1,256	1,324
Expenses	760	- 809
Profit before loan losses	457	515
Operating profit	457	515
Return on equity, %	18.8	18.8
C/I ratio	0.64	0.61
Share of Group's operating profit, %	4.8	7.5
No. of full-time employees	256	282

Market data for Robur 2003

SEK bn	2003
New fund contributions, net	14.1
Market share, new fund contributions, %	20.5
Assets under management	249
Market share, assets under management, %	28.1
Market share, new unit-linked insurance savings, %	12.5
Assets under management, unit-linked insurance	37

Market shares, total assets Swedish fund management companies, December 31, 2003 (December 31, 2002)



fixed income products for municipalities, county councils, organization, non-profit foundations and large, privately held companies, assets under management rose from SEK 31.4 billion to SEK 40.7 billion.

Robur offers unit-linked insurance and group insurance. Robur's share of new premiums was 13 percent during the year, compared with 18 percent in the previous year.

FöreningsSparbanken's total premium receipts in the pension market was SEK 7.3 billion during the year, of which SEK 3.1 billion (2.9) from the premium pension system (PPM), SEK 1.9 billion (1.6) from company-sponsored pensions (occupational and contractual pensions) and SEK 2.3 billion (2.2) from private pension savings.

Contractual pension transfers

In occupational and contractual pensions, the Bank offers unit-linked insurance. In private pension savings, it provides Individual Pensions Savings accounts, an area where it holds a very strong position. Sixty percent of all individual pension savings accounts (IPS) are opened via FöreningsSparbanken and independent savings banks and partly owned banks.

Today Robur is one of three companies that offer fund transfers within the contractual pension area. Of those investors who decided to change fund managers (for future contributions) in this area, more than 43 percent chose Robur as their new company.

Robur has worked with socially responsible mutual funds for more than

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

Own environmental analysis

During the year Robur, one of the few Nordic fund management companies with its own environmental and social analysis, strengthened its environmental and social assets team by adding a new analyst. In 2003 an amendment was made to Robur's investment policy that states, among other things, that companies must be able to handle the risks and opportunities associated with environmental and social responsibility to remain competitive in the long term. During the year all analysts and fund managers at Robur received training in environmental and social analysis.

Corporate governance

Robur's responsibility to its fund investors is to invest their money in a way that provides them with a good long-term return. In addition, Robur actively exercises the rights and obligations that go with ownership in

the companies it which it invests. This control is exerted with the goal of maximizing the long-term value of these companies' shares and thereby generating a good return for its fund investors.

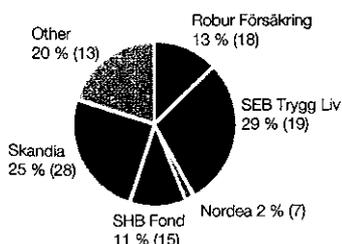
Robur works to promote confidence in stock ownership and the stock market and to encourage investors, listed companies and other players in the stock market to follow accepted practices. By exercising their rights, shareholders can impact and control a company's board of directors and management. Robur's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

Priorities in 2004

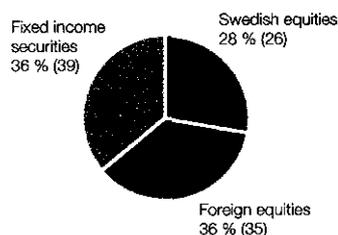
In 2004 Robur will focus on improving its customer offering by developing new types of products and further raising the quality of its fund management and services. In terms of new products, the focus will be on pension products, for example fund and insurance solutions.

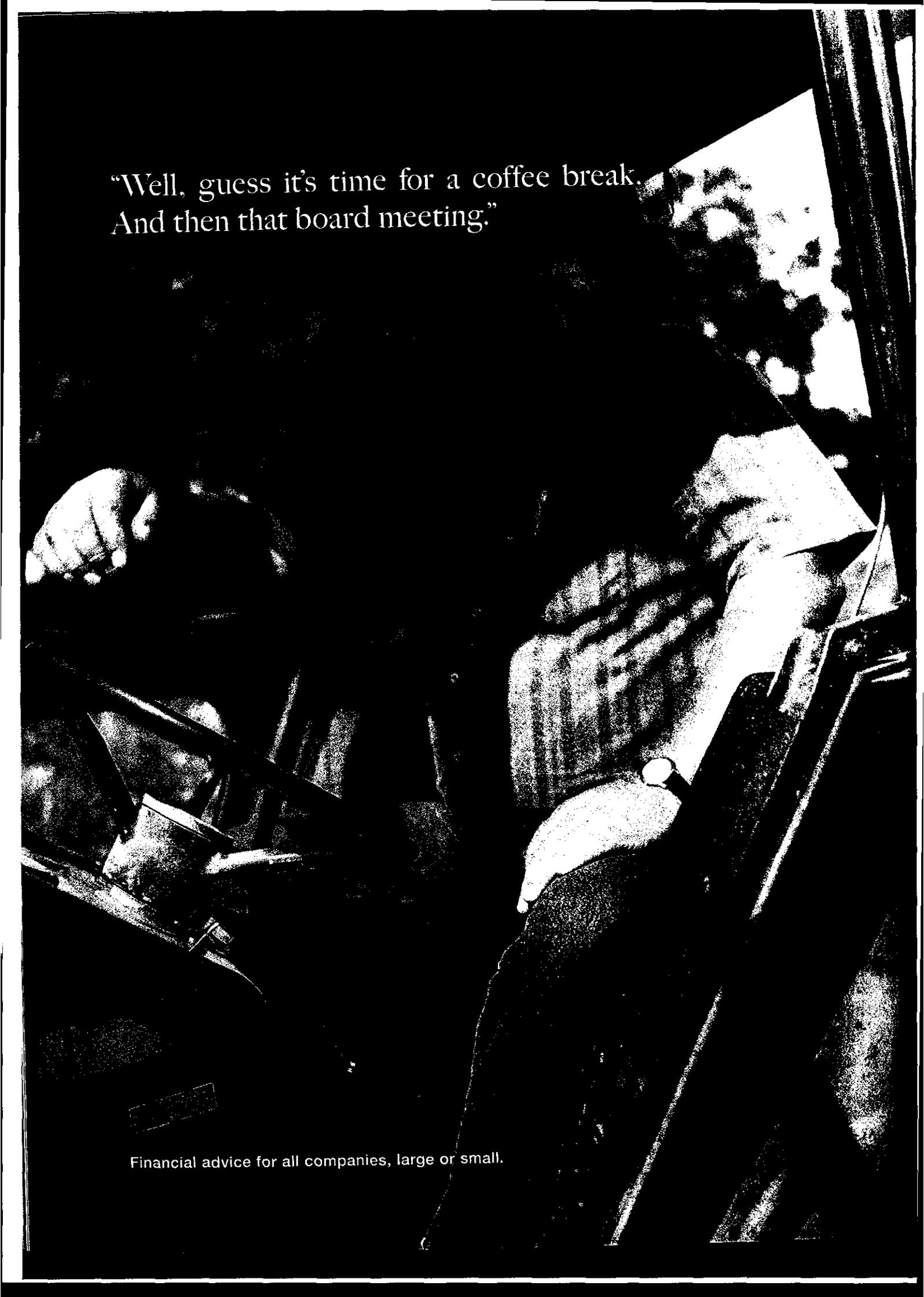
During the year Robur was granted a concession for insurance operations other than unit-linked insurance, i.e. traditional insurance. Its intention is to launch a program of individual savings that includes guaranteed interest products in 2004.

New unit-linked insurance policies market shares, December 31, 2003 (December 31, 2002)



Robur's fund assets, December 31, 2003 (December 31, 2002)





"Well, guess it's time for a coffee break.
And then that board meeting."

Financial advice for all companies, large or small.

International Banking. The International Banking operations represent 18 percent of the Group's operating profit. Hansabank, Aktia and SpareBank 1 Gruppen all improved their profits. The ownership interest in Denmark's FIH was increased to 77.2 percent.

International Banking includes the subsidiaries Hansabank in the Baltic states, FI-Holding in Denmark and FöreningsSparbanken's shares in the associated companies SpareBank 1 Gruppen in Norway and Aktia in Finland.

During the second half of the 90's FöreningsSparbanken acquired minority and majority interests in a number of financial institutions in the Nordic and Baltic region. These operations, which have gradually been expanded to six countries, have been merged in the International Banking business area.

One motivation for the Bank's operations outside Sweden is the need for growth. This can be achieved through acquisitions that generate a good return or through expansion. Investments are made in banks that are well-established and have good positions in their home markets.

Acquisitions can create value when select product areas invest in complementary operations to achieve economies of scale and create greater customer value. Acquired companies

are then fully integrated in each area to create synergies. One example is EnterCard in Norway, which is part of the Swedish Retail business area.

International Banking comprises both minority and majority holdings. When making new investments, the Bank's preference, however, is for majority ownership. Geographically operations are concentrated in the Nordic and Baltic region.

Operations

In the Baltic states, FöreningsSparbanken operates through Hansabank, in which it holds a 59.7 percent interest. In recent years Hansabank has generated strong growth through both acquisitions and organic growth and today it is the leading Baltic bank.

In Denmark, FöreningsSparbanken at year-end owned 74.7 percent of FI-Holding, which in turn owns nearly 100 percent of FIH. Following the conclusion of the year, the Bank acquired an additional 2.5 percent when the other shareholders in FI-Holding exercised their options to sell to FöreningsSparbanken (the

agreement is described in Note 30). FIH offers financing solutions for Danish companies.

In Norway and Finland, where operations are based on savings bank alliances, the Bank owns 25 percent of SpareBank 1 Gruppen and 24.4 percent of Aktia Sparbank. The emphasis is on an exchange of business in various product areas – for example, cards and capital market products in Norway.

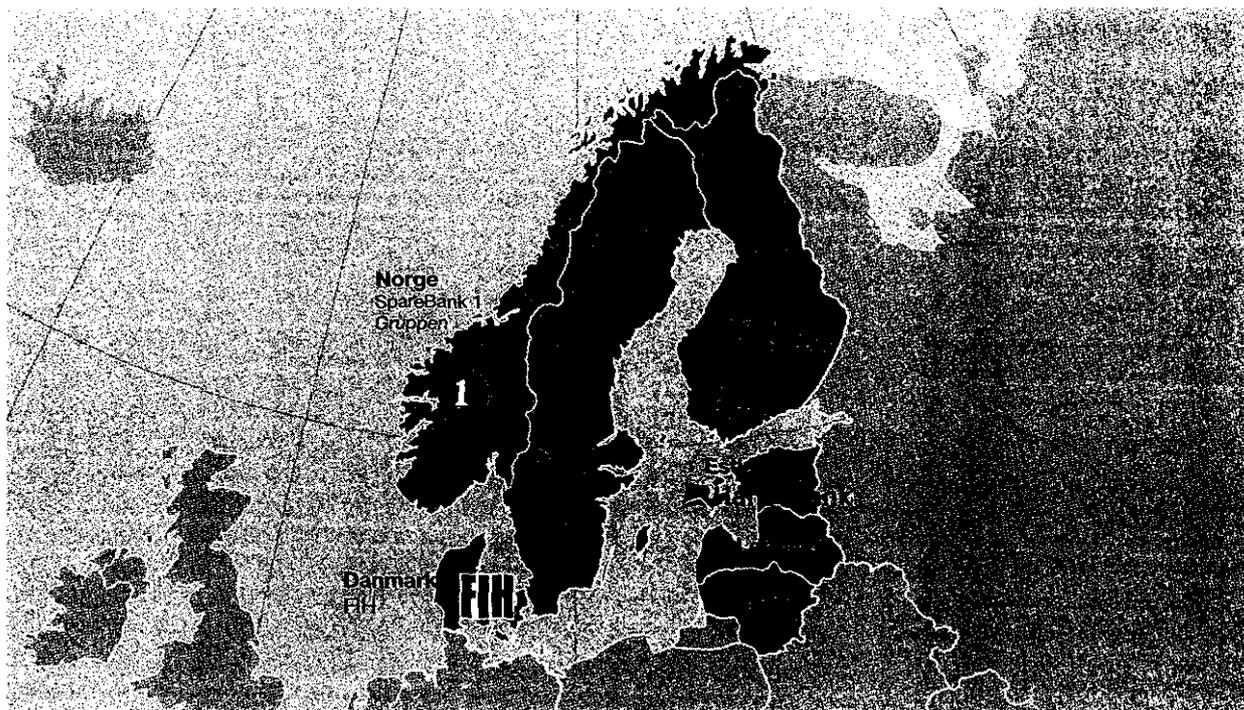
International Banking represented approximately 18.3 percent of the Group's operating profit in 2003.

International Banking

SEK M	2003	2002
Income	4,516	4,298
Expenses	2,195	- 2,311
Profit before loan losses	2,321	1,987
Loan losses	- 340	- 130
Share of profit/loss of associated companies	- 230	- 444
Operating profit	1,751	1,413
Return on equity, %	8.2	6.6
C/I ratio	0.49	0.54
Share of Group's operating profit, %	18.3	20.6
No. of full-time employees	5,931	5,901

International banking operations, December 31, 2003

	SWEDEN	NORWAY	FINLAND	BALTIC	DANMARK	TOTAL
Bank	FöreningsSparbanken + independent savings banks + partly owned banks	SpareBank 1 Gruppen	Aktia	Hansabank	FI-Holding	
Holding, %		25	25	60	75	
Investment, SEK M		1,415	190	2,936	5,807	10,348
Branches	516 + 242 + 62	290	71	280	5	1,466
ATM's	858 + 247 + 68	471	110	924	-	2,678
Private customers, million	4.3 + 1.3 + 0.4	1.0	0.2	4.0	-	11.2
Business customers	243,000 + 94,000 + 25,000	52,000	23,000	150,000	4,000	591,000



Hansabank. Via Hansabank, FöreningsSparbanken has a very strong position in the three Baltic countries Estonia, Latvia and Lithuania.

Hansabank's mission is much like that of FöreningsSparbanken – to provide a complete range of products and services mainly to consumers and small and medium-size businesses through an extensive branch network, complemented by electronic channels. Operations are decentralized, with strong local managements responsible for each market.

Hansabank has more than two million cards in issue and over a million Internet banking customers. Its Internet bank holds its own against the best in Europe according to several independent surveys.

For FöreningsSparbanken, the interest in Hansabank is strategically important. The growing market for banking services in Estonia, Latvia

and Lithuania contributes substantially to the Group's growth, while what at this point is a limited presence in Russia can create interesting opportunities in the future.

Good growth and profitability

Latvia and Lithuania reported good economic growth in 2003. In Estonia, GNP growth slowed slightly at the same time that the deficit in the balance of current payments rose substantially. The deficit has been partly caused and financed by record-high direct investments from abroad. A growing share has been generated, however, by growth in consumer spending, which in turn has been facilitated by a strong increase in bank lending to the private sector.

Margins have declined in all three countries due to increased competition. Hansabank has compensated for this through volume increases and higher commissions. In combination with a favorable cost trend, this helped Hansabank to produce a strong profit again in 2003. Operating profit amounted to SEK 1,345 M, an increase of 15 percent. The C/I ratio was 0.51 and return on equity 21.2. Hansabank was particularly successful in consolidating its strong position in the growing market for pension savings and now has more than a half million customers in this area.

Business operations

Full-service banking is offered in all three Baltic states, including insurance

and finance company services. In Russia, operations are limited to leasing and export financing, with a limited number of customers.

Hansapank, Estonia

In Estonia, Hansapank defended its market leading position with market shares of over 50 percent in most areas. In 2003 it successfully consolidated the previous year's gains in asset management for the new pension system. Market shares exceed 50 percent in this area as well.

Hansabanka, Latvia

Banking operations in Latvia have continued to grow organically. Profitability has developed strongly and market positions have been continued to improve. Marketing of mandatory pension savings has been highly successful, and the bank's market share now exceeds 50 percent.

Hansabankas, Lithuania

During the year efficiency in the branch network was further improved to create an optimal structure for customer service. The number of branches has been reduced by 28 to 122 at the same time that the use of electronic banking services has increased significantly. During the autumn Lithuania also introduced a pension system in which participants can choose their asset managers. To strengthen its position in pension and insurance

savings, the bank signed an agreement during the year to acquire the life insurance company UAB Lietuvos Draudimo Gyvybės Draudimas (LDGD). LDGD is the leading life insurer in Lithuania, with a market share of over 50 percent. The acquisition is expected to have only a marginal impact on 2004 profit but in the future create opportunities for profitable growth in an attractive product area.

Hansa Leasing Russia, Russia

In 2002 a small-scale leasing and export financing operation was established in Russia by a venture co-owned with EBRD, the European Bank for Reconstruction and Development. EBRD's holding is 25 percent. Business volumes and profitability have developed as expected.

Continued development in Baltic states

The Baltic states accession to the EU in 2004 and future membership in ERM will require structural changes. The large deficit in the balance of current payments, mainly in Estonia, must be alleviated. This transition could impact the financial system in various ways during certain periods. Over time, however, economic growth – and, thus, growth in the banking sector – in the Baltic states is expected to exceed the EU average. This creates good prospects of further profitable growth for Hansabank.

Focus on sustainable development

To continue its positive development, the bank and its customers must pursue sustainable long-term businesses that are beneficial to society. For its employees and management, Hansabank has ethical rules that guarantee responsible behavior. An ambitious program has been established to protect the bank from involvement in money laundering and similar transactions. In its lending, Hansabank takes environmental risks and sustainability into consideration.

Through sponsorships, Hansabank supports positive initiatives throughout the Baltic region. For example, it contributes to education in the form of scholarships. In Estonia and Lithuania, it has participated in a project that offers free PC and Internet training. Annual surveys confirm that Hansabank has a strong position among customers in all three countries. In addition, it is considered one of the best employers in all three Baltic states.

Owners

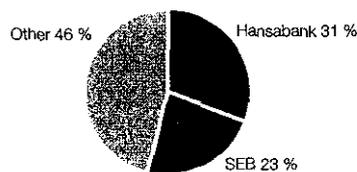
The Hansabank share is listed on the Tallinn Stock Exchange. Förenings-Sparbanken's interest is 59.7 percent. The second largest shareholder is EBRD, with 4.8 percent.

The remaining shares are spread among small investors.

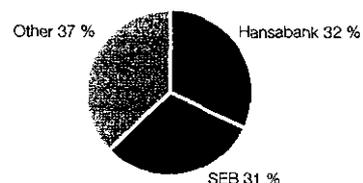
Hansabank

SEK M	2003	2002
Income	3,302	3,031
Expenses	-1,702	-1,837
Loan losses	-257	-24
Share of profit/loss of associated companies	2	3
Operating profit	1,345	1,173
Total assets	68,163	47,974
Loans to the public	39,337	30,283
Shareholders' equity	6,089	5,288
Return on equity, %	21.2	22.9

Market shares, deposits, Baltic states
September 2003



Market shares, lending, Baltic states
September 2003



FIH. Through its focus on and competence in a well-defined market niche, FIH has succeeded in defending its position as the natural choice for Danish companies.

FIH, which specializes in financing for businesses, is the third largest player in Denmark in this area. FIH has slightly over 4,000 business customers and a market share in business lending of 9 percent. Organic growth, a strict customer and market focus, and an efficient cost structure are the cornerstones of FIH's operations.

Today FIH focuses on three customer offerings: medium- and long-term lending, corporate finance services and to a lesser extent capital investments. Its core business is medium- and long-term lending to the corporations domiciled in Denmark. FIH offers individualized financial solutions based on each company's circumstances and needs. Professional advice and attractive financing solutions, together with a considerable network of contacts, create confidence among customers and pave the way for long-term partnerships.

To be successful in the market requires a strong regional presence and an understanding of the conditions faced by individual customers. Lending departments are located in Copenhagen, Fredericia, Herning,

Aalborg and Århus. Large business customers are served by a separate department in Copenhagen that offers customized turnkey solutions.

Lending to the medium-size company segment posted modest growth in 2003. Lending to large business customers was slightly lower than in 2002 due to slow economic development in Denmark and the fact that FIH continues to work proactively to enhance the quality of its loan portfolio. As a whole, FIH marginally reduced its total lending. Loan losses and provisions declined slightly and FIH reported a satisfactory profit.

In 2003 FIH started a project that will expand its offering to business customers through the addition of a limited number of new banking products in 2004. Moreover, FIH entered into an agreement with the Danish mortgage institution BRF Kredit. Every second year FIH conducts qualitative and quantitative customer analyses to measure satisfaction and improve long-term customer relations.

Sustainability

As part of its sustainability efforts,

FIH maintains an open and effective management style, good working environments and various social arrangements. Through individualized development planning based on competence, personal desires and FIH's needs, employees have the opportunity to grow professionally and personally. Even with regard to "senior solutions," FIH offers flexibility and the option of individualized programs.

Owners

FIH is 99.8-percent owned by FI-Holding. FöreningsSparbanken in turn owned 74.7 percent of FI-Holding at year-end. The remaining shares are owned by the pension funds ATP and LD, the Danish Employers Confederation, the Confederation of Danish Industries, and Parnib Deelnemingen of the Netherlands. After the end of the year FöreningsSparbanken acquired an additional 2.5 percent of the shares in FI-Holding from Parnib Deelnemingen, which has thereby sold all its shares to FöreningsSparbanken.

FIH

SEK M	2003	2002
Income	1,271	1,358
Expenses	-279	-253
Loan losses	-94	-107
Share of profit/loss of associated companies	86	73
Operating profit	884	1,071
Total assets	81,023	82,953
Loans to the public	67,945	70,077
Shareholders' equity	7,377	6,949
Return on equity, %	9.7	11.6

Aktia

Aktia was formed when Helsingfors Sparbank merged with several coastal savings banks in the early 1990's. Its origins date back much further, however, to 1826, when the oldest of Finland's existing savings banks was founded. Aktia is a bilingual bank (Finnish and Swedish) whose operations are focused on the needs of private individuals, local businesses, municipalities and non-profit organizations. Its branch network extends to around 70 branches. Aktia serves as the central financial institution for Finland's savings and cooperative banks.

The cooperation with FöreningsSparbanken began in 1994, when FöreningsSparbanken acquired 24.4 percent of the shares.

Profitability improved significantly compared with the previous year. Despite low interest rates and strong competition, total income rose at the same time as a number of efficiency measures led to lower costs. Lending and savings volumes both generated good growth.

An agreement was signed in December to acquire Robur Försäkring's Finnish subsidiary, Robur

Livförsäkring Ab, and was finalized on January 1, 2004.

Owners

Apart from FöreningsSparbanken, with 24.4 percent, Aktia's major shareholders include Finland's savings bank foundations (which together own 50.6 percent), Finnish institutional investors (16.3 percent) and Finland's savings banks (7.2 percent).

SpareBank 1 Gruppen

SpareBank 1 Gruppen was established in 1996.

In 2000 SpareBank 1 Gruppen acquired the shares in VÅR-Gruppen, in the process obtaining Bank 1 Oslo.

SpareBank 1 Gruppen owns 100 percent of the shares in SpareBank 1 Livsförsäkring, SpareBank 1 Försäkrings, SpareBank 1 Skadeförsäkring, Odin Forvaltning and Bank 1 Oslo. SpareBank 1 Gruppen also owns 33.3 percent of First Securities ASA, where FöreningsSparbanken and the company's employees have equal interests. During the year FöreningsSparbanken acquired SpareBank

1 Gruppen's card services company, EnterCard. Also, SpareBank 1 Gruppen sold SpareBank 1 Finans to Terra Gruppen and SpareBank 1 Aktiv Forvaltning to Alfred Berg Industri-finans.

A new cooperation agreement between FöreningsSparbanken and the Norwegian owners was signed at the beginning of the year.

Financial results in 2003 rose significantly, mainly owing to improvements in the insurance operations and an extensive cost-cutting program during the year.

During the year FöreningsSpar-

banken wrote down the value of its interest in SpareBank 1 Gruppen by SEK 311 M. As a result, all goodwill associated with the holding has been written off.

Owners

SpareBank 1 Gruppen is owned by SpareBank 1 Nord-Norway, SpareBank 1 Midt-Norway, SpareBank 1 SR-Bank and Samarbeidende Sparebanker, each with 14.08 percent. SpareBank 1 Vest owns 8.67 percent, while the Norwegian Federation of Trade Unions owns 10 percent and FöreningsSparbanken 25 percent.

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Save for a good person.

Treasury Management. FöreningsSparbanken is one of Sweden's largest lenders and, thus, one of its biggest borrowers. In 2003 funding was further diversified through a new funding program in the French market.

Treasury Management's area of responsibility includes funding for the Group's lending in the Swedish market, management of the Bank's strategic portfolio of short-term holdings and its strategic long-term equity and fixed income holdings, as well as issues concerning the Group's balance sheet, capital and risk structure. Through active management of financial risks, Treasury Management creates value-added for the Group.

Capital market funding

The Bank has access to deposits from the public, which is why Spintab manages the large share of capital market funding for Swedish operations. Funding must be cost-efficient and well-diversified. The goal is to secure approximately 50 percent from international capital markets. This will ensure that the Group at any given time has access to capital markets in Asia, the U.S. and Europe.

Capital market funding is obtained through Swedish and international loan programs. Short-term funding is handled through short-term funding programs in Sweden, Europe and the U.S. In 2003 Spintab also established a French funding program to more effectively reach French investors. Long-term mortgage funding is handled with Swedish mortgage bonds and a so called EMTN program. Spintab is well known internationally and in 2003 was the largest Scandinavian issuer in the euro market.

Liquidity reserve

Treasury Management is responsible for the Bank's liquidity reserve. This entails managing a portfolio of interest-bearing securities, mainly Swedish government and mortgage-backed securities eligible for refinancing with the Riksbanken. The securities are listed on authorized marketplaces to ensure continuous market pricing and

good liquidity. The size of the portfolio and associated interest rate risk are managed through established procedures. The goal, through professional, active management within given mandates, is to generate a good return. An element in this active management is to diversify the composition of the portfolio with foreign investments in order to maintain such a return.

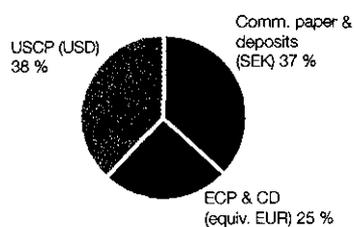
Strategic shareholdings

Treasury Management also manages the Bank's strategic equity and fixed income holdings. This entails, among other things, the refinancing of foreign subsidiaries and associated companies and the management of foreign currency risks according to established principles.

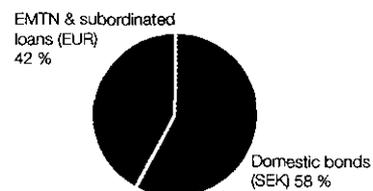
Treasury Management

SEK M	2003	2002
Income	1,380	588
Expenses	47	- 49
Loan losses	1,333	539
Write-down/reversal of write-down of financial fixed assets	55	- 264
Operating profit	1,388	275
Return on equity, %	96.7	9.5
C/I ratio	0.03	0.08
Share of Group's operating profit, %	14.5	4
No. of full-time employees	18	18

Spintab's short-term funding SEK 99 billion, December 31, 2003



Spintab's long-term funding SEK 279 billion, December 31, 2003



Shared Services and Group Staffs. Shared Services, which was established during the year, manages the Bank's IT systems and develops sales channels. The goal is to create a resource-efficient service organization that supports the branch network.

The function of Shared Services and Group Staffs is to capitalize on economies of scale when similar services are used by multiple units within the Group. The goal is to provide higher quality services at a lower cost for the Group.

Shared Services consists of the units FöreningsSparbanken IT, Channel and Operational Development, and Support. The establishment of Shared Services has already led to synergy gains in the merged units. Further potential exists through additional efficiency improvements in IT and business development as well as the centralization of loan administration functions, for example.

Unchanged costs

FöreningsSparbanken IT handles development and management of IT systems for FöreningsSparbanken, independent savings banks and partly owned banks. FöreningsSparbanken's IT expenses have remained largely unchanged in the last four years despite

substantially higher transaction volumes. This has been achieved by continuously raising the efficiency of IT operations. The goal is to handle up to 20 percent higher transaction volumes each year without increasing costs.

Prestigious prize

A special effort has been made to better follow up the impact of FöreningsSparbanken's IT investments. An evaluation of outsourcing concepts has been made as well. The conclusion was that, given FöreningsSparbanken's situation, extensive outsourcing does not make sense, since the savings would not be enough to compensate for the risks associated with such a major change. According to independent assessments, the IT operations are already highly cost efficient. However, in certain well-defined areas where the Bank lacks economies of scale it may seek to expand cooperations with external suppliers. During the year FöreningsSparbanken IT received the Compass Prize, annually

awarded by the independent IT consulting firm Compass to the company it considers to be doing the best work to raise efficiency in the Nordic region. The unit was recognized for its world-class IT operations.

Good accessibility

The number of transactions steadily increased in most areas during the year, particularly in the Internet and telephone banks and in the card area. The accessibility of the Bank's systems is critical to both customers and employees. The Bank has to be reachable round the clock, every day of the year. In 2003 accessibility was very good for all major systems, exceeding the high accessibility goals the Bank has.

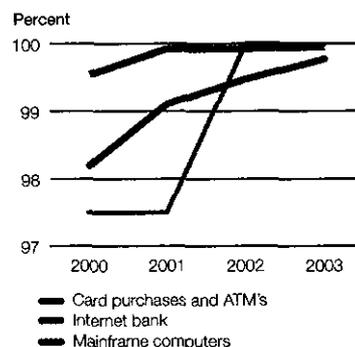
Systems development

Extensive development work was done in 2003. The biggest project was the development of a new deposits ledger, which is set to enter production in 2004. Among other major development projects are systems to handle

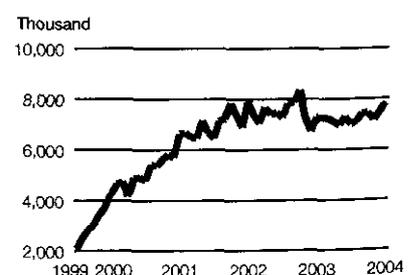
Shared Services and Group Staffs

SEK M	2003	2002
Income	3,190	2,546
Expenses	3,549	-3,160
Profit before loan losses	459	-614
Loan losses	196	-261
Share of profit/loss of associated companies	32	15
Operating profit	281	-860
C/I ratio	1.14	1.24
Share of Group's operating profit, %	2.4	-12.6
No. of full-time employees	1,588	1,489

Accessibility of IT systems



Transactions in the Bank's system during a 24-hour period, excluding card transactions



the new Basel II capital adequacy requirements, a new card standard based on chip technology and a system for advisory support. Through its new systems architecture, the Bank expects to be able to share more development work and thereby lower costs by reusing software code. The conversion of the Internet bank to a new architecture in 2004 is one of the first projects in this area. Replacement of local IT platforms in branches and central workplaces will also begin during the year.

Comprehensive preparations were made for Sweden's possible membership in EMU and the transition to the euro. Of the approximately SEK 100 M invested in this work, about half is estimated to have resulted in new, improved functions the Bank can still benefit from, despite that the vote

was a resounding no. Two examples are the use of euros in the Bank's ATM's and EU payments through the Internet bank.

Internet

FöreningsSparbanken's website is one of the most visited in Sweden. It is also the first site in the banking industry certified for disabled users. The Bank received an award for Bank Product of the Year for its handicap-friendly site, which, for example, has a function that reads the contents aloud for visually impaired users.

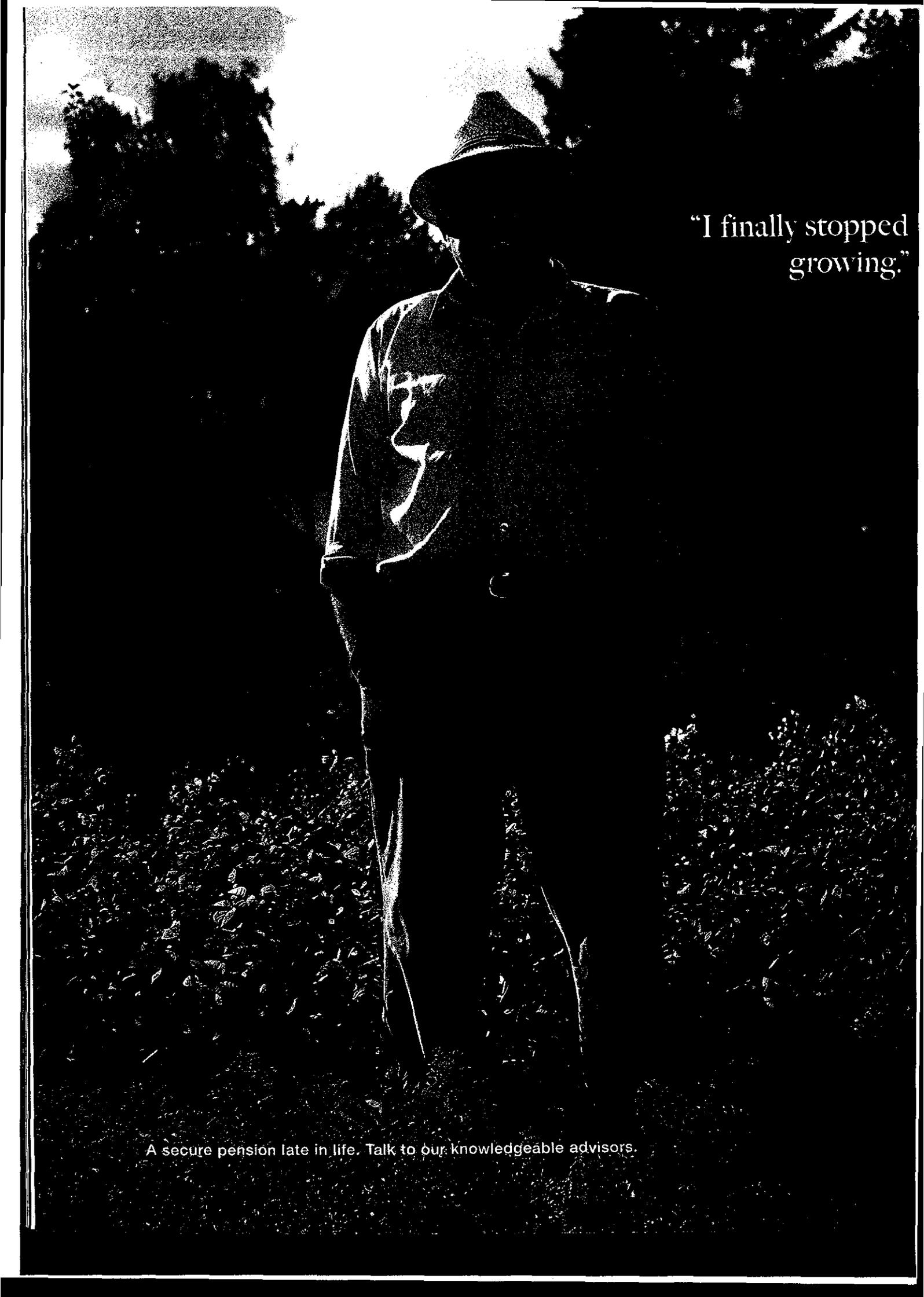
Channel and Operational Development

This unit is responsible for all development work on customers' existing and future channels for contacting the

Bank as well as employees' tools and methods for customer contacts. This refers to branches, the Internet, telephone, ATM's, employee training, etc.

Support

An important task for the Support unit is to assist the branches in their administrative work in areas that share similarities. In this way, it can utilize opportunities to free up time branch employees can instead spend on active customer contacts in the form of advisory services and sales. Support also has functions for purchasing, legal support, competence and leadership development, property management, distribution and human resource administration.



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Board of Directors' report

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

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

Changes in accounting principles

The recommendations of the Swedish Financial Accounting Standards Council that entered into force on January 1, 2003 have been taken into account but have not had a significant impact on profit and shareholders' equity. See also the accounting principles on page 66.

Operational profit and loss account

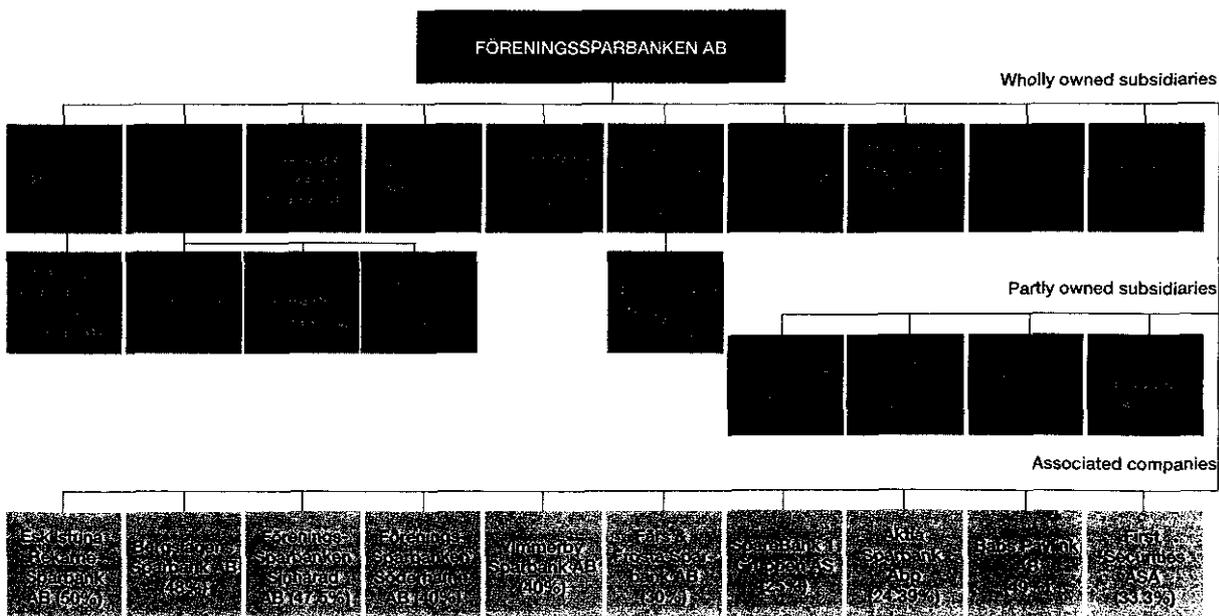
In addition to the profit and loss account prepared in accordance with the instructions of the Financial Supervisory Authority, FöreningsSparbanken's interim reports and annual report contain an operational profit and loss account. The operational profit and loss account comprises

the same legal entities and follows the same accounting principles as the profit and loss account prepared in accordance with the instructions of the Financial Supervisory Authority, with the exception that the respective items for insurance operations are integrated in the income and expenses of the other operations. A bridge between the two profit and loss accounts is shown on page 54. Descriptions in the running text of this Board of Directors' report are based on the operational profit and loss account unless indicated otherwise. The business area report is also based on the operational figures.

CHANGES IN THE GROUP STRUCTURE

Acquisition of EnterCard

In November 2003 FöreningsSparbanken acquired all the shares in EnterCard AS for SEK 216 M. EnterCard issues credit and debit cards and administers bank cards for 110 Norwegian banks. The acquisition strengthens FöreningsSparbanken's position as the Nordic leader in card payment and administration services, while at the same time creating synergies with its Swedish retail card business. EnterCard, which falls under the Swedish retail operations, issues all types of Visa and Master Card products and has distribution agreements with among others SpareBank 1 Gruppen's and Terra Group's member banks.



The acquisition gave rise to goodwill in FöreningsSparbanken of SEK 65 M, which will be amortized over ten years. Operating profit in the Group was affected positively by SEK 5 M in 2003 by the acquisition.

Increased holding in FI-Holding A/S

FöreningsSparbanken is the majority owner in Denmark's FI-Holding (which in turn owns nearly 100 percent of FIH) and in March 2003 acquired an additional 5 percent of the shares, increasing its holding from 69.7 percent to 74.7 percent. FöreningsSparbanken paid slightly over SEK 460 M for the shares. The terms of the option agreement between FöreningsSparbanken and the other shareholders in FI-Holding are described in Note 30.

HSB Bank

At the end of the 2002 FöreningsSparbanken acquired the remaining shares in HSB Bank AB from HSB Sverige. HSB Bank is consolidated in the FöreningsSparbanken Group's balance sheet as of December 31, 2002 and in its profit and loss account as of January 2003. Effective January 1, 2004, HSB Bank has changed its name to FSB Boländirekt Bank AB.

OTHER IMPORTANT CHANGES IN 2003

Carl Eric Ståhlberg named Chairman

At the Annual General Meeting of FöreningsSparbanken on April 10, 2003 First Deputy Chairman Carl Eric Ståhlberg was named the new Chairman.

New cooperation agreement with Norway's Sparebank 1 Gruppen

The acquisition of EnterCard during the year was part of a new cooperation agreement reached between FöreningsSparbanken, Sparebank 1 Gruppen and its other part-owners. The agreement replaces a previous one terminated by FöreningsSparbanken in December 2001. The new agreement provides opportunities for increased cooperation in a number of business areas.

Recruitment of advisors for Stockholm region

During the year FöreningsSparbanken initiated a special program in the Stockholm region, part of which involved the recruitment of around 100 business and personal advisors. To complement these recruitments, FöreningsSparbanken conducted internal training in Stockholm to certify its advisors. The purpose is to strengthen the Bank's position in

Stockholm, where its market share is lower in relative terms than other parts of Sweden.

FöreningsSparbanken environmentally certified according to ISO 14001

In April 2003 FöreningsSparbanken became the first listed Nordic bank to be environmentally certified according to the international ISO 14001 standard. Environmental certification confirms that the Bank is working in a systematic and structured manner with environmental issues.

FöreningsSparbanken named Commercial Bank of the Year

FöreningsSparbanken was named Sweden's Commercial Bank of the Year in 2003 in the business magazine Affärsvärlden's Financial Barometer survey. The Barometer, Sweden's largest independent survey of the banking, financial services and insurance market, was conducted among financial managers and other key employees of the 2,000 companies and organizations with more than 200 employees.

Best workplace

In October FöreningsSparbanken has been named Sweden's best workplace by the occupational pension company Alecta. The Bank shared first place this year with television network Kanal 5. In the words of the jury, FöreningsSparbanken was awarded: "for having developed and realized tools and programs that create working environments where soft values are one of the cornerstones of the effort to raise profitability." FöreningsSparbanken was also cited for its codetermination agreement, IDA, which invites and encourages employees to take part in the Bank's operations through a focus on insight, involvement and responsibility.

FöreningsSparbanken receives award for IT efficiency

FöreningsSparbanken received the Compass Prize 2003, awarded by the international consulting firm Compass Consulting, a leading IT benchmarking institute. FöreningsSparbanken's IT organization was recognized for "showing a steadily rising positive trend in improvements and, in most areas, ranking as world class."

Organizational change

To better support customer contacts in its retail operations, FöreningsSparbanken adopted a new organization in Sep-

tember. The previous business areas, Savings, Lending and Payments, were merged with a new unit, Customer Offerings and Products, which is part of the Swedish Retail business area. Shared service units were merged at the same time in another new unit, Shared Services, which is part of the Shared Services and Staffs business area.

Share repurchase

The Board of Directors of FöreningsSparbanken recommended to the Annual General Meeting on April 22, 2004 to authorize the Board to decide to repurchase the Bank's shares. The proposal also contains an authorization for the Board to dispose of repurchased shares. As proposed, the authorization covers purchases on one or more occasions on the Stockholm Stock Exchange of up to 10 percent of all the shares in FöreningsSparbanken, including the trading done on an ongoing basis to facilitate securities operations, corresponding to nearly 52.8 million shares.

New financial objectives

The Board of Directors has established new financial objectives for FöreningsSparbanken's operations as of January 1, 2004.

The Group's return on equity shall exceed the average for all major, publicly listed Nordic banks (Handelsbanken, SEB, Nordea, Danske Bank and DnB/NOR) and be at least 20 percent higher than the long-term risk-free rate of interest plus a normal risk premium. At current interest rates, this corresponds to a return of approximately 14 percent.

The Group's operational efficiency, measured as the *C/I* ratio before loan losses, shall fall below 0.5 over the long term.

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

FöreningsSparbanken's objective is to distribute to its shareholders a dividend corresponding to at least 40 percent of after-tax profit. The size of the annual dividend is based on the most recent dividend while also taking into consideration the expected profit trend, the capital that is expected to be needed to develop operations and the market's yield requirements.

The Bank will not maintain an externally communicated loan loss target.

HIGHLIGHTS AFTER DECEMBER 31, 2003

New President of FöreningsSparbanken

Birgitta Johansson-Hedberg stepped down from the Board and as President and CEO in January 2004. Jan Lidén was named the new President and CEO of FöreningsSparbanken AB and assumed the post on February 1, 2004. Until then Jan Lidén had served as Deputy CEO and Head of the Stockholm regions as well as Acting CFO. He will retain the latter two positions until a permanent solution is found.

Increased holding in FI-Holding

In mid-January 2004 FöreningsSparbanken acquired an additional 2.5 percent of the shares in FI-Holding A/S for SEK 238 M, raising its holding to 77.2 percent. The acquisition was made when one of the co-owners in FI-Holding exercised its option agreement as described in Note 30.

Profit and loss account, bridge between operational and legal

Group SEK M	2003			2002		
	Operational	Adjustment	Legal	Operational	Adjustment	Legal
Interest receivable	47,755	64	47,701	52,013	- 56	51,957
Interest payable	- 31,554	- 61	- 31,615	- 36,464	- 83	- 36,547
NET INTEREST INCOME *	16,201	115	16,086	15,549	- 139	15,410
Dividends received	105	1	104	90	- 1	89
Payment processing commissions	2,930		2,930	2,727	1	2,728
Securities commissions	2,697	313	2,379	2,919	- 359	2,560
Other commissions	2,089	109	1,930	1,912	- 92	1,820
TOTAL COMMISSIONS RECEIVABLE	7,661	422	7,239	7,558	- 450	7,108
Payment processing commissions	93		93	- 964		- 964
Securities commissions	176		176	- 144		- 144
Other commissions	102		102	- 686	109	- 577
TOTAL COMMISSIONS PAYABLE	322	102	1,620	- 1,794	109	- 1,685
NET COMMISSION INCOME	5,739	20	5,319	5,764	- 341	5,423
NET PROFIT ON FINANCIAL OPERATIONS	601	25	776	441	25	466
Capital gains, financial fixed assets	547	1	541	12		12
IT services	76		76	734		734
Other operating income	30	35	279	411	- 31	380
OTHER OPERATING INCOME	1,607	36	1,591	1,157	- 31	1,126
TOTAL INCOME	24,453	177	23,976	23,001	- 487	22,514
Staff costs	6,978	41	6,937	- 7,005	53	- 6,952
Rents, other expenses for premises	1,148		1,147	- 1,080	1	- 1,079
IT expenses	1,355	28	1,307	- 1,257	17	- 1,240
Telecommunications, postage	331		332	- 439	7	- 432
Consulting and outside services	660	51	609	- 650	56	- 594
Advertising, public relations, marketing	101		104	- 401	5	- 396
Other administrative expenses	140		143	- 1,405	- 23	- 1,428
Other overhead expenses	145		143	- 47	- 115	- 162
TOTAL ADMINISTRATIVE EXPENSES	12,563	110	12,453	- 12,284	1	- 12,283
Depreciation/amortization and write-down of tangible and intangible fixed assets	1,276		1,278	- 1,414	4	- 1,410
TOTAL EXPENSES	13,841	110	13,731	- 13,698	5	- 13,693
PROFIT BEFORE LOAN LOSSES	10,512	67	10,245	9,303	- 482	8,821
Loan losses, net	975		979	- 1,601		- 1,601
Change in value of property taken over	1		1	- 2		- 2
Write-down of financial fixed assets				- 264		- 264
Reversal of write-down of financial fixed assets	5		5			
Share of profit of associated companies	316		316	- 588		- 588
OPERATING PROFIT	9,564	67	9,197	6,848	- 482	6,366
Operating profit in insurance operations		367	367		482	482
PROFIT BEFORE APPROPRIATIONS AND TAXES	9,564		9,564	6,848		6,848
* of which, charge for deposit guarantee	97		97	- 88		- 88

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

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

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

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

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

Business areas

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

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

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

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

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

Swedish Retail operations

Swedish Retail operations have responsibility for private and commercial customers, organizations, municipalities and county councils in Sweden as well as the Bank's own distribution channels in the form of branches, ATM's, the Swedish telephone and Internet banks, the Customer Offerings and Products unit, HSB Bank, partly owned Swedish banks and private banking operations in Luxembourg. FöreningsSparbanken Fastighetsbyrå AB (real estate brokerage) and FöreningsSparbanken Juristbyrå AB (legal services), which were previously part of Shared Services and Group Staffs, are included in the business area as of the fourth quarter of 2003. All four quarters of 2003 have been adjusted due to the organizational change. As of November 2003 the Norwegian card company EnterCard A/S is included as well.

The branch network in Sweden is organized in 86 local banks in six regions throughout the country. With 516 branches, FöreningsSparbanken has the largest branch network of any Swedish bank. The cooperation with the partly owned and independent savings banks adds another 304 branches. The branch network is complemented by 235 in-store banking locations. The agreement with Svensk Kassaservice (the Swedish postal service) also gives customers access to certain teller transactions at around 1,000 post offices.

Operating profit amounted to SEK 5,431 M, a decrease of SEK 41 M compared with the previous year. Income decreased by SEK 143 M or 1 percent compared with the previous year to SEK 15,306 M. Increased net interest income from lending and the acquisition of HSB Bank did not fully

compensate for lower mutual fund and insurance commissions and a lower interest margin on deposits. The previous year also included a capital gain of SEK 97 M on the sale of a branch to Sparbanken Nord.

Expenses rose by SEK 364 M or 4 percent from the previous year to SEK 9,138 M, primarily due to the acquisition of HSB Bank, EnterCard and the costs to adapt systems in the event of Sweden's EMU ascension.

Loan losses amounted to SEK 826 M, a decrease of SEK 313 M or 27 percent from the previous year. The share of the profit of associated companies improved mainly because the previous year had been charged with liquidation expenses for the e-commerce company Marakanda.

The return on allocated equity was 18 percent (19).

Profit trend, Swedish Retail operations

SEK M	2003 Jan-Dec	2002 Jan-Dec
Net interest income	11,523	11,497
Net commission income	3,007	3,030
Net profit on financial operations	424	112
Other income	652	810
INCOME	15,306	15,449
Staff costs	3,935	- 3,969
IT expenses	729	- 1,310
Other expenses	224	- 3,103
Depreciation/amortization	20	- 392
EXPENSES	7,308	- 8,774
PROFIT BEFORE LOAN LOSSES	7,998	6,675
Loan losses	26	- 1,139
Share of profit/loss of associated companies	9	- 146
OPERATING PROFIT	5,311	5,390
Tax	50	- 1,566
Minority interests	1	- 4
PROFIT FOR THE YEAR	5,309	3,820
Allocated equity	27,391	20,367
Return on allocated equity, %	19.0	18.8
Income items		
Income from external customers	1,171	14,649
Income from transactions with other business areas	389	800
TOTAL INCOME	15,306	15,449
Business volumes, SEK billion		
Lending	602	553
Deposits	228	221
Mutual funds & insurance	165	142
Other investment volume	8	6
Shares and participations in associated companies, SEK billion	1	1
Risk-weighted volume	402	371
Total assets	658	602
Total liabilities	536	582
Share of Group's operating profit, %	66.8	78.7
C/I ratio before loan losses	0.60	0.57
Full-time employees	7,038	7,252

The number of full-time positions in 2003 was affected by the organizational transfer of local stock brokers to Swedbank Markets and the transfer of certain support units to Shared Services and Group Staffs. Expenses for the relocated support operations are reported in 2003 as other expenses instead of staff costs, IT expenses, depreciation/amortization, etc.

Swedbank Markets

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

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

partly owned banks, as well as through the Internet bank and Telephone bank.

Swedbank Markets' operating profit amounted to SEK 768 M, an increase of SEK 653 M from the previous year. Fixed income and foreign exchange trading produced substantially improved results, at the same time that equity-related operations improved during the second half of the year. The profit improvement is also because the 2002 result was affected by unfavorable exchange rate fluctuations.

The return on allocated equity rose to 26 percent (4).

Asset Management and Insurance

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

Operating profit amounted to SEK 457 M, a decrease of SEK 58 M or 11 percent from the previous year. The decline is due mainly to lower average prices on global stock markets compared with the previous year, which led to lower asset management volumes and lower commission income, as well

Profit trend, Swedbank Markets

SEK M	2003 Jan-Dec	2002 Jan-Dec
Net interest income	843	638
Net commission income	622	552
Net profit on financial operations	339	132
Other income	98	49
INCOME	1,902	1,371
Staff costs	557	- 569
IT expenses	230	- 240
Other expenses	308	- 341
Depreciation/amortization	15	- 20
EXPENSES	1,110	- 1,170
PROFIT BEFORE LOAN LOSSES	792	201
Loan losses	17	- 73
Share of profit/loss of associated companies	7	- 13
OPERATING PROFIT	768	115
Tax	215	- 30
PROFIT FOR THE YEAR	553	85
Allocated equity	2,093	2,249
Return on allocated equity, %	26.4	3.8
Income items		
Income from external customers	1,596	1,129
Income from transactions with other business areas	306	242
TOTAL INCOME	1,902	1,371
Business volumes, SEK billion		
Lending	12	17
Deposits	0	0
Mutual funds & insurance	1	1
Shares and participating interests in associated companies	0	0
Risk-weighted volume	32	34
Total assets	232	205
Total liabilities	230	203
Share of Group's operating profit, %	8.0	1.7
C/I ratio before loan losses	0.58	0.85
Full-time employees	535	526

Profit trend, Asset Management and Insurance

SEK M	2003 Jan-Dec	2002 Jan-Dec
Net interest income	45	74
Net commission income	1,168	1,209
Net profit on financial operations	8	11
Other income	85	30
INCOME	1,256	1,324
Staff costs	248	- 257
IT expenses	78	- 63
Other expenses	235	- 242
Depreciation/amortization	238	- 247
EXPENSES	799	- 809
PROFIT BEFORE LOAN LOSSES	457	515
OPERATING PROFIT	457	515
Tax	128	- 144
PROFIT FOR THE YEAR	329	371
Allocated equity	1,759	1,971
Return on allocated equity, %	18.7	18.8
Income items		
Income from external customers	2,450	2,653
Income from transactions with other business areas	1,194	- 1,329
TOTAL INCOME	1,256	1,324
Business volumes, SEK billion		
Mutual funds & insurance	249	206
Other investment volume	22	20
Risk-weighted volume	0	0
Total assets	42	36
Total liabilities	40	34
Share of Group's operating profit, %	4.8	7.5
C/I ratio before loan losses	0.64	0.61
Full-time employees	256	282

as to lower interest rates, which negatively affect the return on liquid assets. The weaker U.S. dollar reduced fund volume by approximately SEK 5.5 billion during the year, resulting in the loss of approximately SEK 40 M in gross income.

The return on allocated equity was 19 percent (19).

International Banking

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

Operating profit for International Banking amounted to SEK 1,751 M, an increase of SEK 338 M or 24 percent from the previous year. Despite the Bank's share of SpareBank 1 Gruppen's loss – SEK 383 M, of which the goodwill write-off was SEK 311 M – the result improved by SEK 181 M. Hansabank raised its operating profit by SEK 166 M or 15 percent to SEK 1,238 M, while FI-Holding's profit declined by SEK 62 M or 7 percent to SEK 849 M. FöreningsSparbanken's share of Aktia's profit improved by SEK 22 M or 50 percent.

Profit trend, International Banking

SEK M	2003	2002
	Jan-Dec	Jan-Dec
Net interest income	3,069	2,972
Net commission income	1,002	866
Net profit on financial operations	264	241
Other income	181	219
INCOME	4,516	4,298
Staff costs	-960	-1,005
IT expenses	-157	-148
Other expenses	-598	-581
Depreciation/amortization	-490	-577
EXPENSES	-2,195	-2,311
PROFIT BEFORE LOAN LOSSES	2,321	1,987
Loan losses	-340	-130
Share of profit/loss of associated companies	-230	-444
OPERATING PROFIT	1,751	1,413
Tax	-401	-212
Minority interests	-632	-638
PROFIT FOR THE YEAR	718	563
Allocated equity	8,790	8,523
Return on allocated equity, %	8.2	6.6
Income items		
Income from external customers	4,516	4,298
Business volumes, SEK billion		
Lending	107	100
Deposits	37	33
Shares and participating interests in associated companies	1	1
Risk-weighted volume	149	150
Total assets	144	136
Total liabilities	135	127
Share of Group's operating profit, %	18.3	20.6
C/I ratio before loan losses	0.49	0.54
Full-time employees	6,931	5,901

Income rose by SEK 218 M or 5 percent compared with the previous year to SEK 4,516 M. Expenses declined by SEK 116 M or 5 percent to SEK 2,195 M. Loan losses rose by SEK 210 M to SEK 340 M, mainly due to one-time recoveries in Lithuania in 2002.

Due to the share of SpareBank 1 Gruppen's loss, the return on allocated equity was 8 percent (7). For Hansabank, the return was 22 percent (21) and for FI-Holding 10 percent (10).

Treasury Management

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

Treasury Management's operating profit amounted to SEK 1,388 M, an increase of SEK 1,113 M compared with the previous year. The increase was mainly due to a capital

Profit trend, Treasury Management

SEK M	2003	2002
	Jan-Dec	Jan-Dec
Net interest income	797	610
Net commission income	-28	-26
Net profit on financial operations	66	-22
Other income	545	26
INCOME	1,380	588
Staff costs	-15	-13
IT expenses	-6	-7
Other expenses	-26	-29
Depreciation/amortization	0	0
EXPENSES	-47	-49
PROFIT BEFORE LOAN LOSSES	1,333	539
Write-off of financial fixed assets	-	-264
Reversal of write-off of financial fixed assets	255	-
OPERATING PROFIT	1,388	275
Tax	-265	-151
PROFIT FOR THE YEAR	1,103	124
Allocated equity	11,111	1,307
Return on allocated equity, %	96.7	9.5
Income items		
Income from external customers	1,388	591
Income from transactions with other business areas	-6	-3
TOTAL INCOME	1,380	588
Business volumes, SEK billion		
Lending	0	1
Other investment volume	11	8
Risk-weighted volume	6	7
Total assets	368	340
Total liabilities	367	339
Share of Group's operating profit, %	14.5	4.0
C/I ratio before loan losses	0.03	0.08
Full-time employees	18	18

Profit trend, Shared Services and Group Staffs

SEK M	2003		2002	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Net interest income	- 92	- 258		
Net commission income	- 31	153		
Net profit on financial operations	0	- 33		
Other income	3,313	2,684		
INCOME	3,190	2,546		
Staff costs	- 1,362	- 1,253		
IT expenses	- 956	- 677		
Other expenses	- 1,026	- 1,052		
Depreciation/amortization	- 505	- 178		
EXPENSES	3,849	- 3,160		
PROFIT BEFORE LOAN LOSSES	- 659	- 614		
Loan losses	196	- 261		
Share of profit/loss of associated companies	32	15		
OPERATING PROFIT/LOSS	- 231	- 860		
Appropriations	19	- 76		
Tax	- 17	120		
Minority interests	2	5		
PROFIT/LOSS FOR THE YEAR	- 269	- 811		
Allocated equity	162	163		
Income items				
Income from external customers	406	409		
Income from transactions with other business areas	2,784	2,137		
TOTAL INCOME	3,190	2,546		
Business volumes, SEK billion				
Lending			2	
Shares and participating interests in associated companies	0	0		
Risk-weighted volume	2	3		
Total assets	8	6		
Total liabilities	8	6		
Share of Group's operating profit, %	2.4	- 12.6		
C/l ratio before loan losses	1.14	1.24		
Full-time employees	1,588	1,489		

gain of SEK 489 M on the sale of the Bank's shareholding in Erste Bank and a revaluation of the shareholding in OMHEX of SEK 55 M, while the 2002 result was charged with a write-off of the OMHEX shares of SEK 264 M.

Shared Services and Group Staffs

Shared Services and Group Staffs comprise IT and other service units, Group Staffs and the Group's own insurance company, Sparia. The business area also includes a few loan loss provisions not reported by other units with customer responsibility.

Shared Services and Group Staffs reported an operating loss of SEK 231 M for 2003, an improvement of SEK 629 M compared with the previous year, mainly due to lower loan losses and increased invoicing from central units.

Financial analysis

Profit trend

The Group's operating profit for 2003 amounted to SEK 9,564 M (6,848). The return on equity was 15.9 percent (11.0) and earnings per share SEK 12.02 (7.87).

For the year as a whole, profit was affected positively by volume growth in deposits and borrowings from and loans to the public in the Swedish Retail operations as well as the profit increases in Swedbank Markets and International Banking. Margins on deposits from the public in Sweden, decreased, however. Commissions receivable from payment processing continued to show good growth. Securities-related income was lower than the previous year, but has developed positively since the first quarter of 2003. Other income was affected by a capital gain on the sale of the Bank's shareholding in Erste Bank. Expenses rose mainly through the acquisition of HSB Bank and EMU preparations. The loan loss level decreased to 0.14 percent (0.23). The share of profit of associated companies improved despite the write-off of goodwill in SpareBank 1 Gruppen. The improvement in operating profit from foreign subsidiaries and associated companies was only affected marginally by changes in exchange rates in 2003 – SEK 2 M (-56).

Net interest income

The Group's net interest income rose by 4 percent to SEK 16,201 M (15,549). In Swedish retail operations, net interest income from lending rose by approximately SEK 450 M due to higher volumes and by approximately SEK 100 M through higher margins. Higher deposit volumes raised net interest income by approximately SEK 200 M, while lower margins, mainly due to generally lower interest rates and a shift in deposits toward high-interest accounts, affected net interest income negatively by approximately SEK 550 M. Net interest income in Swedbank Markets improved by approximately SEK 250 M, partly through successful trading in bonds and interest rate derivatives by the branch in Oslo. In International Banking, net interest income rose by approximately SEK 100 M.

The Group's interest margin was 1.47 percent (1.43) and its investment margin 1.59 percent (1.58). The corresponding margins for the Spintab Group were 1.01 percent (1.01) and 1.17 percent (1.22).

Dividends received

Dividends received amounted to SEK 105 M (90).

Net commission income

Net commission income decreased slightly to SEK 5,739 M (5,764). Net payment commissions continued to develop

positively, rising by 10 percent or SEK 174 M to SEK 1,937 M (1,763). Compared with 2002, asset management commissions declined by SEK 165 M. The decrease was caused by lower stock prices and thus a decrease in the value of fund assets. However, asset management commissions rose during the year from quarter to quarter. Brokerage commissions remained largely unchanged.

Net profit on financial operations

Net profit on financial operations rose by 82 percent to SEK 801 M (441). Profit from trading in fixed income securities rose by SEK 61 M, while profit from trading in equities and other financial instruments rose by SEK 160 M. Income from foreign exchange operations rose by SEK 139 M.

Other income

Other income rose by 39 percent to SEK 1,607 M (1,157). Income was affected by a capital gain of SEK 489 M on the sale of the shareholding in Erste Bank in June 2003. A capital gain of SEK 97 M from a branch sale is included in 2002.

Expenses

The Group's expenses rose by SEK 143 M or 1 percent to SEK 13,841 M (13,698). Expenses in the Swedish operations rose by SEK 259 M partly due to the acquisition of HSB Bank and EMU preparations. In International Banking, expenses decreased by SEK 116 M, mainly through the rationalization of Hansabank's operations in Lithuania.

Staff costs

Staff costs decreased to SEK 6,978 M (7,005). In the Swedish operations, staff costs rose due to contractual wage increases and the recruitment of advisers to the Stockholm region, but decreased by nearly SEK 100 M as a result of the staff reduction program during the year. In International Banking, staff costs decreased by SEK 45 M. Staff costs were charged SEK 258 M (269) for costs for the Group's profit-sharing plan.

The costs associated with Birgitta Johansson-Hedberg's resignation as President resulted in a charge against profit of nearly SEK 28 M in 2003, of which nearly SEK 23 M relates to pension costs.

The number of full-time positions decreased by 102 to 15,366 (15,468) at year-end.

Other administrative expenses

Other administrative expenses rose by 6 percent to SEK 5,585 M (5,279). Of the increase, SEK 78 M was attributable to the acquisitions of HSB Bank and EnterCard.

Change in the number of employees

	2003	2002
Permanent employees	8,987	9,175
Temporary employees	452	398
TOTAL	9,439	9,573
Hansabank	5,766	5,744
FI-Holding	161	151
TOTAL	15,366	15,468

Expenses for premises rose by 6 percent to SEK 1,148 M (1,080), partly due to changes in the branch network in Swedish Retail operations. Computer expenses rose by 6 percent to SEK 1,333 M (1,257), mainly due to EMU preparations. Cash handling expenses in the form of security transports and alarms rose by 25 percent or SEK 62 M to SEK 315 M. Disposal expenses of SEK 22 M for CASH terminals were charged against profit.

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

Depreciation of tangible fixed assets decreased by SEK 83 M to SEK 633 M (715), while amortization of goodwill, excluding associated company holdings, decreased by SEK 50 M to SEK 613 M (663).

IT expenses

IT expenses include all development and production expenditures as well as computer equipment service costs and depreciation. IT expenses for the year, after deducting IT-related income from partly owned banks and independent savings banks, amounted to SEK 2,315 M (2,223), of which development expenditures accounted for SEK 688 M (605). The corresponding expense in the Swedish operations was SEK 2,021 M (1,929). The increase in IT expenses is due to the harmonization of Swedish IT systems pending the country's possible EMU ascension, which affected expenses by nearly SEK 100 M.

Loan losses

The loan loss level during the year was 0.14 percent (0.23). Loan losses decreased by 38 percent to SEK 987 M (1,603). Loan losses amounted to SEK 84 M (107) in FI-Holding and SEK 256 M (23) in Hansabank.

Write-down of financial fixed assets

During the year the book value of FöreningsSparbanken's shares in subsidiaries and associated companies was written down by SEK 447 M (1,082) to the Group's value of each holding.

Reversal of write-down of financial fixed assets

During the year FöreningsSparbanken reversed a portion of the write-off of the book value of the holding of shares in OMHEX from the previous year. The reversal amounted to SEK 55 M.

Share of profit/loss of associated companies

The share of profits and losses of associated companies amounted to SEK -116 M (-588). The change is primarily due to Marakanda, which was divested in early 2003 and was included as a loss of SEK -231 M in 2002. The share of SpareBank 1 Gruppen's loss was SEK -383 M (-564).

Tax expense

Consolidated profit before tax amounted to SEK 9,545 M (6,772) and the tax expense was SEK 2,567 M (1,983), or an effective tax rate of 27 percent (29). The lower tax rate for the year is mainly due to tax loss carryforwards that previously had not been utilized. The relatively high tax charge last year is mainly due to write-offs of shareholdings that are not tax deductible until they are offsetable.

The Group's assets

The Group's assets amounted to SEK 1,002 billion (958) at year-end 2003. The change is mainly due to increased lending.

Lending

Of the Group's assets, loans to the public accounted for 75 percent (73) and loans to credit institutions for 8 percent (10). The Group's total loans to the public, credit institutions other than banks and the National Debt Office, excluding repurchase agreements, amounted to SEK 721 billion (673) at year-end 2003. Lending thus increased by SEK 48 billion or 7 percent, of which Spintab accounted for SEK 31 billion and Hansabank for SEK 9 billion.

Nearly half of the loans, or SEK 337 billion (307), is to private customers, with mortgage loans from Spintab accounting for SEK 274 billion (248). Lending to private customers thus rose by 10 percent.

Fixed income securities

FöreningsSparbanken's holding of fixed income securities, including Treasury bills and other bills eligible for refinancing with central banks, amounted to approximately SEK 77 billion (65) at year-end. This does not include intra-Group holdings of slightly over SEK 17 billion (17).

The Parent Company's holding amounted to SEK 82 billion (69), of which SEK 12 billion was placed in a portfolio which is eligible in large part for refinancing with the Riksbank and is therefore an immediately disposable liquidity reserve. The remaining holding is included in the Bank's securities operations.

As of year-end subsidiaries held liquidity reserves that were placed in fixed income securities. These holdings amounted to SEK 7 billion in FI-Holding and SEK 5 billion in Hansabank.

Assets in the insurance operations

Assets in the insurance operations rose by SEK 6 billion or 19 percent to SEK 38 billion, mainly due to the rise in stock prices in 2003.

The Group's liabilities

Of the Group's liabilities of SEK 960 billion (919), debt securities in issue accounted for 46 percent (46), deposits and borrowings from the public for 30 percent (29) and amounts owned to credit institutions for 10 percent (11).

Deposits and borrowings from the public

The Group's deposits and borrowings from the public amounted to SEK 284 billion (263) at year-end 2003. Excluding repos, deposits from the public rose by SEK 21 billion, of which Hansabank accounted for SEK 4 billion.

Debt securities in issue and subordinated liabilities

At year-end debt securities in issue amounted to SEK 442 billion (420). The Group's debt securities are primarily issued by Spintab to finance fixed-rate mortgage loans. The interest fixing periods of Spintab's funding are well matched with its lending. The average remaining interest fixing period on Spintab's funding was 1.4 years (1.5). For the Group as a whole, the average remaining interest fixing period for debt securities in issue was 1.7 years (1.9).

Of the securities, 73 percent (70) was bonds and the remaining 27 percent (30) primarily short-term funding instruments.

In addition to bond loans and commercial paper programs, the Bank, Spintab, FI-Holding and Hansabank issue both fixed-term and undated subordinated liabilities. Together, this type of liability amounted to nearly SEK 27 billion (28) at year-end.

Capital base and capital adequacy

The calculation of the capital base and capital adequacy (Note 51) is based on the concept of the "financial companies group," not the group definition according to the Annual Accounts Act. The financial companies group includes financial companies in which the ownership interest is at least 20 percent. Insurance companies are not included. As of December 31, 2003 the FöreningsSparbanken financial companies group included the FöreningsSparbanken

Group, Eskilstuna Rekarne Sparbank AB, Färs & Frosta Sparbank AB, FöreningsSparbanken Sjuhärad AB, FöreningsSparbanken Söderhamn AB, Bergslagens Sparbank AB, Vimmerby Sparbank AB, Bostocken AB, Aktia Sparbank Abp in Finland, and Sparebank 1 Gruppen A/S and First Securities A/S in Norway.

The Group's capital base amounted to SEK 63.7 billion (61.2) on December 31, 2003. Primary capital rose by SEK 1.9 billion to SEK 42.2 billion (40.3), while supplementary capital and other items included in the capital base rose by a total of SEK 0.6 billion.

On December 31, 2003 the capital adequacy ratio was 10.8 percent (10.8), of which the primary capital ratio was 7.2 percent (7.1). Market risks as a share of the total capital adequacy ratio amounted to 0.5 percentage points (0.5).

The risk-weighted amount for credit risks rose during the year to SEK 562 billion (539) due to increased lending by Spintab and Hansabank. The risk-weighted amount for market risks was unchanged at SEK 26 billion.

Proposal for new capital adequacy rules

In recent years the Basle Committee on Banking Supervision and the EU have conducted a coordinated review of capital adequacy rules. The work with the new rules, Basel II, has now entered its final phase. The review comes as a consequence of the rapid development in recent years of methods used by banks to quantify capital requirements, a trend which is still under way. The objective of the review is to adapt capital adequacy rules so that capital requirements better reflect a bank's real risks than is the case today.

The Basel Committee circulated its first proposal for review in the summer of 1999. The final draft of the proposal is expected to be presented during the first half of 2004. At the same time that the Basel Committee has been at work, the EU Commission has drafted a proposal for how the new rules will be formulated in the EU directives that will later serve as a basis for Swedish legislation. The new rules are expected to enter into force in late 2006.

Quarterly profit trend for the Group

SEK M	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002
Net interest income	4,096	4,114	3,958	4,033	3,886
Net commission income	1,562	1,476	1,401	1,300	1,439
Net profit on financial operations	257	132	218	194	188
Other income	268	294	871	279	277
TOTAL INCOME	6,183	6,016	6,448	5,806	5,790
Staff costs	-1,827	-1,752	-1,686	-1,713	-1,786
Other expenses	-1,841	-1,614	-1,723	-1,665	-1,671
TOTAL EXPENSES	-3,668	-3,366	-3,409	-3,398	-3,457
PROFIT BEFORE LOAN LOSSES	2,515	2,650	3,039	2,408	2,333
Loan losses, net incl. change					
Revalue of property taken over	-155	-160	-282	-390	-360
Reversal of write-off of financial fixed assets	32	23			
Share of associated companies' profit/loss	75	55	-211	-35	-125
OPERATING PROFIT	2,467	2,568	2,546	1,983	1,848

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

The Basel Committee and EU are also proposing to introduce capital adequacy requirements for operational risks. The capital adequacy requirements for these risks are more difficult to quantify than other risks faced by banks. The proposal has therefore been designed with two alternative methods to calculate capital adequacy requirements for operational risks, based to various degrees on standards. The proposal has recently been amended to allow the calculation of capital requirements based on more advanced measurement methods that utilize internal loss statistics common to most banks.

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

In the area of credit risks, a comprehensive review is currently being conducted to adapt the Group's risk classification of loans. The purpose is to meet the requirements needed so that the Group's capital adequacy requirements for credit risks can be based on this internal risk classification.

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

During the year FöreningsSparbanken applied to the Financial Supervisory Authority for permission to base its reported capital adequacy requirements for market risks on its own Value at Risk (VaR) model. The application is currently under consideration by the Financial Supervisory Authority.

Transition to IFRS

In accordance with the decision of the EU Commission, all listed companies within the EU must apply the International Financial Reporting Standards, IFRS, in their consolidated accounts as of 2005. The standards are based on the accounting recommendations issued by the International Accounting Standards Board, IASB.

In Sweden, several years ago the Financial Accounting Standards Council began translating and implementing a number of IASB recommendations, which thus are being applied by FöreningsSparbanken. Among the more important current recommendations remaining to be implemented are IAS 19, Employee Benefits, and IAS 39, Financial Instruments.

IAS 19 corresponds in Sweden to the Financial Accounting Standards Council's recommendation 29 (RR 29), Employee compensation. RR 29 is being applied as of 2004. In its accounts through 2003, FöreningsSparbanken has primarily reported its pension commitments as defined-contribution obligations. According to RR 29, however, the large part of the commitments in the Swedish operations must be reported as defined-benefit in the future.

In 2003 FöreningsSparbanken took the measures and steps needed to implement RR 29 in its consolidated accounts beginning with the first quarter of 2004. Calculations of the pension liability according to established actuarial assump-

Ratings

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

tions have been made based on defined-benefit pension obligations and related assets as of December 31, 2003. When valued according to RR 29, the pension liability increases by nearly SEK 1.6 billion, including payroll tax, deferred income tax and the effects of associated companies. The Group's opening shareholders' equity balance in 2004 would thereby be reduced by a corresponding amount. Based on the conditions that existed at year-end, the reported pension expense for 2004 is expected to be the same as if the reporting had been done according to the previous method.

The recommendation requires the Group to verify the assumptions that form the basis of its calculations. The valuations are based on, among other things, the following annual assumptions:

- Payroll increase 3.25 percent
- Increase in basic income amount 2.5 percent
- Inflation 2.0 percent
- The liability is discounted by 4.9 percent
- The anticipated long-term return on assets held separately to cover pension commitments is estimated, after tax on returns and expenses, at 5 percent.

In late December 2003 IASB issued an updated version of IAS 39 based on a draft published in 2002. In 2004 the recommendation will be circulated for approval within the EU before it goes into effect, according to plan, in accounting year 2005.

The proposed rules in IAS 39 have been the subject of considerable debate and challenges. Consequently, there is

some uncertainty what the final version of IAS 39 will look like. It is not impossible that further changes will be made as a result of the discussions being held in connection with the EU's approval process.

Despite these uncertainties, FöreningsSparbanken has completed a comprehensive analysis based on the aforementioned version of IAS 39. The areas affected by the introduction of IAS 39 have been identified, as have the possible choices to accounting issues. When the standard has been finalized, the Bank will decide among these choices, although in the meantime it will continue its preparations for implementation despite uncertainty as to the regulation's final wording.

FöreningsSparbanken is also working continuously to quickly identify any differences between its current accounting principles and IFRS in terms of both future updates of existing standards and new recommendations.

Outlook for 2004

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

The Group's risk control

CREDIT RISKS

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

The Board of Directors has overall responsibility for credit risk exposure and sets the guidelines for managing credit risks through its Credit and Capital Market Committee. In special instructions, the Board has delegated responsibility for certain issues to this committee, which reports regularly to the Board. The Board also appoints the Central Credit Committee, in addition to annually reviewing credit limits. In foreign subsidiaries, each board is responsible for drafting detailed rules adapted to local conditions.

Lending guidelines and instructions are applied in a uniform, coordinated manner within the Group. Responsibility for the Group's loan commitments rests with business units with customer responsibility. A special unit within the Parent Company is responsible for loan commitments brokered by the independent savings banks that the Group cooperates with.

The Board of Directors appoints the boards of the local banks and annually reviews their credit limits, which are based on a categorization depending on, among other things, each bank's total lending volume, the structure of the local market and the unit's competence.

Monitoring and analysis

Decision-making procedures for business units are based on the duality principle, which means that all credit decisions at FöreningsSparbanken must be made by at least two persons or, in the case of small loans, by one person with the support of an IT-based evaluation system.

The duality principle also means that the chief loan officer of each local business unit should be independent of the unit's business activities.

The boards and management of local bank managements and subsidiaries are responsible for routine monitoring of lending and other business activities. Among other things, all limits granted for over SEK 1 M are subject to annual review, which means that the customer's solvency and quality of collateral are analyzed at least once a year with the support of the Group's risk classification system. Within the framework of the risk classification system, assessments are made of the risk of insolvencies based on, among other things, a number of key financial ratios, as well as the risk of insolvencies based on the average collateral coverage ratio in each commitment. From an operational standpoint, one of the purposes of risk classification of limit-based corporate commitments is to obtain a basis for identifying heightened risks in the loan portfolio well in

advance – in part to avoid unprofitable commitments and in part to initiate risk-limiting measures to avoid a default on the loan. Risk classification systems are currently being adapted to the Basel Committee's proposal as part of an ongoing project. The identification and control of environmental risks are integrated in both annual and routine credit monitoring.

The Central Credit Unit, which is independent from the business operations, is responsible for coordinating and monitoring the Group's loan operations and for preparing and managing the work of the Group's Central Credit Committee. The Central Credit Unit's responsibility extends to the Group's credit reporting and portfolio analysis.

FINANCIAL RISKS

The Board of Directors sets the financial policy for the Group. This includes risk profiles, delegation of responsibilities, risk management, risk control and reporting. FöreningsSparbanken maintains a low risk profile with limited risks in the financial markets.

When trading financial products, the Bank weighs risk against expected return. FöreningsSparbanken's activities in the financial markets are designed to meet customers' long-term needs and, in addition, facilitate the Group's own financing and portfolio management.

The Bank participates in trading in the financial markets in such a way that it maintains its reputation as a professional business partner. The Group's funding is structured in a way that ensures a stable, long-term investor base in a number of markets in the world.

The financial risks covered by the financial policy include interest rate risk, currency risk, share price risk (market risks) and liquidity risk. Also covered are counterparty risks in non-standardized derivative contracts (so-called OTC derivatives), which are related to market risks and disposal risks.

Responsibility for management and control

The Board of Directors is ultimately responsible for how the Group manages its financial risks. It decides on the overall objectives for capital adequacy, liquidity and limits for the Group's exposure to various financial risks. This includes issues regarding the control of the Group's financial risks. The Board appoints the Bank's Finance Sub-Committee and Trading Sub-Committee. The Finance Sub-Committee distributes and monitors risk mandates in the Group within the limits set by the Board. The Trading Sub-Committee distributes risk mandates between the various departments within Swedbank Markets' area of responsibility.

The board of each subsidiary determines the company's

risk limits within the framework set by the Bank's Finance Sub-Committee. Each subsidiary's finance committee continuously monitors the company's financial risks. A keystone of the Group's risk management is that each risk-taking unit is responsible for continuous monitoring and control of all risks that arise in its own operations, including financial risks. Consequently, unit managers are responsible for adequately managing and controlling the risks in their operations on a daily basis within the guidelines established for the Group.

The Group's financial risk control unit, which is directly subordinate to the Group's Chief Financial Officer, fills an independent risk control and monitoring function. The unit has overall responsibility for monitoring compliance with risk limits, developing measurement methods, limiting and reviewing financial risks within the Group.

Risk-taking units in the Group have local risk control functions that are responsible for continuously monitoring and compiling financial risks. Reports are continuously filed with the Group unit for financial risk control.

Limiting market and liquidity risks

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

Market risks are controlled primarily through daily monitoring of risk exposures vis-à-vis established limits and continuous analysis of outstanding positions. Limits on interest risks are calculated using sensitivity measures based on interest rate fluctuations in individual currencies. The Group's currency risk exposure is limited and controlled by limiting holdings in individual currencies as well as at the aggregate level. Limits on share price risk exposure are based on sensitivity measures for share price movements. Limit structures for interest rate, exchange rate and share price risks include special limits on options-related risks, so-called non-linear risks. Aside from the limits on individual types of risks, the Group also has limits based on the Value-at-Risk (VaR) model, which is described in Note 56.

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

OPERATIONAL RISKS

Operational risk is defined in the Group's risk policy as the risk of losses due to inadequate or insufficient internal routines,

human error and faulty systems, or due to outside circumstances. This can mean risks associated with errors and deficiencies in products and services, inadequate internal controls, ambiguous lines of responsibility, faulty technical systems, various forms of criminal activity or insufficient preparedness for disruptions. Operational risks exist in all areas of the Group's operations. The risks are spread across a broad spectrum.

Responsibility and organization

FöreningsSparbanken's Board of Directors is ultimately responsible for how the Group manages its operational risks. Each responsible manager will identify, evaluate and control his or her unit's operational risks. The Board of Directors' Audit and Security Committee has responsibility for particularly monitoring operational risks.

At the Group level, there is a special staff unit with responsibility to monitor, follow up and report operational risks within the Group. Within the Group's various business areas and subsidiaries, employees have been specially appointed to be responsible for coordinating risk controls within each operation. In addition, there are units, for example, for physical security and IT security with responsibility for aspects of operational risk control.

Methods and techniques

Self-evaluations of operational risks, which are one of the most important techniques for risk identification, were conducted during the year within all business areas and priority Group staff and support functions. The analysis of this material will serve as an important basis for taking measures to reduce risks. During the year self-evaluations were complemented by risk evaluations in all business units where the focus has been on risks associated with the Bank's dependence on IT systems.

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

New capital adequacy rules – Basel II

With regard to operational risks, the Bank has decided to use the standardized approach in the application of the upcoming Basel II capital adequacy rules. Preparations to qualify the Group for this method are under way.

Accounting principles

The annual report has been prepared and presented in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the regulations and general advice of the Swedish Financial Supervisory Authority and, if there are no differences, the standards issued by the Swedish Financial Accounting Standards Council.

Changes in accounting principles

The following standards issued by the Swedish Financial Accounting Standards Council became effective in 2003: RR 22 Compilation of financial reports, RR 25 Segment reporting – operating areas and geographic areas, RR 26 Events after the balance day and RR 27 Financial instruments: Disclosure and presentation. The standards issued have not had a material impact on reported profits or the financial position. They have, however, necessitated additional notes and a summary of changes in shareholders' equity.

Consolidated accounts

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

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

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

Financial statements of foreign operations

Shares in foreign subsidiaries and associated companies that are refinanced in the same currency as the investment are valued at their acquisition price in the Bank. In the Group accounts, the companies are translated in accordance with the current method. This means that assets and liabilities are

translated to SEK at the closing day rate, while the income statement is translated at the average rate for the financial year. Translation differences that arise from the use of the current method directly impact restricted and non-restricted equity. As a result, any translation differences attributable to the financing in foreign currency of the investment in a subsidiary's shares are applied directly against shareholders' equity, taking into account deferred tax.

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

Assets and liabilities in foreign currency

Assets and liabilities in foreign currency are valued at their year-end closing prices. Outstanding forward contracts are valued at year-end market prices. Holdings of foreign bank notes have been valued at the buying rates for each currency as of the closing day. Gains and losses on the translation are reported in the income statement under "Net profit from financial operations."

Financial instruments

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

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

Financial instruments are initially recognized at its cost, including any transaction costs that are directly related to the acquisition. The interest rate that exactly discounts the expected future payments through maturity to the acquisition value is the effective interest rate at acquisition. The instrument's amortized cost is calculated by discounting the remaining future payments with the effective rate of interest at acquisition. Payments received and the change in amortized cost during the period are reported as interest income. Financial fixed assets, which consist of interest-bearing securities, are measured at their amortized cost. Realized gains/losses on financial fixed assets are reported as "Other operating income" and "Other operating expenses," respectively.

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

ween fair value and amortized cost are reported as "Net profit on financial operations."

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

Repos

A genuine repurchase transaction (repo) is defined as an agreement covering both the sale of an asset and the subsequent repurchase of the asset at a predetermined price.

The asset is reported in the balance sheet of the transferring party and the payment received is recognized as a financial liability. The asset sold is also reported as a pledged asset and a memorandum item on the balance sheet. The receiving party recognizes the payment as a receivable due from the transferring party. The difference between the proceeds based on the spot rate and forward rate is accrued as interest until maturity.

Security loans

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

Hedge accounting

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

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

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

In Spintab, all fixed-rate funding, lending and derivatives are reported according to the principles of hedge accounting, since they mutually match each other's interest fixing periods. As a result, realized exchange rate differences from the repurchase of Spintab's funding and interest income compensation for loan prepayments are amortized over the remaining duration of each instrument. When the Bank buys Spintab's debt instruments, there is a corresponding accrual in the consolidated accounts of the difference between the Bank's cost of the purchased instrument and Spintab's book value of the same.

Loans

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

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

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

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

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

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

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

Intangible fixed assets

An intangible asset arising from development is recognized in the Balance Sheet if the expenditure arising from the development can be estimated reliably and if the intangible asset will generate probable future economic benefits to the Bank. Development expenditure that does not meet this criteria's is recognized as an expense when it is incurred. Intangible assets recognized in the Balance Sheet are measured initially at cost. The assets depreciable amount is allocated on a systematic basis over the estimated useful life.

The amortization period and the amortization method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Accounting principles for goodwill are described under

Consolidated accounts above and Depreciation/amortization principles below.

Software licenses

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

Financial liabilities

Financial liabilities are initially measured on the transaction date at cost and are thereafter measured at amortized cost with the exception of derivatives in the trading operations, which are reported at fair value. Amortized cost and interest are calculated and reported in the same way as for financial instruments; see also Financial instruments, paragraph 3. When they mature, the instruments are removed from the books.

Provisions

Deferred tax is calculated on temporary differences and reported at nominal value, while other provisions are calculated at present value.

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

Revenues

The principles of revenue recognition for financial instruments, loans and repo transactions are described in separate sections for these categories. Fees for services are recognized as revenue when the service is provided.

Depreciation/amortization

The depreciable amount of a tangible fixed asset, such as equipment and real estate for internal use, is allocated on a systematic basis over its useful life. By useful life is meant the period of time over which the asset is expected to be used by the Bank for its intended purpose. The useful life of equipment is estimated on average at 5 years, and their residual value is considered to be nil. Depreciation begins when the asset is ready to be put to use.

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

Impairment of assets

At each balance sheet date the Bank assesses whether there is any indication that an asset, which is recognized at fair value, may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the asset. The recoverable amount is the higher of an assets net selling

price and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The reduction is an impairment loss. An impairment loss recognized for an asset in prior years is reversed if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognized. The carrying amount of the asset is then increased to its recoverable amount. In the Bank, certain shares in subsidiaries and associated companies have been impaired so that their carrying amount agrees with the Group's value.

The valuation of loans is described in a separate section.

Pension obligations

The Group's pension obligations are covered through insurance, allocations to pension funds and allocations on the balance sheet.

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

Income taxes

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

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

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

Insurance operations

The insurance companies' income statement including tax on returns, are recognised on an aggregate basis in the consolidated income statement as "Operating profit in insurance operations".

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

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

Profit and loss account

SEK M	Note	GROUP		THE BANK	
		2003	2002	2003	2002
Interest receivable		47,701	51,957	18,316	21,585
Interest payable		-31,615	-36,547	-11,216	-14,509
NET INTEREST INCOME *	1	16,086	15,410	7,100	7,076
Dividends received	2	104	89	5,515	4,897
Commissions receivable	3	7,239	7,108	4,764	4,801
Commissions payable	4	-1,820	-1,685	-1,008	-960
Net profit on financial operations	5	776	466	506	144
Other operating income	6	1,591	1,126	1,528	1,082
TOTAL INCOME		23,976	22,514	18,305	17,040
Staff costs	7	-6,937	-6,952	-5,465	-5,505
Other administrative expenses	8, 9	-5,516	-5,331	-4,321	-4,224
TOTAL ADMINISTRATIVE EXPENSES		-12,453	-12,283	-9,786	-9,729
Depreciation/amortization and write-off of tangible and intangible fixed assets	10	-1,278	-1,410	-810	-559
TOTAL EXPENSES		-13,731	-13,693	-10,596	-10,288
PROFIT BEFORE LOAN LOSSES		10,245	8,821	7,709	6,752
Loan losses, net	11	-1,079	-1,601	-1,110	-1,509
Change in value of property taken over	11	8	-2	-	-1
Write-down of financial fixed assets	13	-	-264	-	-1,082
Reversal of write-off of financial fixed assets	14	55	-	55	-
Share of profit/loss of associated companies	29	116	-588	116	-588
OPERATING PROFIT IN BANKING OPERATIONS		9,197	6,366	6,650	3,572
Operating profit in insurance operations	15, 62	301	482	301	482
PROFIT BEFORE APPROPRIATIONS AND TAXES		9,564	6,848	6,951	4,160
Appropriations	16	-19	-76	-568	-237
Tax on profit for the year	17	-2,561	-1,983	-1,702	-1,377
Minority interest		635	-637	635	-637
PROFIT FOR THE FINANCIAL YEAR		6,843	4,152	4,297	2,546
* of which, charge for deposit guarantee		97	-88	91	-86

The descriptions in the running text of the Board of Directors' report are based on the operational profit and loss account, as shown on page 61. A bridge between the operational and legal profit and loss account is provided on the same page.

Key ratios	2003	2002
Earnings per share, SEK ¹⁾	12.02	7.87
Earnings per share after dilution, SEK ²⁾	12.01	7.86
Proposed dividend per share, SEK	5.75	5.50

¹⁾ Based on 527,808,843 shares

²⁾ In 2005 a maximum of 8,008,100 shares would be added if the warrants are fully exercised. The dilution effect has been estimated at 218,661 shares (151,610).

Balance sheet

SEK M	Note	GROUP		THE BANK	
		2003	2002	2003	2002
Assets					
Cash and balances with central banks		8,017	6,719	3,079	3,287
Treasury bills and other bills eligible for refinancing with central banks	18, 26	14,136	15,885	11,721	12,276
Loans to credit institutions	12, 19, 21-26	76,643	98,662	124,423	119,369
Loans to the public	12, 20-26	749,752	703,397	212,055	209,225
Bonds and other interest-bearing securities	26, 27	63,038	48,999	70,187	57,074
Shares and participating interests	28	2,593	3,472	2,207	3,040
Shares and participating interests in associated companies	29	2,820	3,089	1,977	2,383
Shares and participating interests in Group companies	30			27,737	24,839
Assets in the insurance operations	31	38,199	32,242		
Intangible fixed assets	32	5,978	6,485	1,419	1,459
Tangible assets	33	1,961	2,142	752	858
Other assets	34, 35	32,349	28,500	37,314	32,401
Prepayments and accrued income	36	6,848	7,911	3,498	3,548
TOTAL ASSETS		1,002,334	957,503	496,369	469,759

SEK M	Note	GROUP		THE BANK	
		2003	2002	2003	2002
Liabilities, provisions and shareholders' equity					
Amounts owed to credit institutions	37	95,441	102,814	115,756	103,222
Deposits and borrowings from the public	38	283,616	263,419	235,498	219,009
Debt securities in issue	39	442,103	420,254	42,471	45,064
Liabilities in the insurance operations	40	28,082	32,243		
Other liabilities	35, 41	54,450	52,597	45,740	46,221
Accruals and deferred income	42	10,258	10,694	2,054	2,391
Provisions	43	4,441	4,052	914	699
Subordinated liabilities	44	26,826	27,655	20,180	21,574
Minority interests		5,198	5,173		
Untaxed reserves	45			7,940	7,391
Subscribed capital	46	10,556	10,556	10,556	10,556
Reserves	46	19,581	18,678	8,571	7,928
Profit brought forward	46	5,439	5,216	2,092	3,158
Profit for the financial year	46	6,343	4,152	4,597	2,546
TOTAL LIABILITIES, PROVISIONS AND SHAREHOLDERS' EQUITY		1,002,334	957,503	496,369	469,759
Assets pledged for own liabilities	47	97,730	104,807	60,290	73,015
Other assets pledged	48	11,988	7,096	11,984	6,992
Contingent liabilities	26, 49	22,188	21,525	25,017	19,700
Commitments	50	3,283,527	2,438,988	2,978,326	2,173,974

Notes not directly related to the profit and loss account, balance sheet, statement of cash flows or shareholders' equity.

Note 51 – Capital adequacy analysis

Note 52 – Business areas

Note 53 – Disclosure of transactions with related parties

Note 54 – Other disclosures

Note 55 – Disclosure of fair value

Note 56 – Disclosure of financial risks and other risks

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

Note 58 – Sensitivity analysis

Note 59 – Interest fixing periods

Note 60 – Currency distribution

The balance sheets and profit and loss accounts will be adopted by the Annual General Meeting on April 22, 2004.

Statement of cash flows

SEK M	Note	GROUP		THE BANK	
		2003	2002	2003	2002
Liquid assets at beginning of year *		58,569	94,153	47,087	72,828
Operating activities					
Operating profit		9,564	6,848	6,893	4,160
Adjustments for non-cash items	61	3,062	5,202	706	2,648
Taxes paid		-1,862	-1,231	-1,302	-659
Increase/decrease in loans to credit institutions		8,574	-10,174	-24,060	-4,027
Increase/decrease in loans to the public		-41,824	-40,288	2,694	-1,251
Increase/decrease in holdings of securities classified as current assets		-8,712	1,427	-7,027	2,793
Increase/decrease in deposits and borrowings from the public, including retail bonds		22,928	12,724	18,643	7,989
Increase/decrease in amounts owned to credit institutions		9,166	-18,846	28,862	-14,528
Change in other assets and liabilities, net		-6,936	1,743	-7,022	-26
CASH FLOW FROM OPERATING ACTIVITIES		-6,040	-42,595	18,887	-2,901
Investing activities					
Purchase of fixed assets		-1,590	-2,235	-4,195	-1,787
Sale of fixed assets		2,083	1,253	1,705	142
Branch sales			101		101
CASH FLOW FROM INVESTING ACTIVITIES		493	-881	-2,490	-1,544
Financing activities					
Issuance of interest-bearing securities		177,391	159,224	3,042	1,547
Redemption of interest-bearing securities		-145,319	-137,577	-813	-8,390
Increase/decrease in other funding		-15,772	-11,091	-10,070	-11,560
Dividend paid		-2,903	-2,903	-2,903	-2,903
CASH FLOW FROM FINANCING ACTIVITIES		-13,397	7,653	-10,744	-21,296
CASH FLOW FOR THE YEAR		7,850	-35,823	6,153	-25,741
Exchange rate differences in liquid assets		-178	-369		
Acquired liquid assets		0	608		
Liquid assets at year-end		66,241	58,569	52,240	47,087
* of which securities pledged for OM, etc.					
at beginning of year		4,800	4,400	4,800	4,400
at year-end		3,207	4,800	3,207	4,800

Analysis of the consolidated statement of cash flows

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

The statement of cash flows is reported according to the indirect method and is based on operating profit for the period as well as changes in the balance sheet. Operating profit is adjusted for changes not included in cash flow from operating activities.

In the case of operations that are acquired or sold, the opening balances of acquired units and closing balances of divested units are excluded. Reported cash flows are divided into receipts and disbursements from operating activities, investing activities and financing activities.

Operating activities

Cash flow from operating activities is based on operating profit for the period. Adjustments are made for income taxes paid and items not included in cash flow from operating activities. Changes in assets and liabilities from operating activities consist of items that are part of normal business activities – such as loans to and deposits and borrowings from the public as well as loans and amounts owed to credit institutions – and that are not attributable to investing and financing activities.

Profit-generated cash flow includes interest receipts of SEK 48,346 M (52,158) and interest payments, including capitalized interest, of SEK 32,118 (36,185).

Investing activities

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

Purchases of fixed assets in 2003 include the acquisition of shares in Enter-Card and Allround as well as an increased holding in FI-Holding. The combined purchase price of these acquisitions is SEK 676 M. In the EnterCard A/S acquisition, assets excluding acquired liquidity amounted to SEK 1,594 M and liabilities to SEK 1,448 M. In the Allround AB acquisition, assets excluding acquired liquidity amounted to SEK 4 M and liabilities to SEK 1 M.

Financing activities

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

Liquid assets

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

Specification of liquid assets

	2003	2002
Cash and balances with central banks	8,017	6,719
Demand loans, net	0	0
Securities eligible for refinancing adjusted for repos and short-selling	58,224	51,850
TOTAL	66,241	58,569

Changes in shareholders' equity

Group SEK M	Share capital	Restricted reserves	Non-restricted reserves	Profit for the year	Total
Opening balance Jan. 1, 2002	10,556	17,355	4,368	5,204	37,483
Transfers between restricted and non-restricted equity		1,323	978	- 2,301	
Dividend				- 2,903	- 2,903
Translation difference			- 321		- 321
Exchange rate difference, subsidiary financing			191		191
Profit for the year				4,152	4,152
CLOSING BALANCE DECEMBER 31, 2002	10,556	18,678	5,216	4,152	38,602
Transfers between restricted and non-restricted equity		903	3,249	- 4,152	
Dividend				- 2,903	- 2,903
Translation difference			- 183		- 183
Exchange rate difference, subsidiary and associated company financing			60		60
Profit for the year				6,343	6,343
CLOSING BALANCE DECEMBER 31, 2003	10,556	19,581	5,439	6,343	41,919

The Bank SEK M	Share capital	Share premium reserve	Legal reserve	Reserve for unrealized gains	Profit brought forward	Profit for the year	Total
Opening balance Jan. 1, 2002	10,556	3,650	2,638	1,001	3,583	3,147	24,575
Disposition of profit according to decision of the year's Annual General Meeting					3,147	- 3,147	
Dividend					- 2,903		- 2,903
Transfers between restricted and non-restricted equity				639	- 639		
Group contributions paid					- 42		- 42
Tax reduction due to Group contributions paid					12		12
Profit for the year						2,546	2,546
CLOSING BALANCE DECEMBER 31, 2002	10,556	3,650	2,638	1,640	3,158	2,546	24,188
Disposition of profit according to decision of the year's Annual General Meeting					2,546	- 2,546	
Dividend					- 2,903		- 2,903
Transfers between restricted and non-restricted equity				643	- 643		
Group contributions paid					- 92		- 92
Tax reduction due to Group contributions paid					26		26
Profit for the year						4,597	4,597
CLOSING BALANCE DECEMBER 31, 2003	10,556	3,650	2,638	2,283	2,092	4,597	25,816

See also Note 46, Shareholders' equity.

Notes

The accounting principles can be found on page 66.
Unless indicated otherwise, figures refer to book values.

1 Net interest income

SEK M	GROUP				THE BANK			
	2003	2003	2002	2002	2003	2003	2002	2002
	Interest	Average balance	Interest	Average balance	Interest	Average balance	Interest	Average balance
Interest receivable								
Credit institutions	2,626	112,670	4,352	138,784	4,206	151,312	5,368	160,855
SEK	1,473	54,735	2,969	81,887	3,140	99,828	4,098	110,546
Foreign currency	1,152	57,935	1,383	56,897	1,066	51,484	1,270	50,309
Loans to the public	39,788	727,509	41,410	681,198	10,988	271,187	13,042	215,498
SEK	33,103	608,197	34,158	565,938	10,407	193,890	12,136	194,854
Foreign currency	6,685	119,312	7,252	115,260	579	17,297	906	20,644
Interest-bearing securities	2,331	79,338	2,506	68,148	2,199	83,771	2,295	72,500
SEK	1,284	52,789	1,442	42,679	1,420	55,927	1,576	47,773
Foreign currency	1,047	26,549	1,064	25,469	779	27,844	719	24,727
Other	2,977		3,689		3,925		880	
SEK	33		145		221		180	
Foreign currency	2,894		3,544		3,704		700	
TOTAL	47,701		51,957		18,316		21,585	
SEK	35,943		38,714		15,188		17,990	
Foreign currency	11,758		13,243		3,128		3,595	
Interest payable								
Credit institutions	6,340	109,110	4,567	117,520	3,606	128,058	4,238	123,316
SEK	2,104	61,714	3,068	68,444	2,601	89,312	3,083	83,329
Foreign currency	1,236	47,396	1,499	49,076	1,004	38,746	1,155	39,987
Deposits and borrowings from the public	5,121	276,782	6,652	263,726	4,259	229,851	5,915	229,136
SEK	4,369	225,336	5,480	211,942	4,055	214,560	5,392	210,263
Foreign currency	752	51,446	1,172	51,784	204	15,291	523	18,873
Debt securities in issue	17,035	450,278	18,128	431,665	1,043	55,086	1,677	61,963
SEK	8,965	179,120	7,952	150,880	287	6,951	211	4,242
Foreign currency	8,070	271,158	10,176	280,785	756	48,135	1,466	57,721
Subordinated liabilities	1,421		1,497		1,160		1,220	
SEK	167		149		162		146	
Foreign currency	1,254		1,348		998		1,074	
Other	4,698		5,703		1,444		1,459	
SEK	1,171		1,472		1,142		1,459	
Foreign currency	3,527		4,231		302			
TOTAL	31,615		36,547		11,216		14,509	
SEK	16,776		18,121		8,237		10,291	
Foreign currency	14,839		18,426		2,979		4,218	
TOTAL NET INTEREST	16,086		15,410		7,100		7,076	
SEK	19,167		20,593		6,911		7,699	
Foreign currency	-3,081		-5,183		1,189		-623	
TOTAL AVERAGE BALANCE, ASSETS		1,016,923		986,105		517,978		512,386
TOTAL AVERAGE BALANCE, LIABILITIES		977,324		948,715		494,892		484,778
Interest margin		1.46		1.42		1.27		1.22
Investment margin		1.58		1.56		1.37		1.38
Average interest rate on loans to the public		5.47		6.08		5.20		6.05
Average interest rate on deposits from the public		1.85		2.52		1.85		2.58
Interest receivable on securities classified as current assets		2,223		2,320		2,182		2,280

2 Dividends received

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Shares and participating interests	104	89	97	78
Shares and participating interests in associated companies			52	61
Shares and participating interests in Group companies*			5,366	4,758
TOTAL	104	89	5,515	4,897
* of which through Group contributions			5,193	4,642

3 Commissions receivable

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Payment processing commissions	2,930	2,728	2,264	2,143
Lending commissions	751	663	386	359
Deposit commissions	28	31	26	30
Guarantee commissions	151	157	102	105
Securities commissions				
Brokerage	303	293	249	240
Asset management	1,943	2,062	1,065	1,181
Other securities commissions	133	205	125	203
Other commissions				
Real estate brokerage commissions	134	143		
Other	866	826	547	540
TOTAL	7,239	7,108	4,764	4,801

4 Commissions payable

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Payment processing commissions	993	964	841	824
Securities commissions	146	144	103	102
Other commissions	681	577	64	34
TOTAL	1,820	1,685	1,008	960

5 Net profit on financial operations

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Capital gains/losses				
Shares/participating interests	123	-55	100	-65
Interest-bearing securities	401	46	408	40
Other financial instruments	43	-17	1	1
TOTAL	567	-26	509	-24
Unrealized changes in value				
Shares/participating interests	-69	81	-28	118
Interest-bearing securities	-154	139	-165	-10
Other financial instruments	-55	-75	0	0
TOTAL	-278	145	-193	108
Change in exchange rates	487	347	190	60
TOTAL	776	466	506	144

6 Other operating income

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Capital gains, financial fixed assets	541	12	504	0
Income from real estate operations	81	62	0	1
Net operating income, real estate taken over			0	0
Net operating income, other property taken over			0	0
Capital gains, properties, equipment, etc.	0	105	2	139
IT services	775	734	873	790
Other operating income	194	213	149	152
TOTAL	1,591	1,126	1,528	1,082

7 Staff costs

Figures for employees of the insurance operations are not included here, but are reported separately in Note 62.

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Wages, salaries and other remuneration	4,269	4,171	3,325	3,257
Pension costs				
Estimated costs	141	226	140	226
Premiums paid	578	625	504	572
Social insurance charges	1,458	1,412	1,176	1,137
Allocation to profit-sharing funds	228	245	112	96
Training costs	122	120	96	93
Other staff costs	141	153	113	124
TOTAL	6,937	6,952	5,466	5,505
Wages, salaries and remuneration to the Board,				
President and Executive Vice Presidents in Sweden	88	79	62	59
to other employees in Sweden	3,456	3,370	3,220	3,151
Bonuses and comparable remuneration to the President and Executive Vice Presidents in Sweden	11	9	8	6
Wages, salaries and remuneration to the Board,				
President and Executive Vice Presidents in Estonia	6	7		
to other employees in Estonia	240	215		
Bonuses and comparable remuneration to the President and Executive Vice Presidents in Estonia	4	4		
Wages, salaries and remuneration to the Board,				
President and Executive Vice Presidents in Latvia	1			
to other employees in Latvia	110	115		
Bonuses and comparable remuneration to the President and Executive Vice Presidents in Latvia	1			
Wages, salaries and remuneration to the Board,				
President and Executive Vice Presidents in Lithuania	2			
to other employees in Lithuania	160	185		
Bonuses and comparable remuneration to the President and Executive Vice Presidents in Lithuania	1			
Wages, salaries and remuneration to the Board,				
President and Executive Vice Presidents in Denmark	22	18		
to other employees in Denmark	98	97		
Bonuses and comparable remuneration to the President and Executive Vice Presidents in Denmark	2	1		
Wages, salaries and remuneration to the Board,				
President and Executive Vice Presidents in Norway	0			
to other employees in Norway	5			
Bonuses and comparable remuneration to the President and Executive Vice Presidents in Norway	0			
Wages, salaries and remuneration to the Board,				
President and Executive Vice Presidents in Luxembourg	6	6		
to other employees in Luxembourg	21	24		
Bonuses and comparable remuneration to the President and Executive Vice Presidents in Luxembourg				
Wages, salaries and remuneration to other employees outside Sweden	35	41	35	41
TOTAL	4,269	4,171	3,325	3,257

	GROUP		THE BANK	
	2003	2002	2003	2002
The year's costs for pensions and similar benefits: To current and former Presidents and Executive Vice Presidents, SEK M	97	62	88	56
Number of persons	64	58	45	47

Pension commitments for current and former Presidents and Executive Vice Presidents have been secured through insurance and pension funds. The commitments secured through pension funds amounted to SEK 312 M (276).

Total commitments for pensions secured through pension funds amounted to SEK 445 M (348). Total assets in pension funds exceeded commitments by SEK 45 M (35) and amounted to SEK 490 M (383).

	GROUP		THE BANK	
	2003	2002	2003	2002
Loans to President and Executive Vice Presidents, SEK M	70	78	33	38
Number of persons	69	72	17	22
Loans to members of the Board of Directors and their deputies, SEK M	71	74	13	35
Number of persons	112	86	13	15
Loans to companies where senior executives have a significant share of the voting rights, SEK M		79		79

The Group has not pledged any assets or other collateral or committed to contingent liabilities on behalf of any senior executives.

Average number of employees based on 1,585 hours per employee

	GROUP	
	2003	2002
FöreningsSparbanken AB	9,255	9,395
Spintab	20	21
FöreningsSparbanken Finans	102	94
Röbur Kapitalförvaltning	275	304
Mandab	3	1
FöreningsSparbanken Juristbyrå	7	7
FöreningsSparbanken Fastighetsbyrå	81	92
Kundinkasso	34	35
HSB Bank	77	
Allround	7	
FöreningsSparbanken Öland	62	62
Eskilstuna Rekarne Sparbank	52	54
Swedbank (Luxembourg)	48	54
FI-Holding	195	184
Hansabank Group	6,728	6,757
EnterCard	10	
TOTAL	16,956	17,060
of whom, in		
Estonia	2,515	2,517
Latvia	1,507	1,355
Lithuania	2,706	2,885
Denmark	185	185
Norway	22	10
Luxembourg	48	54
Great Britain	18	18
USA	14	14
Japan	2	2
China	3	3
TOTAL	7,030	7,043
Number of hours worked (thousands)	26,876	27,040
Number of Group employees at year-end excl. long-term absentees in relation to hours worked expressed as full-time positions	15,341	15,434

The underlying employee turnover in the Swedish companies, excluding, insurance operations, was 5.8 percent, excluding retirements.

Distribution by gender

In the Group, 64 percent of employees were women and 36 percent men, while in the Bank 58 percent were women and 42 percent men.

In the Group, 24 percent of Directors were women and 76 percent men as of December 31, 2003.

In the Group, 17 percent of other senior executives, including the President, were women and 83 percent men as of December 31, 2003.

In the Bank, 50 percent of Directors were women and 50 percent men as of December 31, 2003.

In the Bank, 24 percent of other senior executives, including the President, were women and 76 percent men as of December 31, 2003.

Average number of employees in percent	Women	Men
Sweden	58	42
Estonia	75	25
Latvia	68	32
Lithuania	80	20
Denmark	36	64
Norway	44	56
Luxembourg	46	54
Great Britain	38	62
USA	21	79
Japan	50	50
China	67	33

Employee sick leave in percent

	July-Dec 2003
Total sick leave	4.1
of which long-term sick leave as a share of total sick leave	68.9
Sick leave for women	5.5
Sick leave for men	2.1
Sick leave for the age group 29 and younger	2.1
Sick for the age group 30-49	3.6
Sick leave for the age group 50 and older	5.2

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

Information on remuneration to senior executives

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

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

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

During the spring of 2000 employees of FöreningsSparbanken and its wholly owned Group companies in Sweden and the board members of the local banks were offered the opportunity to buy warrants in FöreningsSparbanken on market terms. The 8,008,100 warrants outstanding, including 221,700 held by the President and other senior executives, can be exercised to subscribe for an equal number of shares during a specific period in 2005. The warrant premium was SEK 15 and the subscription price is SEK 187. In connection with warrant subscriptions in 2000, certain employees received a subsidy, which resulted in a charge against earnings of approximately SEK 70 M. Senior executives were not offered subsidies. The presentation of the Board of Directors and Executive Management contains information on each person's holding of warrants in FöreningsSparbanken. The warrant premium raised shareholders' equity by SEK 120 M. On December 31, 2003 the FöreningsSparbanken share had a market price of SEK 141.50 and the warrant SEK 3.85.

Senior Management Group, SEK thousands	2003	2002
Directors' fees and remuneration		
Annual Directors' remuneration approved by the AGM according to points 1-5 below	5,800	6,400
1. of which, to Chairman	1,350	1,940
of which, in his capacity as Chairman	1,200	1,800
of which, for committee work	150	140
2. of which, to First Deputy Chairman	900	780
of which, in his capacity as First Deputy Chairman	600	600
of which, for committee work	300	180
3. of which, to Second Deputy Chairman	800	890
of which, in his capacity as Second Deputy Chairman	600	600
of which, for committee work	200	290
4. of which, to other Directors	2,100	2,790
of which, in their capacity as other Directors	1,650	2,200
of which, for committee work	450	590
5. of which, unutilized in 2003 for duties aside from customary Board work	650	

In addition to remuneration of SEK 325,000 for Board and committee work, Marianne Quick Stoltz has received compensation of SEK 55,000 (55,000) for her work as Chairman of the Business Council.

Directors' fees are not paid to other persons with employment agreements with the Group.

Remuneration to the Chairman of the Board in 2003, SEK thousands

To Göran Collert	
Chairman's fees approved by the AGM	
For the period Jan. 1 – April 10, 2003	550
Other remuneration/benefits for the full-year	21
TOTAL	571

As per an agreement with FöreningsSparbanken, Göran Collert has remained at the disposal of the Board of Directors on a consulting basis since stepping down from his duties as Chairman. In this capacity, he received a fee of SEK 1,700 thousands in 2003. The fee carries no pension entitlements. For his employment by FöreningsSparbanken during the period 1968-1995, Göran Collert received, from 1995, a secured pension earned during this period, which in 2003 amounted to SEK 2,501 thousands.

To Carl Eric Stålborg	
Fixed compensation, full-year salary	2,700
Chairman's fees approved by the AGM	
For the period Jan. 1 – April 10, 2003	217
For the period April 11 – Dec. 31, 2003	975
Other remuneration/benefits for the full-year	73
TOTAL	3,965
Of which, pensionable compensation	2,700
Pension expense	2,334

Pension commitments for the Chairman

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

Termination conditions for the Chairman

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

Pension commitments to other Directors

The Group has no pension commitments for other Directors.

Remuneration of the President, SEK thousands	2003	2002
Fixed compensation, salary	4 800	4 800
Variable compensation, bonuses	309	545
Other remuneration/benefits	96	95
TOTAL	5 205	5 440
Of which, pensionable compensation	4 860	4 860
Pension expense incl. payroll tax (of which expenses associated with the President's resignation SEK 22,800,000)	29 184	4 698
Upon the termination of employment on Jan. 30, 2004, additional remuneration amounted to	3 800	

Variable compensation for the President is maximized at 25 percent of annual salary and consists of 2/3 bonus tied to payouts by the Kopparmyntet pension fund and 1/3 bonus tied to individual goals. In 2003 a total of SEK 309,000 in variable compensation was paid to the President. Variable compensation is not pensionable.

Pension and termination commitments for

President Birgitta Johansson-Hedberg

FöreningsSparbanken President and CEO Birgitta Johansson-Hedberg announced in December 2003 that she intended to step down by the Annual General Meeting in 2004. In January 2004 Birgitta Johansson-Hedberg and the Bank reached an agreement essentially as follows:

Birgitta Johansson-Hedberg stepped down as President and CEO on January 30, 2004. For 2004, she will receive total compensation of SEK 3.8 M, including any variable compensation. As per a previous agreement, Birgitta Johansson-Hedberg receives a pension from age 58 to 65 annually corresponding to 70 percent of her salary, and at 45 percent of her salary thereafter, with no deduction for any previously earned pensions. All costs associated with Birgitta Johansson-Hedberg's resignation, SEK 27.8 M, of which SEK 22.8 M refers to pension costs, were charged against income in the year-end accounts for 2003.

Employment terms for President-elect Jan Lidén

Jan Lidén was appointed President and CEO of the Bank as of February 1, 2004.

Jan Lidén's employment terms call for a fixed annual salary of SEK 6.5 M with no variable compensation in the form of bonuses, etc. He is entitled to retire at the age of 60.

Jan Lidén disposes over an annual premium of SEK 3.5 M for defined-contribution pension purposes. The Bank's commitment extends only to the size of the premium, not to any levels with regard to a retirement pension, survivor annuity or disability coverage.

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

Compensation to other senior executives *

SEK M	2003	2002
Fixed compensation, salaries	51	52
Variable compensation, bonus	8	7
Other remuneration/benefits	1	1
TOTAL	60	60
No. of persons	22	23

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

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

Three Executive Vice Presidents, two of whom are members of the Executive Management, receive variable compensation dependent on their business area's results. In 2003 a total of SEK 10,751,000 was paid in variable compensation to the Executive Management and one Executive Vice President. SEK 8,210,000 was charged against income. Variable compensation is not pensionable.

Pension commitments

Other senior executives comprise a total of 22 persons (of whom 15 are members of the Executive Management).

Seventeen of these 22 persons are entitled to a defined-benefit pension from age 60-62 at 60-70 percent of their salary less any previous pension entitlements. Benefits are accrued continuously until retirement for all but four of these 17 persons, whose pension is fully earned at age 58. These benefits are transferable after they have been earned.

Two of these 22 persons are entitled to retire at age 60. Their pensions are entirely of a defined-contribution variety. The Bank's commitment extends only to the size of the premium, not to any levels with regard to retirement pensions, survivor annuities or disability coverage.

One of these 22 persons is entitled to a pension in accordance with the terms of a collective agreement, complemented by a pension age of 60.

For one of these 22 persons, collective pension benefits are complemented by a pension age of 60 and contribution-based benefits.

For one of these 22 persons, collective pension benefits are complemented by a pension age of 60 and defined-benefit premium benefits.

Termination conditions

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

8 Other administrative expenses

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Expenses for premises	13	12	1	2
Rents, etc.	1,134	1,067	873	824
IT expenses	1,307	1,240	1,092	1,016
Telecommunications, postage	442	432	305	303
Consulting and outside services	609	594	491	508
Travel, entertainment	273	269	190	193
Office supplies	201	209	167	173
Advertising, public relations, marketing	404	396	256	277
Security transports, alarm systems	315	253	282	222
Other administrative expenses	684	697	555	576
Other overhead expenses	134	162	112	130
TOTAL	5,516	5,331	4,324	4,224

Compensation to the Group's auditors for auditing work and consultations in 2003:

SEK M	GROUP		THE BANK	
	Audit	Consultation	Audit	Consultation
Deloitte & Touche	18	6	9	3
Ernst & Young	2	3	1	3
PMAC AB	2	0	1	0
Other	1	1		
TOTAL	23	10	11	6

9 Operational leasing

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

As of December 31, 2003 total future minimum leasing fees related to irrevocable leases are distributed by expiration date as follows:

Group	Costs	Subletting income	Total
2004	707	11	696
2005	709	10	699
2006	714	9	705
2007	712	8	704
2008	716	8	708
After 2008	808	14	794
TOTAL	4,366	60	4,306

10 Depreciation/amortization and write-downs of tangible and intangible assets

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Depreciation/amortization				
Equipment	595	669	407	457
Real estate	38	45	1	0
Goodwill	614	663	101	101
Other intangible assets	31	33	1	1
TOTAL	1,278	1,410	510	559

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

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

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Claims assessed individually				
The year's write-off for established loan losses	1,151	1,553	594	994
Reversal of previous provisions for anticipated loan losses reported in the year's accounts as established	- 516	- 802	- 248	- 414
The year's provisions for anticipated loan losses	837	961	414	386
Recoveries from previous years' established loan losses	- 471	- 560	- 124	- 172
Recovered provisions for anticipated loan losses	- 270	- 428	- 61	- 114
THE YEAR'S NET EXPENSE	731	724	575	680
Collective provisions for claims assessed individually				
Allocations/withdrawals from collective provisions	144	762	150	755
Collectively valued homogenous groups of claims with limited value and similar credit risk				
The year's write-off for established loan losses	115	117	80	82
Recoveries from previous years' established loan losses	- 10	- 30	- 2	- 17
Allocations/withdrawals from loan loss reserve	7	14	6	10
THE YEAR'S NET EXPENSE FOR COLLECTIVELY VALUED HOMOGENOUS GROUPS OF CLAIMS	112	101	84	75
Contingent liabilities				
The year's net expense for discharged guarantees and other contingent liabilities *	- 8	14	3	- 1
THE YEAR'S NET LOAN LOSS EXPENSE	979	1 601	812	1 509
Loan losses divided by category				
Credit institutions				
Write-offs and provisions	0	18	0	18
Recoveries of claims	- 1	- 2	- 1	- 2
General public				
Write-offs and provisions	1,740	2,634	1,000	1,803
Recoveries	- 760	- 1,049	- 187	- 310
TOTAL	979	1,601	812	1,509
Loan losses, net, and change in value of property taken over				
The year's net loan loss expense	979	1,601	812	1,509
Change in value of property taken over	8	2	8	1
Of which, unrealized change in value of real estate		0		0
Of which, unrealized change in value of other property taken over		0		0
Of which, realized change in value of other property taken over	8	2	8	1
TOTAL LOAN LOSSES, NET, AND CHANGE IN VALUE OF PROPERTY TAKEN OVER	987	1,603	820	1,510
* of which write-offs	1	2		
of which provisions	1	45		
of which recoveries	- 10	- 33		
TOTAL	- 8	14		

In 2003 or 2002 the Group had no exposures that, due to risk transference, necessitated provisions.

12 Doubtful claims

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Provisions				
Specific provisions for claims assessed individually	1,347	1,259	787	696
Provisions for collectively valued homogenous groups of claims with limited value and similar credit risk	211	199	108	102
Collective provisions for claims assessed individually	3,501	3,365	2,050	1,900
TOTAL	5,059	4,823	2,945	2,698
Total provision ratio for doubtful claims, % (including collective provisions for claims assessed individually in relation to book value before provisions for individually identified doubtful claims)	131	134	154	145
Provision ratio for individually identified doubtful claims, %	40	40	47	43
Doubtful claims				
Book value of doubtful claims (unsettled)	2,304	2,142	1,015	1,057
Doubtful claims as % of total lending	0,3	0,3	0,3	0,3
Nonperforming loans for which interest is entered as income				
Book value of unsettled claims not included in doubtful claims and for which accrued interest has been entered as income	396	599	124	186
Restructured* and reclassified claims:				
Book value of claims restructured during the fiscal period before restructuring	145	168	21	33
Book value of claims restructured during the fiscal period after restructuring	59	106	14	18
Book value of doubtful claims returned in status to normal claims during the fiscal period	370	344	129	187
Property taken over to protect claims:				
Buildings and land	11	13	0	1
Shares and participating interests	12	13	7	7
Other	2	2	0	0
TOTAL	25	28	7	8

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

13 Write-down of financial fixed assets

SEK M	GROUP	THE BANK
Write-down of shares 2003		
Shares and participating interests in associated companies		
Finansiell ID Teknik BID AB		1
First Securities ASA		40
SpareBank 1 Gruppen AS		319
Shares and participating interests in Group companies		
FöreningsSparbanken Juristbyrån AB		5
Swedbank Luxembourg SA		82
TOTAL		447

SEK M	GROUP	THE BANK
Write-down of shares 2002		
Shares and participating interests		
OMHEX AB	264	264
Shares and participating interests in associated companies		
Allround AB		9
SpareBank 1 Gruppen AS		597
Marakanda Marknadsplatser AB		210
VPX Matching AB		2
TOTAL	264	1,082

14 Reversal of write-down of financial fixed assets

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Shares and participating interests				
OMHEX AB	55		55	
TOTAL	55		55	

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

15 Operating profit in insurance operations

SEK M	GROUP	
	2003	2002
Non-life insurance operations	54	151
Life insurance operations	313	331
TOTAL	367	482

16 Appropriations

Allocation, SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Untaxed reserves			549	161
Settlement of pensions	19	76	19	76
TOTAL	19	76	568	237

Untaxed reserves, SEK M	THE BANK	
	2003	2002
Accelerated depreciation on equipment	- 86	42
Tax allocation reserve	635	119
TOTAL	549	161

Settlement of pensions, SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Estimated pension costs	- 141	- 226	- 141	- 226
Pensions paid	14	13	14	13
Payroll tax and tax on pension returns	113	201	113	201
Change in pension commitments allocated in the balance sheet	- 4	- 4	- 4	- 4
Allowance from pension funds	- 16	- 7	- 16	- 7
Provisions for pension funds	53	99	53	99
TOTAL	19	76	19	76

17 Tax on profit for the year

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Current tax	1,882	1,099	1,473	1,125
Tax related to previous years	38	51	18	16
Deferred tax expense	647	833	237	236
TOTAL	2,567	1,983	1,728	1,377

Group, 2003

The tax charge represents 26.9 percent of the Group's profit before tax. The difference between the Group's tax charge and the tax charge based on current tax rates is explained below:

	2003		2002	
	SEK M	percent	SEK M	percent
Tax charge	2,567	26.9	1,983	29.3
Tax charge, 28% of profit before tax	- 2,673	- 28.0	- 1,896	- 28.0
DIFFERENCE	- 106	- 1.1	87	1.3

The difference consists of the following items:

Additional tax related to previous years	38	0.4	51	0.8
Tax-exempt income/Non-deductible expenses	- 46	- 0.4	112	1.6
Tax loss carryforwards previously not available to offset profits	- 104	- 1.1		
Non-deductible goodwill	281	2.9	180	2.7
Other tax basis in insurance operations	- 47	- 0.5	- 55	- 0.8
Other tax rates in other countries	- 221	- 2.3	- 269	- 4.0
Other	- 7	- 0.1	68	1.0
TOTAL	- 106	- 1.1	87	1.3

Since 2000 Hansabank pays income tax in Estonia only after earnings are distributed to natural persons and companies not domiciled in Estonia. The tax rate is 26/74 of the distributed amount. The Group has allocated a provision for tax on the dividend it expects to receive in 2004 for Hansabank's earnings in 2003. FöreningsSparbanken's share of the retained earnings in Hansabank would, if distributed, result in a tax charge of SEK 468 M. No deferred tax has been booked on this amount since the Bank can determine the timing of its distribution and does not expect it to occur in the foreseeable future. Any future dividends are again expected to be paid from future earnings.

The Bank, 2003

The tax charge represents 27.3 percent of the Bank's profit before tax. The difference between the Bank's tax charge and the tax charge based on current tax rates is explained below:

	2003		2002	
	SEK M	percent	SEK M	percent
Tax charge	1,728	27.3	1,377	35.1
Tax charge, 28% of profit before tax	- 1,771	- 28.0	- 1,098	- 28.0
DIFFERENCE	- 43	- 0.7	279	7.1

The difference consists of the following items:

Additional tax related to previous years	18	0.3	16	0.4
Non-deductible income/-expenses	- 61	- 1.0	263	6.7
TOTAL	- 43	- 0.7	279	7.1

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

Group SEK M	Fair value		Book value		Accrued acquisition		Nominal amount	
	2003	2002	2003	2002	2003	2002	2003	2002
Treasury bills and other bills eligible for refinancing with central banks								
Current assets								
Swedish Government	8,173	10,303	8,173	10,303	8,098	10,202	7,391	10,151
Swedish municipalities	748	424	748	424	745	418	749	418
Foreign governments	4,356	3,208	4,356	3,208	4,340	3,213	4,868	3,191
TOTAL	13,277	13,935	13,277	13,935	13,183	13,833	13,008	13,760
Fixed assets								
Swedish Government		87		86		86		85
Swedish municipalities		108		108		108		112
Foreign governments	862	1,761	859	1,756	865	1,762	860	1,759
TOTAL	862	1,956	859	1,950	865	1,956	860	1,956
TOTAL	14,139	15,891	14,136	15,885	14,048	15,789	13,868	15,716
of which in foreign currency			5,215	4,980				

The Bank SEK M	Fair value		Book value		Accrued acquisition		Nominal amount	
	2003	2002	2003	2002	2003	2002	2003	2002
Treasury bills and other bills eligible for refinancing with central banks								
Current assets								
Swedish Government	8,173	10,161	8,173	10,161	8,098	10,061	7,391	10,010
Swedish municipalities	748	359	748	359	745	356	749	358
Foreign governments	2,800	1,754	2,800	1,754	2,780	1,754	3,327	1,754
TOTAL	11,721	12,274	11,721	12,274	11,623	12,171	11,467	12,122
Fixed assets								
Swedish Government								
Swedish municipalities		2		2		2		2
Foreign governments								
TOTAL	2	2	2	2	2	2	2	2
TOTAL	11,721	12,276	11,721	12,276	11,623	12,173	11,467	12,124
of which in foreign currency			2,800	1,754				

Summary of maturities, SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Remaining maturity				
≤ 1 year	6,289	5,986	4,952	4,356
> 1 year – 5 years	3,442	6,743	2,996	4,839
> 5 years – 10 years	577	1,369	548	1,294
> 10 years	3,828	1,787	3,825	1,787
TOTAL	14,136	15,885	11,721	12,276
Average remaining maturity	4.7 yrs.	3.2 yrs.	5.4 yrs.	3.6 yrs.

Group SEK M	Discounting instrument		Coupon instrument	Total
	Surplus value	Discounted value		
Surplus value			965	965
Discounted value		- 691	- 6	- 697
TOTAL		- 691	959	268
The Bank SEK M	Discounting instrument		Coupon instrument	Total
	Surplus value	Discounted value		
Surplus value			932	932
Discounted value		- 678	- 678	- 678
TOTAL		- 678	932	254

21 Financial leasing

Group, SEK M

Financial leases distributed by maturity:

	Within 1 year		Later than 1 year but within 5 years		Later than 5 years		Total	
	2003	2002	2003	2002	2003	2002	2003	2002
Gross investment	7,376	5,886	13,803	11,011	1,969	1,801	23,148	18,698
Unearned financial income	1,084	758	1,889	1,452	465	388	3,438	2,598
Net investments	6,292	5,128	11,914	9,559	1,504	1,413	19,710	16,100
Reserve for doubtful claims related to minimum lease fees							- 308	- 217

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

22 Loan receivables by type of collateral

Group	Book value	Book value
SEK M	2003	2002
Residential properties, incl. condominiums	400,020	367,535
Other real estate	113,377	108,585
Municipalities, etc.	52,238	49,264
Chattel mortgages	16,387	17,591
Guarantees	12,230	12,179
Unsecured	86,005	80,442
Other collateral	40,807	37,061
LENDING	721,064	672,657
Credit institutions, incl. Nat'l Debt Office	54,684	64,370
Repos - credit institutions, incl. Nat'l Debt Office	22,697	39,145
Repos - public	27,950	25,887
TOTAL LENDING TO CREDIT INSTITUTIONS AND PUBLIC	826,395	802,059

23 Loan receivables by type of loan

Group	Book value	Book value
SEK M	2003	2002
Bank loans	281,720	270,295
Mortgage loans	398,752	367,645
Installment loans, leasing, factoring	40,592	34,717
LENDING	721,064	672,657
Credit institutions, incl. Nat'l Debt Office	54,684	64,370
Repos - credit institutions, incl. Nat'l Debt Office	22,697	39,145
Repos - public	27,950	25,887
TOTAL LENDING TO CREDIT INSTITUTIONS AND PUBLIC	826,395	802,059

24 Loan receivables by sector/industry

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

Group SEK M Sektor/industry, 2002	Accrued acquisition value before accounting for provisions	Specific provisions for claims assessed individually	Collective provisions for claims assessed individually	Provisins for collectively valued homoge- nous groups of claims	Book value of claims after account- ing for provisions	Book value of doubtful claims (unsettled)	Book value of unsettled claims for which accrued interest has been entered as income
Households	307,233	54	97	199	306,883	176	217
Real estate management	144,766	339	360		144,067	458	156
Retail, hotels, restaurants	26,271	150	530		25,591	491	27
Construction	10,654	28	89		10,537	43	5
Manufacturing	51,949	183	1,030		50,736	355	66
Transportation	14,633	112	187		14,334	118	5
Forestry and agriculture	31,215	52	60		31,103	83	37
Other service businesses	19,444	45	497		18,902	77	46
Other business lending	57,635	272	515		56,848	341	40
Municipalities	13,656				13,656		
LENDING	677,456	1,235	3,365	199	672,657	2,142	599
Credit institutions, incl. Nat'l Debt Office	64,394	24			64,370	0	
Repos - credit institutions, incl. Nat'l Debt Office	39,145				39,145		
Repos - public	25,887				25,887		
TOTAL LENDING TO CREDIT INSTITUTIONS AND PUBLIC	806,882	1,259	3,365	199	802,059	2,142	599

25 Loan receivables by geographic area

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

Group SEK M Geographic area, 2002	Accrued acquisition value before accounting for provisions	Specific provisions for claims assessed individually	Collective provisions for claims assessed individually	Provisins for collectively valued homoge- nous groups of claims	Book value of claims after accounting for provisions	Book value of doubtful claims (unsettled)	Book value of unsettled claims for which accrued interest has been entered as income
Sweden	565,828	992	2,014	172	562,650	1,482	547
OECD	77,320	148	984		76,188	286	52
Baltic region	31,171	43	367	27	30,734	369	
Other countries	3,137	52			3,085	5	
LENDING	677,456	1,235	3,365	199	672,657	2,142	599
Credit institutions, incl. Nat'l Debt Office	64,394	24			64,370	0	
Repos - credit institutions, incl. Nat'l Debt Office	39,145				39,145		
Repos - public	25,887				25,887		
TOTAL LENDING TO CREDIT INSTITUTIONS AND PUBLIC	806,882	1,259	3,365	199	802,059	2,142	599

26 Specification of credit exposure

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

* Market value

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

Group SEK M Country, 2002	Lending	Derivatives *	Investments	Guarantees	Other	Total	% of total	of which credit institutions
Sweden	582,321	10,205	44,263	9,591	1,159	647,539	75.6	66,023
Danmark	71,194	2,252	4,639	1,391		79,476	9.3	8,167
USA	7,572	7,496	3,652	766	18	19,504	2.3	11,427
Rest of OECD **	39,940	9,822	8,983	3,305	2,709	64,759	7.6	54,979
Latin America	805		39	101	3	948	0.1	524
of which Argentina			39			39		
of which Brazil	375				1	376		288
Baltic region	31,301	45	3,216	1,344	2,990	38,896	4.5	613
Russia	475		3	4		482	0.1	21
Japan	5	203			4	212		212
Rest of East Asia	1,056			11	301	1,368	0.2	988
Other	2,358	1	89	101	347	2,896	0.3	925
TOTAL	737,027	30,024	64,884	16,614	7,531	856,080	100.0	143,879

* Market value

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

27 Bonds and other interest-bearing securities

Group SEK M	Fair value		Book value		Accrued acquisition		Nominal amount	
	2003	2002	2003	2002	2003	2002	2003	2002
Issued by other than public agencies								
Current assets								
Swedish mortgage institutions	31,825	26,409	31,825	26,409	31,791	26,203	31,416	26,066
Other Swedish issuers								
Non-financial companies	4,538	4,069	4,538	4,069	4,586	4,113	4,496	4,085
Other financial companies	6,789	2,397	6,789	2,397	6,782	2,391	6,794	2,398
Foreign issuers	19,513	15,345	19,513	15,345	19,485	15,244	19,287	15,172
TOTAL	62,665	48,220	62,665	48,220	62,644	47,951	61,993	47,721
of which, subordinated			360	381				
Fixed assets								
Swedish mortgage institutions	2	71	2	70	2	70	2	70
Other Swedish issuers								
Non-financial companies	76	103	76	103	76	103	76	103
Other financial companies	143	426	142	416	143	417	101	371
Foreign issuers	154	190	153	190	153	190	153	190
TOTAL	375	790	373	779	374	780	332	734
TOTAL	63,040	49,010	63,038	48,999	63,018	48,731	62,325	48,455
of which in foreign currency			23,568	19,711				
of which listed			61,986	44,528				

The Bank SEK M	Fair value		Book value		Accrued acquisition		Nominal amount	
	2003	2002	2003	2002	2003	2002	2003	2002
Issued by other than public agencies								
Current assets								
Swedish mortgage institutions	46,566	41,893	46,566	41,893	46,533	41,686	46,081	41,405
Other Swedish issuers								
Non-financial companies	4,302	3,547	4,302	3,547	4,288	3,553	4,260	3,569
Other financial companies	6,790	2,105	6,790	2,105	6,782	2,098	6,794	2,105
Foreign issuers	11,727	9,361	11,727	9,361	11,720	9,339	11,674	9,348
TOTAL	69,385	56,906	69,385	56,906	69,323	56,676	68,809	56,427
of which, subordinated			360	381				
Fixed assets								
Swedish mortgage institutions		8		8		8		8
Other Swedish issuers								
Non-financial companies	76	3	76	3	76	3	76	3
Other financial companies		161		157		157		159
Foreign issuers	726		726		726		726	
TOTAL	802	172	802	168	802	168	802	170
TOTAL	70,187	57,078	70,187	57,074	70,125	56,844	69,611	56,597
of which in foreign currency			27,111	23,256				
of which Group companies			17,138	14,817				
of which listed			69,190	56,216				

Summary of maturities, SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
≤ 1 year	33,287	33,652	42,319	38,685
> 1 year – 5 years	27,024	11,947	26,416	17,549
> 5 years – 10 years	2,461	2,667	903	277
> 10 år	266	733	549	563
TOTAL	63,038	48,999	70,187	57,074
Average remaining maturity	1.5 yrs.	1.7 yrs.	1.0 yrs.	1.2 yrs.

Group SEK M	Discounting instrument	Coupon instrument	Total
Surplus value		781	781
Discounted value	- 60	- 8	- 68
TOTAL	- 60	773	713

The Bank SEK M	Discounting instrument	Coupon instrument	Total
Surplus value		655	655
Discounted value	- 70	- 9	- 79
TOTAL	- 70	646	576

28 Shares and participating interests

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Current assets				
Trading stock	1,625	1,611	1,383	1,329
For protection of claims	12	13	7	7
Fund shares	116	124		
TOTAL	1,753	1,748	1,390	1,336
Fixed assets				
Condominiums	32	31	28	28
Credit institutions	472	1,411	472	1,411
Other shares	336	282	317	265
TOTAL	840	1,724	817	1,704
SHARES AND PARTICIPATING INTERESTS	2,593	3,472	2,207	3,040
Acquisition value				
Current assets				
Trading stock	1,667	1,811	1,338	1,441
For protection of claims	12	13	7	7
Fund shares	115	120		
Fixed assets				
Opening balance	1,724	1,946	1,704	1,916
Added during the year	185	107	181	107
Eliminated during the year	- 1,124	- 65	- 1,123	- 55
Written off during the year		- 264		- 264
Reversal of previous write-off during the year	55		55	
TOTAL	840	1,724	817	1,704

The Bank, 2003

SEK M	Number	Book value	% of voting rights	Market value
Credit institutions				
Baltic Rim Fund Ltd, Jersey	750	13	4.97	
Sparebanken Midt-Norge *	598,300	128	9.97	155
Sparebanken Rogaland *	741,950	177	9.97	259
Sparebanken Nord-Norge *	642,350	108	9.97	128
Sparebanken Vest *	249,500	46	9.98	44
Other **		0		
BANK HOLDINGS		472		
Other shares				
OMHEX AB *	3,723,721	312	3.20	333
Other **		5		
BANK HOLDINGS		317		
Other **		19		
GROUP HOLDINGS		336		

* These companies are listed; the others are not. In the trading stock, SEK 209 M is unlisted, while the rest is listed.

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

29 Shares and participating interests in associated companies

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Fixed assets				
Credit institutions	2,797	3,071	1,970	2,369
Other associated companies	23	18	7	14
TOTAL	2,820	3,089	1,977	2,383
Fixed assets				
Opening balance	3,089	3,137	2,383	2,725
Added during the year	5	477	5	477
Change in accumulated profit shares	54	- 525		
Written off during the year	- 311		- 360	- 819
Translation difference in connection with write-off	20		- 40	
Eliminated during the year	- 6		- 11	
Translation difference shareholders' equity foreign companies	- 31			
TOTAL	2,820	3,089	1,977	2,383

The Bank, 2003 SEK M	Number	Book value	Accrued acquisition	% of voting rights	Year's share of associated co.'s profit before tax
Credit institutions					
Aktia Sparbank Ab	8,600,000	190	190	24.39	
Bergslagens Sparbank AB	582,391	118	118	48.00	
BoStocken AB	5	0	0	50.00	
Eskilstuna Rekarne Sparbank AB	865,000	125	125	50.00	
First Securities ASA *	357,000	134	200	33.33	
Färs & Frosta Sparbank AB	1,478,700	257	257	30.00	
FöreningsSparbanken Sjuhärad AB	950,000	288	288	47.50	
FöreningsSparbanken Söderhamn AB	256,000	62	62	40.00	
SpareBank 1 Gruppen	390,600	485	1,415	25.00	
Vimmerby Sparbank AB	340,000	41	41	40.00	
VPC AB	443,700	270	270	24.65	
BANK HOLDINGS		1,970	2,966		
Accumulated share of profit in associated companies according to equity method					
Aktia Sparbank Ab		233			66
Bergslagens Sparbank AB		3			2
BoStocken AB		15			21
First Securities ASA		- 35			- 9
Elimination due to write-off in Bank of First Securities		40			
Elimination of translation difference in write-off in Bank of First Securities		26			
Färs & Frosta Sparbank AB		53			18
FöreningsSparbanken Sjuhärad AB		89			41
FöreningsSparbanken Söderhamn AB		- 1			2
SpareBank 1 Gruppen		- 632			- 72
Write-off of goodwill in SpareBank 1 Gruppen		- 311			- 311
Translation difference in connection with write-off of goodwill		20			
Elimination due to write-off in Bank of SpareBank 1 Gruppen		916			
Elimination of translation difference in write-off in Bank of SpareBank 1 Gruppen		14			
Vimmerby Sparbank AB		3			- 3
VPC AB		18			31
Indirectly owned associated companies		532			88
Translation difference in shareholders' equity in foreign companies		- 31			
Acquisition elimination, Eskilstuna Rekarne Sparbank AB		- 125			
GROUP HOLDINGS		2,797			- 126

The Bank, 2003 SEK M	Number	Book value	Accrued acquisition	% of voting rights	Year's share of associated co.'s profit before tax
Other associated companies					
Babs Paylink AB	4,900	1	1	49.00	
VPX Matching AB	62,500	0	16	25.00	
DocHotel i Stockholm AB	5,250	5	5	25.00	
Finansiell ID-Teknik BID AB	12,735	0	1	28.30	
Other		1	1		
BANK HOLDINGS		7	24		
Accumulated share of profit in associated companies according to equity method					
Babs Paylink AB		20			12
VPX Matching AB		- 16			1
Elimination due to write-off in Bank		16			
DocHotel i Stockholm AB		- 2			- 1
Finansiell ID-Teknik BID AB		- 3			- 3
Elimination due to write-off in Bank		1			
Other					1
GROUP HOLDINGS		2,820			- 116

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

The share of voting rights in each company corresponds to the share of its equity. Information on registered addresses and registration numbers can be found in the list of addresses.

30 Shares and participating interests in Group companies

SEK M	THE BANK	
	2003	2002
Fixed assets		
Swedish credit institutions	15,394	13,140
Foreign credit institutions	9,053	8,421
Other Swedish companies	3,290	3,278
TOTAL	27,737	24,839
Opening balance	24,839	23,763
Added during the year	2,947	1,076
Written off during the year	- 87	
Translation difference in connection with write-off	38	
TOTAL	27,737	24,839

The Bank, 2003 SEK M	Number	Book value	Acquisition value	% of voting rights	Market value
Swedish credit institutions					
AB Spintab	23,000,000	13,328	13,328	100	
FöreningsSparbanken Finans AB	345,000	415	415	100	
FöreningsSparbanken Företagskredit AB	200,000	20	120	100	
FöreningsSparbanken Öland AB	780,000	135	135	60	
HSB Bank AB	22,000	1,496	1,496	100	
TOTAL		15,394	15,494		
Foreign credit institutions					
AS Hansapank	47,376,178	2,936	2,936	59.71	9,155
EnterCard AS	120,481	216	216	100	
FI-Holding A/S *	746,975	5,807	5,807	74.7	
Swedbank (Luxembourg) S.A	299,999	94	139	100	
TOTAL		9,053	9,097		
Other Swedish companies					
Allround AB	7,000	16	25	67	
FöreningsSparbanken Administration AB	10,000	6	6	100	
FöreningsSparbanken Juristbyrå AB	5,000	1	6	100	
Kundinkasso AB	50,000	5	5	100	
Mandab AB	500	5	230	100	
Robur AB	10,000,000	3,191	3,191	100	
Sparia Försäkringsaktiebolag	30,000	65	105	100	
Other		1	1		
TOTAL		3,290	3,569		

* FöreningsSparbanken AB and the other shareholders of FI-Holding A/S have reached the following option agreement: As of 2003 the other shareholders of FI-Holding have the opportunity to sell up to 75 percent of their holdings. One shareholder utilized the opportunity and FöreningsSparbanken AB raised its holding rose by 5 percent. As of 2004 the other shareholders have the opportunity to sell their entire original holdings. The price will correspond to the shareholders' acquisition cost of the shares in FI-Holding appreciated by 4.5 percent annually. If the other shareholders wait to exercise their options until the end of 2005, at which point the option agreements expire, FöreningsSparbanken's acquisition price including interest for all the shares in FI-Holding outstanding as of year-end 2003 will amount to nearly SEK 2.6 billion.

FöreningsSparbanken AB has the opportunity during the period 2004-2005 to buy other shareholders' holdings in FI-Holding A/S at a price corresponding to their acquisition cost of the shares in FI-Holding appreciated by 6 percent annually.

AS Hansapank is listed, while other companies are unlisted.

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

Information on registered addresses and registration numbers can be found in the list of addresses.

31 Assets in the insurance operations

SEK M	GROUP	
	2003	2002
Investment assets	847	767
Investment assets for which life insurance policyholders bear the investment risk	37,083	31,319
Other assets	269	156
TOTAL	38,199	32,242

32 Intangible fixed assets

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Goodwill	5,851	6,431	1,355	1,456
Other	127	54	64	3
TOTAL	5,978	6,485	1,419	1,459
Acquisition value	2003	2002	2003	2002
Opening balance	9,544	9,260	2,025	2,025
Added during the year	175	284	62	
Exchange rate difference	228	275		
CLOSING BALANCE	9,947	9,819	2,087	2,025
Accumulated amortization	2003	2002	2003	2002
Accumulated amortization at beginning of year	-3,315	-2,619	-566	-465
Amortization for the year	-645	-696	-102	-101
Translation difference	-9	-19		
ACCUMULATED AMORTIZATION AT YEAR-END	-3,969	-3,334	-668	-566

Specification of Group goodwill

Bolag	Year of acquisition	Acquisition value	Accumulated amortization	Book value	Amortization period
Robur AB	1995	1,752	1,424	328	10
Föreningsbanken AB	1997	2,000	664	1,336	20
Robur Försäkring AB	1998	887	237	650	20
FI-Holding A/S	1999	2,494	523	1,971	20
AS Hansabank	1999	1,378	280	1,098	20
HSB Bank AB	2002	177	18	159	10
Hansabank (group)		761	626	135	5
Other		265	91	174	10-20
TOTAL		9,714	3,863	5,851	

33 Tangible assets

SEK M	GROUP		THE BANK		Properties used in operations, accumulated depreciation	GROUP		THE BANK	
	2003	2002	2003	2002		2003	2002	2003	2002
Current assets					Accumulated depreciation at beginning of year	- 392	- 377	- 7	- 7
Properties taken over to protect claims	11	13	0	1	Acquired accumulated depreciation				
TOTAL	11	13	0	1	Change in accumulated depreciation due to sales and disposals	239	30		
Fixed assets					Depreciation for the year	- 38	- 45	- 1	0
Equipment	1,116	1,316	732	836	ACCUMULATED DEPRECIATION AT YEAR-END	- 191	- 392	- 8	- 7
Properties used in the Group's operations	834	813	20	21					
TOTAL	1,950	2,129	752	857					
TOTAL	1,961	2,142	752	858					

Equipment, acquisition value	GROUP		THE BANK	
	2003	2002	2003	2002
Balance brought forward	4,306	4,446	2,967	3,075
Added during the year	552	376	340	178
Eliminated during the year	- 612	- 516	- 296	- 286
CLOSING BALANCE	4,246	4,306	3,011	2,967

Equipment, accumulated depreciation	GROUP		THE BANK	
	2003	2002	2003	2002
Accumulated depreciation at beginning of year	- 2,990	- 2,787	- 2,131	- 1,948
Acquired accumulated depreciation				
Change in accumulated depreciation due to sales and disposals	455	466	259	274
Depreciation for the year	- 595	- 669	- 407	- 457
ACCUMULATED DEPRECIATION AT YEAR-END	- 3,130	- 2,990	- 2,279	- 2,131

Properties used in operations, acquisition value	GROUP		THE BANK	
	2003	2002	2003	2002
Opening balance	1,205	1,736	28	28
Added during the year	191	153		
Eliminated during the year	- 371	- 684		
CLOSING BALANCE	1,025	1,205	28	28
Tax assessment value	75	59	28	28

34 Other assets

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Tax assets		185		185
Security settlement claims *	2,524	33	2,524	33
Derivatives	26,787	25,933	29,137	27,130
Other assets **	2,805	2,086	283	244
Deferred tax assets	233	263	153	167
Group contributions, shareholders' contributions			5,217	4,642
TOTAL	32,349	28,500	37,314	32,401
of which in foreign currency	10,998	20,231	11,853	17,095

* Booked on balance sheet according to current netting rules.

Gross security settlement claims 8,151 3,523 8,151 3,523

** Repossessed leasing assets amounted to SEK 138 M (112).

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

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

Specification of deferred tax claim	GROUP		THE BANK	
	2003	2002	2003	2002
Pensions	94	82	94	81
Tax loss carryforwards	65	47	48	47
Currency hedges	42	61		
Other	32	73	11	39
TOTAL	233	263	153	167

35 Derivatives

The Group trades in derivatives in the normal course of business and for the purpose of hedging certain positions with regard to the value of equities, interest rates and foreign currencies. The following table is prepared in accordance with the directives of the Swedish Financial Supervisory Authority and includes all derivatives in the Group, excluding options in First Securities and FI-Holding. For more information, see Notes 29 and 30. Generally, derivatives are reported at fair value. Exceptions are made for derivatives that are accounted for as hedges. Deviations between book and fair value reported below correspond to opposing deviations for other positions in lending and funding.

Group, 2003

Derivatives with positive fair values or nil value

Derivatives reported wholly or in part on the balance sheet

SEK M	Interest-rate-related			Currency-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	52	55	18,293	225	225	2,714
Forward contracts	2,459	2,459	801,625	9,287	9,287	209,226
Swaps	14,605	12,727	377,747	2,386	1,040	57,673
Other derivatives	0	0	1,986			
TOTAL	17,116	15,241	1,199,651	11,898	10,552	269,613
of which, cleared	329	329	246,754			

Derivatives not reported on the balance sheet

SEK M	Interest-rate-related			Currency-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Forward contracts	85		2,341	123		15,390
Other derivatives						
TOTAL	85		2,341	123		15,390
TOTAL	17,201	15,241	1,201,992	12,021	10,552	285,003
of which, cleared	329	329	246,754			

Derivatives with positive fair values or nil value

Derivatives reported wholly or in part on the balance sheet

SEK M	Equity-related			Other		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	1,000	1,002	5,083	2	2	1
Forward contracts	89	89	491			
Swaps	17	9	428	0	0	11,331
Other derivatives			6	10	10	184
TOTAL	1,106	1,100	6,008	12	12	11,516
of which, cleared	360	360				

The unrealized gain on derivatives with positive values deferred due to hedge accounting amounts to SEK 3,435 M.

Group, 2003

Derivatives with negative fair values

Derivatives reported wholly or in part on the balance sheet

SEK M	Interest-rate-related			Currency-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	71	70	14,584	215	215	2,619
Forward contracts	2,559	2,559	804,595	11,485	11,485	245,491
Swaps	17,626	14,978	410,404	11,095	6,100	149,172
Other derivatives	19	19	4,845			
TOTAL	20,275	17,626	1,234,428	22,795	17,800	397,282
of which, cleared	329	329	283,072			

Derivatives not reported on the balance sheet

SEK M	Interest-rate-related			Currency-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Forward contracts				1,700		34,236
Other derivatives						
TOTAL				1,700		34,236
TOTAL	20,275	17,626	1,234,428	24,495	17,800	431,518
of which, cleared	329	329	283,072			

Derivatives with negative fair values

Derivatives reported wholly or in part on the balance sheet

SEK M	Equity-related			Other		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	948	934	5,233	2	2	1
Forward contracts	92	92	730			
Swaps						
Other derivatives			4	8	8	132
TOTAL	1,040	1,026	5,967	10	10	133
of which, cleared	360	360				

The unrealized loss on derivatives with negative values deferred due to hedge accounting amounts to SEK 9,358 M.

The Bank, 2003

Derivatives with positive fair values or nil value

Derivatives reported wholly or in part on the balance sheet

SEK M	Interest-rate-related			Currency-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	49	49	16,459	225	225	2,703
Forward contracts	2,458	2,458	800,649	9,869	9,869	215,376
Swaps	13,648	12,683	355,542	3,750	3,541	37,245
Other derivatives	0	0	1,986			
TOTAL	16,155	15,190	1,174,636	13,844	13,635	255,324
of which, cleared	329	329	246,754			

Derivatives with positive fair values or nil value

Derivatives reported wholly or in part on the balance sheet

SEK M	Equity-related			Other		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	971	971	4,847			
Forward contracts	89	89	491			
Swaps						
Other derivatives						
TOTAL	1,060	1,060	5,338			
of which, cleared	360	360				

The unrealized gain on derivatives with positive values deferred due to hedge accounting amounts to SEK 1,174 M.

The Bank, 2003

Derivatives with negative fair values

Derivatives reported wholly or in part on the balance sheet

SEK M	Interest-rate-related			Currency-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	68	68	13,999	215	215	2,607
Forward contracts	2,559	2,559	804,534	11,505	11,505	249,973
Swaps	13,472	13,434	326,476	1,974	1,974	39,918
Other derivatives	2	2	4,845			
TOTAL	16,101	16,063	1,149,854	13,694	13,694	292,498
of which, cleared	329	329	283,072			

Derivatives with negative fair values

Derivatives reported wholly or in part on the balance sheet

SEK M	Equity-related			Other		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Options held	885	885	4,916			
Forward contracts	92	92	731			
Swaps						
Other derivatives						
TOTAL	977	977	5,647			
of which, cleared	360	360				

The unrealized gain on derivatives with negative values deferred due to hedge accounting amounts to SEK 38 M.

36 Prepayments and accrued income

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Accrued interest income	4,598	5,248	2,038	1,986
Prepayments and accrued income	2,250	2,663	1,460	1,562
TOTAL	6,848	7,911	3,498	3,548
of which in foreign currency	1,876	2,556	518	868

37 Amounts owed to credit institutions

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Swedish banks	38,512	48,435	60,029	48,724
Other Swedish credit institutions	2,374	176	8,389	5,972
TOTAL	40,886	48,611	68,418	54,696
Foreign banks	62,802	52,403	45,685	46,727
Other foreign credit institutions	1,753	1,800	1,753	1,799
TOTAL	64,555	54,203	47,438	48,526
TOTAL	95,441	102,814	115,756	103,222
of which in foreign currency	40,739	31,521	32,108	23,895
of which Group companies			31,449	10,337
of which associated companies	3,125	2,968	3,125	2,968

Summary of maturities, SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Remaining maturity				
Payable on demand	38,710	44,238	46,650	52,862
≤ 3 months	15,667	39,193	36,137	38,200
> 3 months – 1 year	18,485	12,799	18,952	11,760
> 1 year – 5 years	18,249	2,634	14,617	400
> 5 years	4,330	3,950		
TOTAL	95,441	102,814	115,756	103,222
Average remaining maturity	1.30 yrs.	0.70 yrs.	0.54 yrs.	0.15 yrs.

38 Deposits and borrowings from the public

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Deposits in SEK				
Swedish public	209,561	191,340	201,220	182,662
Foreign public	10,142	12,018	8,896	9,961
Other	12,425	13,155	12,399	13,095
TOTAL	232,128	216,513	222,515	205,718
Deposits in foreign currency	50,538	46,439	12,983	13,291
TOTAL	282,666	262,952	235,498	219,009
Borrowings in SEK				
Borrowings in foreign currency	950	467		
TOTAL	950	467		
TOTAL	283,616	263,419	235,498	219,009
of which Group companies			3,222	2,859

Deposits	GROUP		THE BANK	
	2003	2002	2003	2002
Summary of maturities, SEK M				
Remaining maturity				
Payable on demand	243,277	218,998	211,186	190,342
≤ 3 months	29,700	34,307	21,534	25,476
> 3 months – 1 year	7,254	6,824	1,306	1,422
> 1 year – 5 years	2,409	2,788	1,472	1,769
> 5 years	26	35		
TOTAL	282,666	262,952	235,498	219,009
Average remaining maturity	0.06 yrs.	0.07 yrs.	0.04 yrs.	0.05 yrs.

Borrowings	GROUP	
	2003	2002
Summary of maturities, SEK M		
Remaining maturity		
Payable on demand		
≤ 3 months	138	109
> 3 months – 1 year	718	335
> 1 year – 5 years	65	
> 5 years	29	23
TOTAL	950	467
Average remaining maturity	1.12 yrs.	1.12 yrs.

39 Debt securities in issue

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Promissory notes in issue				
Commercial paper	116,205	123,411	35,622	40,670
Bond loans	321,779	293,721	6,849	4,394
Other	4,119	3,122		
TOTAL	442,103	420,254	42,471	45,064
of which in foreign currency	254,636	250,436	35,073	40,731

Summary of maturities, SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
≤ 1 year	240,747	206,194	33,577	40,338
> 1 year – 5 years	179,746	188,434	8,882	4,636
> 5 years – 10 years	15,581	17,548	12	90
> 10 years	6,029	8,078		
TOTAL	442,103	420,254	42,471	45,064
Average remaining maturity	1.7 yrs.	1.9 yrs.	0.8 yrs.	0.6 yrs.

40 Liabilities in the insurance operations

SEK M	GROUP	
	2003	2002
Actuarial provisions	787	692
Actuarial provisions for which insurance policyholders bear the risk	37,081	31,318
Other liabilities	214	233
TOTAL	38,082	32,243

41 Other liabilities

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Tax liabilities	339	100	162	
Security payment liabilities *	43	3,656	43	3,656
Liability, stock loans	561	515	561	515
Securities sold short	11,762	10,321	11,762	10,321
Derivatives	36,344	33,005	29,986	29,095
Group liabilities			266	257
Other	5,401	5,000	2,960	2,377
TOTAL	54,450	52,597	45,740	46,221
of which in foreign currency	25,839	23,519	19,508	18,528

* Booked on the balance sheet according to current netting rules

Gross security payment liabilities	5,670	7,146	5,670	7,145
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42 Accruals and deferred income

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Accrued interest expenses	6,664	7,174	673	956
Accruals and deferred income	3,594	3,520	1,381	1,435
TOTAL	10,258	10,694	2,054	2,391
of which in foreign currency	2,701	3,119	425	657

43 Provisions

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Provisions for pensions	10	13	8	12
Provisions for taxes				
Deferred tax	4,375	3,890	888	664
Other taxes	1	80		
Other	55	69	18	23
TOTAL	4,441	4,052	914	699

"Other" includes provisions for guarantees of SEK 55 M (69) in the Group and SEK 18 M (23) in the Bank.

Specification of deferred tax	GROUP		THE BANK	
	2003	2002	2003	2002
Untaxed reserves	3,470	3,223		
Reserve for unrealized gains	888	639	888	638
Other	17	28		26
TOTAL DEFERRED TAX	4,375	3,890	888	664

44 Subordinated liabilities

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Subordinated loans	17,671	15,827	13,781	13,964
Undated subordinated loans	9,138	11,809	6,399	7,610
Other	17	19		
TOTAL	26,826	27,655	20,180	21,574
of which in foreign currency	24,110	25,838	18,506	20,049

Specification of subordinated liabilities

The Bank

Fixed-term subordinated loans

Maturity	Right to prepayment for FöreningsSparbanken	Currency	Nominal value	Book value in SEK M	Coupon interest rate %
1989/2019		SEK	111	111	11.00
1992/2006		SEK	904	743	zero-coupon bond
1993/2008		SEK	216	139	zero-coupon bond
1994/2010		SEK	1,259	681	zero-coupon bond
1998/2008		EUR	152	1,374	5.50
1998/2008		EUR	35	322	5.50
1999/2009		EUR	200	1,814	variable
2000/2010	2005	USD	200	1,448	variable
2001/2011	2006	USD	300	2,169	variable
2002/2012	2007	EUR	400	3,622	4.60
2003/2013	2008	EUR	150	1,358	variable
TOTAL				13,781	

Undated subordinated loans

Maturity	Right to prepayment for FöreningsSparbanken	Currency	Nominal value	Book value in SEK M	Coupon interest rate %
1996/undated	2011	JPY	10,000	678	4.35
1996/undated	2006	USD	150	1,078	7.50
1997/undated	2012	USD	50	362	8.01
1997/undated	2007	USD	50	362	7.74
1997/undated	2012	USD	200	1,431	7.50
1998/undated	2028	JPY	5,000	338	500
2000/undated *	2010	USD	300	2,150	9.00
TOTAL				6,399	

* Due to the terms of the loan, the Swedish Financial Supervisory Authority has approved it as a primary capital contribution.

45 Untaxed reserves

The Bank, 2003 SEM M	Opening balance	Allocation	Reversal	Closing balance
Accumulated accelerated depreciation				
Equipment	297		- 87	210
Tax allocation reserve	7,094	1,724	- 1,088	7,730
TOTAL	7,391	1,724	- 1,175	7,940
Specification of allocations				
Allocated 1998				866
Allocated 1999				1,311
Allocated 2000				1,119
Allocated 2001				1,383
Allocated 2002				1,327
Allocated 2003				1,724
TOTAL				7,730

46 Shareholders' equity

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Restricted equity				
SUBSCRIBED CAPITAL	10,556 *	10,556	10,556 *	10,556
Share premium reserve	3,650	3,650	3,650	3,650
Legal reserve	5,480	5,480	2,638	2,638
Reserve for unrealized gains	2,288	1,646	2,283	1,640
Accumulated translation difference	- 2	- 2		
Other reserves	8,165	7,904		
TOTAL RESERVES	19,581	18,678	8,571	7,928
Non-restricted equity				
Accumulated translation difference	97	219		
Profit brought forward	5,342	4,997	2,092	3,158
Profit for the financial year	6,343	4,152	4,597	2,546
TOTAL NON-RESTRICTED EQUITY	11,782	9,368	6,689	5,704
TOTAL SHAREHOLDERS' EQUITY	41,919	38,602	25,816	24,188

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

The accumulated translation difference includes an exchange rate difference on the financing of subsidiaries and associated companies of SEK -148 M (-208).

Specification of reserve for unrealized gains

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Balance sheet items				
Government debt instruments	10	19	10	19
Bonds	2,231	1,427	2,228	1,424
Shares and participating interests	47	131	45	128
Other assets		69		69
TOTAL	2,288	1,646	2,283	1,640

47 Assets pledged for own liabilities

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Assets pledged for own liabilities, book amount				
Government securities and bonds pledged for liabilities, credit institutions	19,225	27,216	19,225	27,216
Government securities and bonds pledged for deposits from the public	10,900	17,250	10,900	17,250
Government securities and bonds pledged with the Central bank	25,709	26,742	25,709	26,742
Loans pledged for certain outstanding bonds		111		
Fund shares pledged for insurance policyholders	37,440	31,681		
Stock loans	4,456	1,807	4,456	1,807
TOTAL	97,730	104,807	60,290	73,015

48 Other assets pledged

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Other assets pledged, book amount				
Stock loans	6,422	1,635	6,422	1,635
Government securities and bonds pledged for other liabilities	3,536	5,461	3,532	5,357
Liquid assets	2,030		2,030	
TOTAL	11,988	7,096	11,984	6,992

49 Contingent liabilities

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Contingent liabilities, nominal amount				
Loan guarantees	5,125	4,135	12,634	9,013
Other guarantees	12,590	12,347	10,457	8,705
Accepted and endorsed notes	171	131	171	131
Letters of credit granted but not utilized	1,448	1,375	1,362	1,336
Other contingent liabilities	2,854	3,537	393	515
TOTAL	22,188	21,525	25,017	19,700

50 Commitments

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Commitments, nominal amount				
Other interest-, equity- or currency-related contracts *	3,178,930	2,342,166	2,885,662	2,090,886
Loans granted but not paid	58,937	53,215	41,088	36,589
Overdraft facilities granted but not utilized	45,660	43,607	46,576	46,499
TOTAL	3,283,527	2,438,988	2,973,326	2,173,974

* The very large amounts for interest-, equity- or currency-related contracts are attributable to the fact that nominal amounts are used and that positive and negative amounts are added together rather than netted, in accordance with the instructions of the Swedish Financial Supervisory Authority.

51 Capital adequacy

I. Calculation of total capital base

SEK M	FINANCIAL COMPANIES GROUP		THE BANK	
	2003	2002	2003	2002
Primary capital (net) *	42,158	40,266	29,141	27,534
of which primary capital contribution	2,149	2,596	2,149	2,596
Supplementary capital	24,848	25,103	16,921	17,831
of which undated subordinated loans	7,240	9,568	4,250	5,014
Settlement, equities, etc.	-4,282	-5,266	-1,188	-1,201
Total primary and supplementary capital	62,724	60,103	44,876	44,164
Expanded portion of capital base	971	1,105	743	877
TOTAL	63,695	61,208	45,619	45,041

* Specification of primary capital

SEK M	2003	2002	2003	2002
Shareholders' equity according to balance sheet	41,919	38,602	25,816	24,188
Proposed dividend	-3,035	-2,903	-3,035	-2,903
Adjustments for financial companies group **	-2,404	-1,332		
72 percent of accrual reserve			5,566	5,109
Primary capital contribution	2,149	2,596	2,149	2,596
Minority/majority interests	9,417	10,471		
Accumulated accelerated depreciation	-131	-145		
Goodwill	-5,757	-7,023	-1,355	-1,456
TOTAL PRIMARY CAPITAL	42,158	40,266	29,141	27,534

** Primarily deductions for insurance companies not included in the financial companies group

Primary capital was reduced by SEK 468 M on December 31, 2003 for non-allocated deferred tax on FöreningsSparbanken's share of the retained earnings in Hansabank, which, if distributed, would result in a tax charge of corresponding amount. The tax on FöreningsSparbanken's share of the proposed dividend from Hansabank for 2003 has been charged against profit.

II. Calculation of risk-weighted amount for credit risks

SEK M	FINANCIAL COMPANIES GROUP		THE BANK	
	2003	2002	2003	2002
On-balance-sheet items				
Group A - 0%				
Group B - 20%	21,370	23,478	15,458	17,414
Group C - 50%	195,017	181,655	15,307	14,886
Group D - 100%	325,642	313,358	134,412	136,016
Off-balance-sheet items				
Group A - 0%				
Group B - 20%	2,360	3,252	689	912
Group C - 50%	244	269	57	63
Group D - 100%	17,227	17,367	20,147	17,377
TOTAL	561,860	539,379	186,070	186,668

III. Calculation of risk-weighted amount for market risks

SEK M	2003	2002	2003	2002
Risk-weighted amount for interest rate risks	11,146	9,128	6,732	5,275
of which, specific risks	5,741	4,666	2,642	1,735
of which, general risks	5,405	4,462	4,090	3,540
Risk-weighted amount for share price risks	444	354	212	225
of which, specific risks	170	138	76	86
of which, general risks	274	216	136	139
Risk-weighted amount for liquidation risks	4	0	3	0
Risk-weighted amount for counterparty risks and other risks	7,621	7,935	7,277	7,493
Risk-weighted amount for currency risks	6,445	8,257	4,419	5,100
TOTAL	25,660	25,674	18,643	18,093

IV. Calculation of total capital adequacy ratio

SEK M	2003	2002	2003	2002
Total capital base	63,695	61,208	45,619	45,041
Total risk-weighted amount for credit risks and market risks	587,520	565,053	204,713	204,761
Total capital adequacy ratio, %	10.8	10.8	22.3	22.0
Primary capital ratio, %	7.2	7.1	14.2	13.5

Specification of II.

Financial companies group	2003			2002		
		Total investments	Risk-weighted amount	Total investments	Risk-weighted amount	
SEK M						
On-balance-sheet items						
Group A - 0%		94,444		106,152		
Group B - 20%		106,852	21,370	117,389	23,478	
Group C - 50%		390,034	195,017	363,310	181,655	
Group D - 100%		325,642	325,642	313,358	313,358	
Off-balance-sheet items	Nominal amount	Converted amount	Risk-weighted amount	Nominal amount	Converted amount	Risk-weighted amount
Group A - 0%	120,973	4,622		110,155	2,777	
Group B - 20%	664,704	11,801	2,360	762,886	16,259	3,252
Group C - 50%	14,991	488	244	54,030	537	269
Group D - 100%	31,260	17,227	17,227	38,089	17,367	17,367
TOTAL			561,860			539,379

THE BANK	2003			2002		
		Total investments	Risk-weighted amount	Total investments	Risk-weighted amount	
SEK M						
On-balance-sheet items						
Group A - 0%		143,190		119,407		
Group B - 20%		77,288	15,458	87,071	17,414	
Group C - 50%		30,613	15,307	29,771	14,886	
Group D - 100%		134,412	134,412	136,016	136,016	
Off-balance-sheet items	Nominal amount	Converted amount	Risk-weighted amount	Nominal amount	Converted amount	Risk-weighted amount
Group A - 0%	93,417	4,332		92,856	1,861	
Group B - 20%	113,225	3,444	689	211,110	4,559	912
Group C - 50%	360	113	57	30,332	125	63
Group D - 100%	30,387	20,147	20,147	27,253	17,377	17,377
TOTAL			186,070			186,668

52 Business areas

	Swedish Retail	Swedbank Markets	Asset Management and Insurance	International Banking	Treasury Management	Services and Group Staffs	Eliminations	Total
	2003	2003	2003	2003	2003	2003	2003	2003
External income	14,417	1,596	2,450	4,516	1,386	406	- 318	24,453
Internal income	889	306	- 1,194		- 6	2,784	- 2,779	
TOTAL INCOME	15,306	1,902	1,256	4,516	1,380	3,190	- 3,097	24,453
Depreciation/amortization	- 240	- 15	- 238	- 480	0	- 305		- 1,278
Share of profit of associated companies	89	- 7		- 230		32		- 116
Profit after tax	3,909	553	329	718	1,103	- 269		6,343
Total assets	657,915	232,205	41,560	143,921	368,578	7,785	- 449,630	1,002,334
Share of capital	950	134		1,447	1	288		2,820
Liabilities	636,161	230,112	39,801	135,131	367,437	7,623	- 449,630	966,635
Allocated shareholders' equity	21,754	2,093	1,759	8,790	1,141	162		35,699
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	657,915	232,205	41,560	143,921	368,578	7,785	- 449,630	1,002,334

	Swedish Retail	Swedbank Markets	Asset Management and Insurance	International Banking	Treasury Management	Services and Group Staffs	Eliminations	Total
	2002	2002	2002	2002	2002	2002	2002	2002
External income	14,649	1,129	2,653	4,298	591	409	- 728	23,001
Internal income	800	242	- 1,329		- 3	2,137	- 1,847	
TOTAL INCOME	15,449	1,371	1,324	4,298	588	2,546	- 2,575	23,001
Depreciation/amortization	- 392	- 20	- 247	- 577	0	- 178		- 1,414
Share of profit of associated companies	- 146	- 13		- 444		15		- 588
Profit after tax	3,820	85	371	563	124	- 811		4,152
Total assets	602,351	205,248	35,801	136,005	340,114	6,239	- 368,255	957,503
Share of capital	917	188	0	1,715	1	268		3,089
Liabilities	581,984	202,999	33,830	127,482	338,807	6,076	- 368,255	922,923
Allocated shareholders' equity	20,367	2,249	1,971	8,523	1,307	163		34,580
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	602,351	205,248	35,801	136,005	340,114	6,239	- 368,255	957,503

53 Disclosure of transactions with related parties

Group companies

As all Group companies are consolidated according to the purchase method, which means that internal transactions are eliminated at the Group level, there is no disclosure other than what is provided below, which relates to insurance companies in the Group.

SEK M	2003	2002 *
Received from other Group companies		
Financial income	64	83
Premium income for insurance and reinsurance	71	66
Paid to other Group companies		
Financial expenses		
Premium expenses for insurance and reinsurance	31	31

* In the annual report for 2002, figures for 2002 are reported on a different basis.

Associated companies

Each note to the balance sheet specifies assets and liabilities between the Group and its associated companies. Shares and participating interests in associated companies are specified in Note 29.

The Bank has issued guarantees and pledged assets of SEK 1,632 M on behalf of associated companies, at the same time that associated companies have issued guarantees and pledged assets of SEK 241 M on behalf of the Bank.

FöreningsSparbanken has received interest income from associated companies of SEK 108 M and paid interest expenses to associated companies of SEK 81 M. Moreover, services have been purchased from associated companies for a value of SEK 38 M, at the same time services with a value of SEK 344 M have been sold to associated companies.

Sales relate primarily to the development of products, systems and certain marketing that the Bank provides to the partly owned banks Eskilstuna ReKame, Sjuhärad, Söderhamn, Färs & Frosta, Bergslagen and Vimmerby. The partly owned banks sell various products from Spintab, Robur and FöreningsSparbanken Finans and receive commissions from such sales.

Independent savings banks

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

The cooperation gives FöreningsSparbanken's customers access to a nationwide branch network. The savings banks, for their part, are able to offer their customers the entire range of products and services from FöreningsSparbanken and its subsidiaries. The cooperation also creates opportunities to distribute development costs over a larger business volume.

Together, the independent savings banks and partly owned banks account for approximately one fourth of the Group's product sales in the Swedish market. The independent savings banks and partly owned banks market to their customers, on a commission basis, the products from Spintab, Robur and FöreningsSparbanken Finans, among others. In addition to marketing and product issues, close collaboration is maintained in a number of administrative areas. For example, FöreningsSparbanken is the clearing bank for the independent savings banks and partly owned banks and provides them with a complete range of IT services.

The independent savings banks and partly owned banks together are one of the largest shareholders in FöreningsSparbanken, with 7.6 percent of the capital and voting rights.

Senior executives

Disclosures can be found in Note 7 Staff costs.

Swedish Savings Banks Association

FöreningsSparbanken holds 17.5 percent of the voting rights in the non-profit Swedish Savings Banks Association. The Association in turn owns 100 percent of the shares in Sparta Holding AB, the parent company of Skandrenting AB and Skepparholmen AB, among others.

On December 31, 2003 FöreningsSparbanken had receivables of approximately SEK 4.5 billion (4.5) from the Swedish Savings Banks Association and its subsidiaries for loans granted on commercial terms. At year-end 2003 the Bank sold its shareholding in Skandrenting AB to Sparta Holding AB, generating a capital gain of nearly SEK 5 M.

54 Other disclosures

Subordinated assets

The total volume of assets that the Bank may own in accordance with chap. 2 § 15 of the Swedish Banking Act amounts to 30 percent of the capital base.

Thus, the limit for such assets is SEK 13,686 M. Actual assets of this type amounted to SEK 1,527 M on December 31, 2003.

55 Disclosure of fair value

Comparison between the book and fair value of the Group's assets and liabilities.

Assets, 2003 SEK billion	Fair value	Book value	Difference
Assets not reported at fair value on the balance sheet			
Financial instruments			
Treasury bills and other bills eligible for refinancing with central banks			
Fixed assets	0.9	0.9	
Bonds and interest-bearing securities			
Current assets – reported as hedges	7.1	7.1	
Fixed assets	0.4	0.4	
Other assets			
Swaps – reported as hedges	4.0	0.8	3.2
Shares/participating interests			
Fixed assets	0.9	0.8	0.1
Loans			
Loans to credit institutions	76.6	76.6	
Loans to the public	755.5-761.6	749.7	5.8-11.9
Insurance operations			
Bonds and interest-bearing securities	0.2	0.2	
Real estate			
Tangible assets	0.8	0.8	
Assets reported at fair value on the balance sheet			
Current assets	155.0	155.0	
Other	10.0	10.0	
TOTAL	1,011.4-1,017.5	1,002.3	9.1-15.2

Liabilities, 2003 SEK billion	Fair value	Book value	Difference
Liabilities not reported at fair value on the balance sheet			
Financial instruments			
Debt securities in issue	442.2	442.1	0.1
Other liabilities			
Swaps – reported as hedges	13.1	5.6	7.5
Others valued at acquisition value	25.4	25.4	
Subordinated liabilities	29.7	26.8	2.9
Deposits and borrowings			
Amounts owed to credit institutions	95.5	95.4	0.1
Deposits and borrowings from the public	283.6-283.7	283.6	0.0-0.1
Liabilities reported at fair value on the balance sheet			
	81.5	81.5	
TOTAL	971.0-971.1	960.4	10.6-10.7

The fair value of intangible assets, provisions and equipment is considered equivalent to book value. In the table, the fair value of these items has therefore been equated with book value.

Financial instruments

In the table, financial instruments are divided into the categories fixed assets and current assets reported as hedges. Hedge accounting is applied when current assets are held to eliminate market risks in assets and liabilities reported at acquisition value on the balance sheet. Current assets reported as hedges are taken up on the balance sheet at (accrued) acquisition value. If the hedge is effective, any decline in the value of the protected item is compensated by a corresponding increase in the value of the protecting position, and vice versa. To the extent the fair value of the hedged instrument deviates from its book value, this deviation is offset by an equivalent deviation in the opposite direction between the book value and fair value of the protected position. Financial instruments treated as current assets and not reported as hedges are taken up on the balance sheet at fair value. The fair value of other financial instruments (assets or liabilities) is calculated in the same way as the value of these current assets. This means that to the extent listed market prices exist for assets and liabilities, fair value is calculated on the basis of the median price when the market closed on December 31, 2003. For OTC instruments, the calculation of fair value is based on prices of comparable listed instruments. The options in First Securities and FI-Holding described in Notes 29 and 30 have not been taken into account.

Deposits and loans

Variable rate deposits and loans are valued at accrued acquisition value. The fair value of deposits and loans with fixed interest rates has been calculated by discounting future contracted cash flows during the fixed interest period. The calculation therefore does not include an estimation of the value represented by future margins that have not been stipulated in advance on deposits and loans. When calculating the fair value of the Bank's fixed rate deposits, discounting has been applied using the Bank's estimated financing expense. This corresponds to the interest rates in the deposit market for terms of up to one year and by the interest rates on Spintab's benchmark bonds for longer maturities.

The fair value of the Group's fixed rate loans has been stated in the form of an interval. The lower end of the interval is calculated by discounting the loan portfolio's contracted cash flow with the new loan rates for various terms applied at the end of 2003. The high end is calculated by discounting the loan portfolio's contracted cash flow with the Group's funding rate for various terms. According to the instructions of the Swedish Financial Supervisory Authority, the discount rate selected should reflect both the loan's interest fixing period and the market's valuation of the credit risk in each loan. The discount rate should also reflect a potential buyer's cost to administer the loans and its required return on invested risk capital.

56 Disclosure of financial risks and other risks

Financial risks

Financial risks refer to market risks such as interest rate, currency and share price risks, as well as liquidity risks. See also Note 58.

Interest rate risks

Interest rate risk refers to the risk that the value of a financial instrument may fluctuate due to changes in interest rates. The Group's interest rate risks arise when interest fixing periods on assets and liabilities, including derivatives, do not coincide. The Group's fixed-rate assets consist primarily of loans. The interest rate risk in these assets is largely eliminated either because they are financed with fixed-term funding or because the Group has arranged swap contracts where it pays a fixed interest rate.

An increase in market interest rates (including real interest rates) of one percentage point as of December 31, 2003 would have reduced the value of the Group's interest-bearing assets and liabilities, including derivatives, by SEK 1,770 M (725). The decrease in value of positions in SEK would have been SEK 1,445 M (459) and positions in foreign currency SEK 325 M (266). The Group's interest rate risk in foreign currency is primarily in the foreign subsidiaries FI-Holding and Hansabank. For a table of the interest rate risk staggered over time, see Note 57. The increase in measured interest rate risk is primarily due to positions taken to reduce the sensitivity of net interest income to falling interest rates (see comment below).

An interest rate increase of one percentage point would have reduced the Group's net profit on financial operations by SEK 276 M (184) as of December 31, 2003. The increase in the sensitivity in net profit on financial operations arises primarily due to a change in positioning in the Group's liquidity portfolio in both the Parent Company and the Danish subsidiary FI-Holding.

Changes in interest rates also affect net interest income. The scope of the effect depends on the remaining interest fixing period of the Group's fixed-term assets, liabilities and derivatives and the extent to which the Bank is able to match the interest rates on variable-term deposits and lending. The Group has large volumes of deposits that carry a variable interest so low that it is unlikely it can be further reduced even if Swedish repo rates are cut. These volumes increased significantly in 2003 due to reductions in the repo rate. The Parent Company decided in 2003 to position itself to reduce the negative effects on net interest income due to Sweden's low repo rates. This resulted in a positive contribution to profit. The chosen positioning increases the measured interest rate risk, since the deposits whose net interest rate risk was intended to be protected is assumed to be variable rate when the Group's interest rate risk is calculated. See also Note 58.

Currency risks

Currency risk refers to the risk that the value of assets, liabilities and derivatives may fluctuate due to changes in exchange rates. The Group's currency risks are managed by adapting the total value of assets and liabilities, including derivatives, in a currency to the desired level. This is mainly done using derivatives, such as interest rate swaps and forward exchange agreements.

At year-end 21 percent (24) of the Group's assets and 41 percent (42) of its liabilities were denominated in foreign currency. Two thirds of the Group's assets and a third of its liabilities in foreign currency are in the subsidiaries FI-Holding and Hansabank. Slightly over another third of the Group's liabilities in foreign currency are attributable to loans raised by Spintab. Other than a small portion that finances lending in euro, Spintab's funding in foreign currency is swapped in its entirety to SEK. The Parent Company's liabilities in foreign currency were slightly higher than its assets in foreign currency at year-end. The large part of the currency risk in the additional liabilities was eliminated through forward exchange agreements and interest rate swaps.

At year-end Hansabank had an asset position in euro with an equivalent value of nearly SEK 11.4 billion. The position was created in part because Hansabank placed a large share of its liquidity reserves in euro-denominated securities and in part because a large share of Hansabank's lending in euro is financed by deposits in Estonian kroon. A change in the exchange rate between the Estonian kroon and euro would occur only in an extreme situation. The value of the Estonian currency is based on a currency board with the euro, and the exchange rate against the euro (until 1999 against the German mark) has been fixed according to Estonian law since the currency reform of 1992. At year-end Hansabank also held strategic positions in Latvian lats and Lithuanian litas due to investments in foreign subsidiaries in Latvia and Lithuania.

To reduce currency risk, FöreningsSparbanken's strategic holdings in foreign companies and subsidiaries are generally financed in each company's national currency. One exception, however, is the Bank's holding in Hansabank, which is financed in a combination of euro and a basket of currencies to which the Latvian currency is linked.

There had previously been a portion of financing in Swedish krona, but this was eliminated in 2003, which reduced the Group's total currency exposure.

As a whole, the Group's exposure to currency risk is limited. A change in exchange rates between the Swedish krona and foreign currencies of +/- 5 percent would have affected the value in foreign currency of the Group's assets and liabilities, including goodwill, by no more than approximately SEK 1 M (50) at year-end.

Share price risks

Share price risk refers to the risk that the value of a financial instrument may fluctuate due to changes in share prices and expectations of their future volatility. Exposure to share price risks arises in the Group due to holdings in equities and equity-related derivatives. The Bank's equity trading is primarily customer-related. Positions in the Bank's trading operations are normally such that only limited losses can arise from large share price movements. The purpose of these positions, among other things, is to create liquidity for the Bank's customers.

A +/- 10-percent move in equity prices would not change the value of the positions in the trading operations by no more than approximately SEK 0 M (0) at year-end. Other than the holdings in the Bank's trading operations, there are minor holdings in FI-Holding and Hansabank.

Model-based risk measurement: Value at Risk and stress tests

Since 2002 the Group has a model-based risk measurement to complement its other risk measurements, such as sensitivity measures. A sensitivity measure could, for example, be the effect on profit that arises in a portfolio when all market interest rates rise by one percentage point. A model for movements in interest rates, stock prices and exchange rates would be used to estimate a probability distribution for the Group's total portfolio, under the hypothetical assumption that the portfolio will remain unchanged over a specific horizon.

In FöreningsSparbanken's model, the probability distribution is estimated daily with a Monte Carlo simulation, where the scenarios are based on historical volatility in market prices over the last year. The horizon is one trading day. Using the probability distribution as a basis, an estimation is made of Value-at-Risk (VaR), which in recent years has become the international standard for risk measurement. VaR indicates a portfolio's potential loss that is so high there is little likelihood it will be exceeded. FöreningsSparbanken uses a 99% VaR, which means there is only a 1% likelihood that the potential loss will exceed the VaR amount over the selected horizon.

Since the model's scenarios are based on historical measures, the co-variations between market prices that arise on a regular basis – e.g. how various interest rates historically fluctuate in relation to each other – are taken into account when VaR is calculated. The model therefore provides a richer, more thorough estimate of market risk than other sensitivity measures. Another advantage of VaR is that different types of risks (interest rate, share price and currency) can be compared and summarized with a single measure.

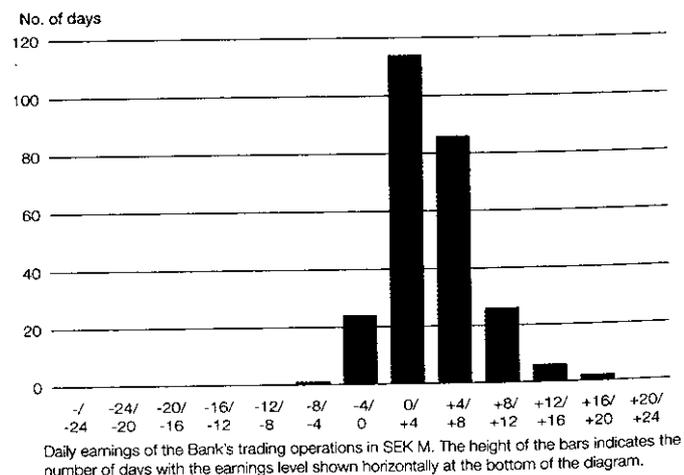
FöreningsSparbanken's VaR model is continuously evaluated through so-called back testing, which is a systematic way to assess after the fact whether the probability distribution of the possible portfolio results that the model generated was reasonable. The conclusion of the back testing done to date is that the model offers good reliability.

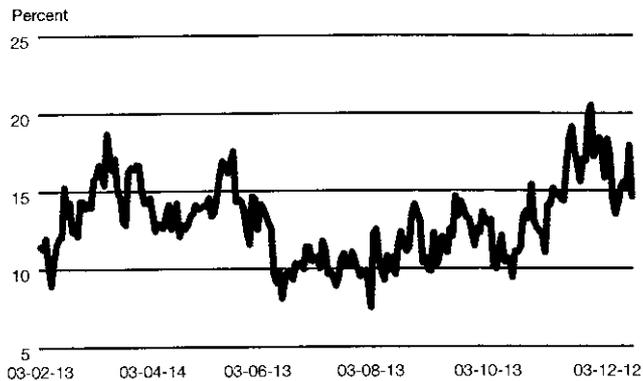
One weakness with VaR is that the historical connections the calculation is based on sometimes break down in stressful situations in the financial market. The calculation of VaR is therefore complemented by frequent stress tests that describe the Group's potential loss if such exceptional market disturbances were to occur that historical market patterns were disrupted. The Bank conducts a number of standardized stress tests on a regular basis as well as ad hoc stress tests on occasion, e.g. prior to the anniversary of September 11.

Market risks in the Bank's trading operations

The Bank's trading operations are handled by Swedbank Markets, for the primary purpose of satisfying customer demand for transactions in the financial market. Position-taking is limited in scope and the risk level in these operations is low. The diagram below shows that the daily earnings of the operations in 2003, which remained at a stable level with only minor variations during the year. The consistent earnings level and absence of individual days with major losses is typical of a trading business that operates with low risk.

Daily earnings by the Bank's trading operations in 2003, SEK M



VaR for the Bank's trading operations

During the period the VaR for the trading operations was as low as SEK 7.5 M and as high as SEK 20.5 M, with an average of SEK 13.0 M.

Liquidity risks

Liquidity risks arise because the maturity structures of cash flows from assets and liabilities, including derivatives, do not coincide. If its maturity structure is such that the Bank has to borrow large amounts to fulfill its payment commitments on a particular day, there is a risk that in a difficult market situation the Bank may find it difficult to meet its commitments or be forced to borrow money on unfavorable terms. The Group actively manages its liquidity in order to avoid these risks. This is accomplished, among other ways, by maintaining a liquidity reserve to prepare for payment commitments on such days and over the longer term. The reserve consists of assets eligible for refinancing with the Riksbank. The subsidiaries FI-Holding and Hansabank also have liquidity reserves in the form of securities eligible for refinancing with their respective central banks.

Furthermore, the Group's liquidity situation is continuously monitored and funding is planned in such a way as to avoid excessive short-term financing needs.

Good relations with lenders and active marketing of the Group as a borrower in the world's most important capital markets are also strategically important to the Group's liquidity situation. The Group therefore works actively to maintain and further develop the well-diversified funding base it already has, where well-diversified

refers to both the number of markets and number of investors. The Group thus maintains good liquidity preparedness based on a conservative risk profile.

Derivatives

Derivatives are financial instruments whose value is mainly dependent on an underlying asset, and in the Group are used by Swedbank Markets, Group Treasury and certain subsidiaries. In Swedbank Markets, derivatives are used to meet customer needs and in market maker activities to cover and take market risk positions. Equity-related derivatives are used to, among other things, cover risks associated with warrants and share index bonds that have been issued. In other units, derivatives are used primarily to reduce interest rate and currency risks associated with the services the Group offers customers or with the funding of operations. Derivatives impact the Group's financial risks because the value of the instruments is affected by movements in interest rates and the price of currencies and equities. Financial risks associated with derivatives are limited and monitored as part of the overall management of financial risks. The cash flows that arise from the Group's derivative transactions are monitored and followed up in the same way as other cash flows within the Group.

The table in Note 35 divides the Group's total derivative positions as of December 31, 2003 into interest, currency and equity derivatives as well as other. Contracts with positive and negative market values are summed separately. The table also indicates how large a share of the Group's derivatives is settled via clearing organizations. In contracts with positive market values, the Group has a receivable from the counterparty. To the extent a contract is settled via a clearing organization, the Bank has a receivable from it. The clearing organization manages and reduces counterparty risks through the use of margin security and continuous settlements. As a result, the counterparty risk in these contracts is negligible and is not considered a credit risk for the Bank. Nor are these contracts included in the risk-weighted amount when calculating the Bank's capital requirements for counterparty risks. With other contracts, so-called OTC derivatives, a positive market value can be said to entail a credit risk. To reduce the credit risk in OTC derivatives, the Group generally signs agreements with counterparties that contain a clause on netting, i.e. in the event of the counterparty's insolvency, any transactions by the Bank with negative market values can be netted against transactions with positive market values and in that way reduce the credit risk.

57 Impact on the value of assets and liabilities in SEK and foreign currency, including derivatives, if market interest rates rise by one percentage point

Group 2003, SEK M	<3 mos.	3-6 mos.	6-12 mos.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	5-10 yrs.	>10 yrs.	Total
SEK	-90	123	-300	-365	-520	-93	-287	23	64	-1,445
Foreign currency	10	-21	-78	7	-71	-29	24	34	-201	-325
TOTAL	-80	102	-378	-358	-591	-122	-263	57	-137	-1,770

Of which financial current assets
valued at market in the Group

SEK	-32	-9	-37	-13	-139	91	-43	-136	60	-258
Foreign currency	-7	17	-35	-34	-33	14	27	73	-40	-18
TOTAL	-39	8	-72	-47	-172	105	-16	-63	20	-276

Group 2002, SEK M	<3 mos.	3-6 mos.	6-12 mos.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	5-10 yrs.	>10 yrs.	Total
SEK	-102	2	-105	-71	-62	-58	-278	260	-55	-469
Foreign currency	-9	-18	1	-32	67	-35	-42	-20	-178	-266
TOTAL	-111	-16	-104	-103	5	-93	-320	240	-233	-735

Of which financial current assets
valued at market in the Group

SEK	-79	-32	2	-16	5	-44	-82	152	-61	-155
Foreign currency	-18	-17	4	-8	4	2	13	11	-30	-39
TOTAL	-97	-49	6	-24	9	-42	-69	163	-91	-194

58 Sensitivity analysis

	Change	2003	2002
Net interest income, 12 months ¹⁾			
Increased interest rates	+ 1 p.p.	- 220	+ 20
Decreased interest rates	- 1 p.p.	- 440	- 540
Change in ²⁾			
Market interest rate	+ 1 p.p.	276	- 184
	- 1 p.p.	+ 270	+ 166
Stock prices	+ 10 %	+ 9	+ 3
	- 10 %	+ 10	+ 1
Exchange rates	+ 5 %	+ 1	+ 4
	- 5 %	- 1	+ 2
Other			
Stock market performance ³⁾	+/- 10 %	+/- 181	+/- 142
Staff changes	+/- 100 employees	+/- 45	+/- 45
Payroll changes	+/- 1 p.p.	+/- 64	+/- 62
Doubtful claims ⁴⁾	+/- SEK 1 bn	+/- 40	+/- 50
Loan loss level	+/- 0.1 p.p.	+/- 756	+/- 707

¹⁾ The calculation is based on the assumption that market interest rates rise by one percentage point and thereafter remain at the new level for one year, that the Group raises interest rates on both loans and deposits (including low-interest rate deposits) by one percentage point, and that the balance sheet remains unchanged during the period. The calculation for declining interest rates is done in corresponding fashion with the exception that the interest rate on low-interest rate deposits is assumed to remain unchanged.

²⁾ The calculation refers to the immediate effect on profit of each scenario for the Group's market-valued interest rate positions and its equity and currency positions.

³⁾ Refers to the affect on net commission income of the change in value of Robur's equity funds.

⁴⁾ The cost of capital for 2003 is 4 percent and for 2002 5 percent.

59 Interest fixing periods

The Group's interest-bearing assets and liabilities including interest-related derivatives distributed by interest fixing periods.

2003, SEK M	<= 3 mos.	3-6 mos.	6 mos.-1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	5-10 yrs.	>10 yrs.	Whitout interest	Total
Assets, nominal value											
Cash and balances with central banks	3,437									4,580	8,017
Treasury bills and other bills eligible for refinancing with central banks	4,104	565	1,623	659	287	201	2,292	576	3,829		14,136
Loans to credit institutions	69,258	4,993	1,838	218	170	80	75	11			76,643
Loans to the public	374,927	48,657	54,405	98,355	60,718	36,147	38,771	24,244	13,528		749,752
Bonds and other securities	31,861	6,195	984	10,770	2,749	3,441	4,349	2,117	572		63,038
Other										90,748	90,748
TOTAL ASSETS	483,587	60,410	58,850	110,002	63,924	39,869	45,487	26,948	17,929	95,328	1,002,334
Liabilities, nominal value											
Amounts owed to credit institutions	81,322	7,379	5,426	515	212	133		454			95,441
Deposits and borrowings from the public	263,826	9,366	4,002	1,450	1,113	1,117	949	907	886		283,616
Debt securities in issue and subordinated liabilities	229,611	68,873	17,482	47,237	35,532	23,561	22,633	10,294	13,706		468,929
Other liability items	407	110	114	41						111,757	112,429
Shareholders' equity										41,919	41,919
TOTAL LIABILITIES	575,166	85,728	27,024	49,243	36,857	24,811	23,582	11,655	14,592	153,676	1,002,334
Derivatives, nominal value, net*	71,038	-18,433	-12,174	-18,859	-496	-8,629	-9,052	-13,502	-3,210		-13,317
NET, INCLUDING DERIVATIVES	-20,541	-43,751	19,652	41,900	26,571	6,429	12,853	1,791	127	-58,348	-13,317

* For options, delta-weighted nominal amounts are used.

60 Currency distribution

Group, 2003

SEK M	SEK	Euro	USD	GBP	Other	Total
Assets						
Loans to credit institutions	40,393	13,348	11,857	699	10,346	76,643
Loans to the public	625,109	41,319	16,923	246	66,155	749,752
Interest-bearing securities	48,390	12,207	6,722	1,319	8,536	77,174
Other assets, not distributed	98,765					98,765
TOTAL	812,657	66,874	35,502	2,264	85,037	1,002,334
Liabilities						
Amounts owed to credit institutions	54,703	12,955	18,407	2,927	6,449	95,441
Deposits and borrowings from the public	232,128	7,536	10,112	4,253	29,587	283,616
Debt securities in issue and subordinated liabilities	190,183	121,947	119,403	11,856	25,540	468,929
Other liabilities, not distributed	154,348					154,348
TOTAL	631,362	142,438	147,922	19,036	61,576	1,002,334
Other assets and liabilities, including positions in derivatives		83,958	112,123	16,720	-28,212	
Net position in currency		8,394	-297	-52	-4,751	

Other currencies include a short position in Estonian kroon, EEK, corresponding to -7,685. Since the Estonian currency is fixed against the euro, EUR, according to Estonian law, the long position in euro is reduced by the short position in Estonian kroon.

The Bank, 2003

SEK M	SEK	Euro	USD	GBP	Other	Total
Assets						
Loans to credit institutions	95,289	11,913	10,869	539	5,813	124,423
Loans to the public	193,898	7,515	7,856	393	2,393	212,055
Interest-bearing securities	51,997	16,959	11,824	1,104	24	81,908
Other assets, not distributed	77,983					77,983
TOTAL	419,167	36,387	30,549	2,036	8,230	496,369
Liabilities						
Amounts owed to credit institutions	83,649	7,927	15,833	2,882	5,465	115,756
Deposits and borrowings from the public	222,514	3,063	3,901	4,084	1,936	235,498
Debt securities in issue and subordinated liabilities	9,071	9,483	43,007	39	1,051	62,651
Other liabilities, not distributed	82,464					82,464
TOTAL	397,698	20,473	62,741	7,005	8,452	496,369
Other assets and liabilities, including positions in derivatives		-18,955	31,869	4,898	6,959	
Net position in currency		-3,041	-323	-71	6,737	

Group, 2002	SEK	Euro	USD	GBP	Other	Total
SEK M						
Assets						
Loans to credit institutions	50,535	12,353	22,877	525	12,372	98,662
Loans to the public	586,424	31,697	18,277	1,351	65,648	703,397
Interest-bearing securities	40,194	5,938	9,956	1,445	7,351	64,884
Other assets, not distributed	90,560					90,560
TOTAL	767,713	49,988	51,110	3,321	85,371	957,503
Liabilities						
Amounts owed to credit institutions	71,293	10,726	15,301	398	5,096	102,814
Deposits and borrowings from the public	216,512	9,147	11,579	2,600	23,581	263,419
Debt securities in issue and subordinated liabilities	171,636	87,395	139,724	18,205	30,949	447,909
Other liabilities, not distributed	143,361					143,361
TOTAL	602,802	107,268	166,604	21,203	59,626	957,503
Other assets and liabilities, including positions in derivatives		66,115	115,402	17,853	- 29,387	
Net position in currency		8,835	- 92	- 29	- 3,642	

Other currencies include a short position in Estonian kroon, EEK, corresponding to -6,776. Since the Estonian currency is fixed against the euro, EUR, according to Estonian law, the long position in euro is reduced by the short position in Estonian kroon.

The Bank, 2002	SEK	Euro	USD	GBP	Other	Total
SEK M						
Assets						
Loans to credit institutions	77,360	11,597	22,001	227	8,184	119,369
Loans to the public	191,206	4,295	9,426	487	3,811	209,225
Interest-bearing securities	44,341	10,366	13,173	1,445	25	69,350
Other assets, not distributed	71,815					71,815
TOTAL	384,722	26,258	44,600	2,159	12,020	469,759
Liabilities						
Amounts owed to credit institutions	79,327	4,631	15,303	302	3,659	103,222
Deposits and borrowings from the public	205,718	6,138	3,906	2,434	813	219,009
Debt securities in issue and subordinated liabilities	5,857	10,153	47,186	2,319	1,123	66,638
Other liabilities, not distributed	80,890					80,890
TOTAL	371,792	20,922	66,395	5,055	5,595	469,759
Other assets and liabilities, including positions in derivatives		- 6,610	21,653	2,656	104	
Net position in currency		- 1,274	- 142	- 40	6,529	

61 Specification of adjustments for non-cash items in operating activities

SEK M	GROUP		THE BANK	
	2003	2002	2003	2002
Settlement of pensions	- 19	- 76	- 19	- 76
Unrealized changes in value/currency changes	629	105	195	- 108
Capital gains/losses on financial fixed assets	- 541	- 12	- 490	- 1
Capital gains/losses on property and equipment	23	- 105	38	- 124
Share of capital of associated companies	116	588		
Depreciation and write-down of tangible fixed assets	633	715	407	457
Depreciation and write-down of financial fixed assets	0	264	447	1,083
Reversal of write-down of financial fixed assets	- 55		- 55	
Amortization of goodwill and other intangible fixed assets	645	696	101	101
Write-down of loans	945	2,193	945	1,707
Change in insurance reserve	98	- 163		
Dividend, Group companies *			- 574	- 350
Accrued income and prepayments	1,043	669	51	692
Accruals and deferred income	- 452	343	- 337	- 720
Other	- 3	- 15	- 3	- 13
TOTAL	3,062	5,202	706	2,648

* Refers to net between the pending dividend reported as income for the financial year and the dividend received during the year for the previous financial year.

62 Profit and loss account for insurance operations prepared according to annual accounts act for insurance companies

SEK M	Life insurance operations		Non-life insurance operations	
	2003	2002	2003	2002
Technical reporting of non-life insurance operations				
Premium income			78	73
Return on capital transferred from financial operations			0	0
Other technical income			0	0
Insurance compensation			-41	83
Change in other actuarial provisions			0	0
Refunds and discounts			0	0
Operating expenses			-5	-5
Other technical costs			0	0
TECHNICAL RESULT, NON-LIFE INSURANCE OPERATIONS			32	151
Technical reporting of life insurance operations				
Premium income	6,161	7,146		
Return on capital, income	830	1,118		
Unrealized gains/losses on investment assets where policyholder bears the risk	3,836	-13,726		
Other technical income				
Insurance compensation	-3,601	-3,918		
Change in other actuarial provisions	-6,345	10,373		
Refunds and discounts	-7	-5		
Operating expenses	-202	-200		
Return on capital, expenses	-2	-4		
Unrealized losses on investment assets	0	-8		
Other technical costs	-21	-3		
Return on capital transferred to financial operations (tax on investment returns)	-404	-530		
TECHNICAL RESULT, LIFE INSURANCE OPERATIONS	245	243		
Non-technical reporting				
Technical result, non-life insurance operations			32	151
Technical result, life insurance operations	245	243		
Return on capital, income	73	90	22	22
Unrealized gains on investment assets	1	3	1	3
Return on capital transferred from life insurance operations	404	530		
Return on capital, expenses	-5	-3	-1	-25
Unrealized losses on investment assets	0	-1		
Return on capital transferred to non-life insurance operations				
Other income and expenses	-1	-1		
PROFIT BEFORE APPROPRIATIONS AND TAXES	717	861	54	151
Appropriations				
Tax on investment returns	-404	-530	-18	-41
Taxes	-38	-34		
PROFIT FOR THE FINANCIAL YEAR	275	297	36	110
	2003	2002		
Number of employees in insurance operations	23	34		
SEK M				
	2003	2002		
Wages, salaries and other remuneration	8	9		
Pension costs				
Premiums paid	1	2		
Social insurance charges	0	3		
Allocation to profit-sharing fund	0	1		
Training costs	0	0		
Other staff costs	0	0		
TOTAL	9	15		
Wages, salaries and remuneration to the Board, President and Executive Vice Presidents in Sweden to other employees in Sweden	2	3		
Wages, salaries and remuneration to the Board, President and Executive Vice Presidents in Estonia to other employees in Estonia	1	1		
Wages, salaries and remuneration to other employees outside Sweden	2	3		
Bonuses and comparable remuneration to the President and Executive Vice Presidents	2	2		
TOTAL	7	9		
Expenses for the year for pensions and similar benefits:				
To the Board, President and Executive Vice Presidents	1	2		

Proposed disposition of profit

SEK M

The following amounts are at the disposal of the Annual General Meeting:

Profit for the financial year	4,597
<u>Profit brought forward</u>	<u>2,092</u>
Total available	6,689
The Board of Directors recommends:	
A cash dividend to shareholders of SEK 5.75 per share	3,035
To be carried forward	3,654

The Group's non-restricted earnings thereafter amount to SEK 8,747 M. No allocation to restricted reserves in Group companies is proposed.

Board of Directors

Following the Annual General Meeting of 2003, the Board of Directors consisted of the following members: Bo Forslund, Ulrika Francke, Birgitta Johansson-Hedberg, Thomas Johansson, Göran Johnsson, Birgitta Klasén, Marianne Qvick Stoltz, Carl Eric Stålberg, Lennart Sundén and Anders Sundström.

In addition, the Board of Directors included the following employee representatives: Gith Bengtsson and Monica Hellström.

The Board of Directors elected Carl Eric Stålberg as Chairman, Bo Forslund as First Deputy Chairman and Ulrika Francke as Second Deputy Chairman. Birgitta Johansson-Hedberg resigned from the Board in January 2004.

Stockholm, February 16, 2004

Carl Eric Stålberg

Bo Forslund

Ulrika Francke

Thomas Johansson

Göran Johnsson

Birgitta Klasén

Marianne Qvick Stoltz

Lennart Sundén

Anders Sundström

Gith Bengtsson

Monica Hellström

Jan Lidén
President

Auditors' report

To the Annual General Meeting of FöreningsSparbanken AB (publ), registration number 502017-7753.

We have audited the annual report, the consolidated financial statements, the accounting records and the administration by the Board of Directors and the President of FöreningsSparbanken AB for the year 2003. The accounting records and the administration of the Company are the responsibility of the Board of Directors and the President. Our responsibility is to express an opinion of the annual report, the consolidated financial statements and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit in order to obtain reasonable assurance that the annual report and the consolidated financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts.

An audit also includes an assessment of the accounting principles and their application by the Board of Directors and the President, an evaluation of the significant estimates made by the of Directors and the President when they prepared the annual report and the consolidated financial statements, and an evaluation of the overall presentation of information in the annual report and the consolidated financial statements. We have examined significant decisions, actions taken and the circumstances of the Company in order to determine the liability, if any, to the Company of the President or any of the members of the Board of Directors and whether they have acted in any other way in contravention of the Swedish Companies Act, the Swedish Banking Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Company's Articles of Association. We believe that our audit has provided us with a reasonable basis for our opinion set forth below.

The annual report and the consolidated financial accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and therefore provide a true and fair view of the Company's and the Group's profit and financial position in accordance with generally accepted auditing standards in Sweden.

We recommend that the Annual General Meeting adopt the profit and loss accounts and balance sheets of the Parent Company and the Group, deal with the profit in the Parent Company in accordance with the proposal in the Board of Directors' Report, and discharge the members of the Board of Directors and the President from liability for the financial year.

Stockholm, February 20, 2004

Deloitte & Touche AB

Ernst & Young AB

Jan Palmqvist
Authorized Public Accountant

Torbjörn Hanson
Authorized Public Accountant

Peter Markborn
Authorized Public Accountant
Appointed by the Swedish Financial Supervisory Authority

Board of Directors and Auditors

Board of Directors of FöreningsSparbanken AB

Elected by the Annual General Meeting on April 10, 2003

Directors

Carl Eric Ståhlberg, Chairman
 Bo Forslund, First Deputy Chairman
 Ulrika Francke, Second Deputy Chairman
 Birgitta Johansson Hedberg, President
(resigned from the Board in January 2004)
 Thomas Johansson
 Göran Johnsson
 Birgitta Klasén
 Marianne Qvick Stoltz
 Lennart Sundén
 Anders Sundström

Employee representatives

Gith Bengtsson
 Monica Hellström

Deputy Directors elected by the employees

Per Ekström
 Anna-Karin Holst

Auditors of FöreningsSparbanken AB

Elected for four years by the Annual General Meeting on April 10, 2003

Auditors

Deloitte & Touche AB
 Authorized Public Accountant Jan Palmqvist,
 Chief Auditor and Chairman

Ernst & Young AB

Authorized Public Accountant Torbjörn Hansson,
 Chief Auditor

Appointed by the Swedish Financial Supervisory Authority

Authorized Public Accountant Peter Markborn
 PMAC AB

Nomination Committee of FöreningsSparbanken AB

The proposal for members of the Bank's Nomination Committee is prepared together with the Bank's major shareholders and other interested parties and submitted to the Annual General Meeting for approval.

The Nomination Committee reports at Bank's Annual General Meeting on the principles that served as the basis for its work in nominating Board members.

In accordance with the decision of the Annual General Meeting in 2003, the Nomination Committee consists of:

Thomas Halvorsen,
 Chairman of the Nomination Committee, President of the Fourth National Pension Insurance Fund

Lorentz Andersson,
 Governor of Västerbotten County

Bengt Eriksson,
 Chairman of FSR

Lars Otterbeck,
 President of Alecta Pensionsförsäkring Ömsesidigt

Eva Karin Hempel,
 agronomist and board member of the Federation of Swedish Farmers

Per-Göran Nyberg,
 board member of Sparbanksstiftelsernas Förvaltningsaktiebolag

Board work

The Board of Directors has overall responsibility for the operations of *FöreningsSparbanken*. The President is responsible for day-to-day management. In addition to his legal responsibilities, the Chairman is also responsible for strategic issues involving protecting the interests of the Group.

According to *FöreningsSparbanken's* articles of association, the Board of Directors consists of no fewer than nine and no more than 11 members, in addition to employee representatives and their deputies. Information on the members of the Board since the last *Annual General Meeting* is provided on page 111.

Nomination Committee

FöreningsSparbanken has a Nomination Committee annually elected by the *Annual General Meeting*. The role of the committee is to recommend Board members and Auditors as well as their fees. The *Annual General Meeting* in 2003 elected the following committee members: Thomas Halvorsen, President of the Fourth National Pension Insurance Fund; Governor Lorentz Andersson; former bank executive Per-Göran Nyberg; Bengt Eriksson, Chairman of the National Organization of Independent Savings Banks, agronomist Eva Karin Hempel, and Lars Otterbeck, President of *Alecta Pensionsförsäkring Ömsesidigt*.

Compensation to Board members, the President and other senior executives is provided in Note 7.

Board work during the year

During the year the Board of Directors held a total of 18 meetings devoted to, among other things, the following issues:

- Monitoring major market events
- Development of the Bank's efforts to improve customer satisfaction

- Development of the Swedish branch operations
- Development of the international strategy
- New financial objectives
- Development of the Bank's strategy vis-à-vis independent savings banks
- Review of corporate governance, including independent risk control coordinated at the Group level
- The Bank's preparations for Sweden's possible membership in EMU
- Development of the Group-wide economic capital program
- The Bank's cooperation with *Spare-Bank 1 Gruppen*
- The Bank's cooperation with Aktia.

During the year the Board of Directors took a study tour of retail operations in Germany and Austria.

Credit and Capital Market Committee

The Board has a Credit and Capital Market Committee, which consists of the Chairman of the Board, the President and four other members appointed from within the Board.

The Committee held 22 meetings during the year.

The Committee responds to credit and limit queries submitted to the Board within certain limits, provided that the cases in question are not of a principle nature or otherwise are of major significance.

Since the *Annual General Meeting* in 2003 the Committee has had the following members: Carl Eric Ståhlberg, Chairman, Bo Forslund, Deputy Chairman, Ulrika Francke, Birgitta Johansson-Hedberg, Thomas Johansson and Göran Johnsson.

Audit and Security Committee

The Board's Audit and Security Committee, which consists of four members

appointed from within the Board, held four meetings during the year.

The Committee is responsible for, among other things, maintaining the Board's contacts with the internal audit and security functions and the external auditors in order to provide the Board with greater access to information on auditing and security operations in the Bank, to facilitate and improve opportunities for the internal audit unit and external auditors to communicate with the Board and to evaluate the Bank's security work.

In addition, the Committee is responsible for reviewing the report compiled at least once a year that describes and evaluates the operational risks in the Bank. The Committee also has the right to initiate action on matters regarding operational risks and conditions noted in the Bank's organization related to such risks.

Since the *Annual General Meeting* in 2003 the Committee has had the following members: Ulrika Francke, Chairman, Lennart Sundén, Deputy Chairman, Birgitta Klasén and Marianne Qvick Stoltz.

Election Committee

The Board has an Election Committee consisting of two members appointed from within the Board. The Committee is primarily responsible for preparing issues regarding the appointment of members and chairmen of the boards of the local banks.

Since the *Annual General Meeting* in 2003 the Committee has consisted of Bo Forslund.

Compensation Committee

The Board's Compensation Committee consists of the Chairman of the Board and the two Deputy Chairmen.

Since the Annual General Meeting in 2003, the Committee has consisted of Carl Eric Stålberg, Chairman, Bo Forslund, First Deputy Chairman, and Ulrika Francke, Second Deputy Chairman. The committee held eight meetings during the year.

The Compensation Committee determines the salaries and other benefits for the President, Deputy President, other members of the Executive Management, the Head of Internal Audit and other persons who report directly to the President.

During the spring the Compensation Committee established a new policy

with principles for wages and benefits for new executives. The policy defines, among other things, executive categories, total cost range, benefits and pension terms. During the autumn the committee established a policy for the Bank's incentive programs that quality assures new proposals for internal incentive programs and serves as a basis when deciding to establish new programs and measure results. The policy presumes an absolute level for variable compensation, objective and measurable goals, and results that are based on actual performance.

INTERNAL AUDIT

The purpose of Internal Audit is to review and evaluate controls and risk management within the Group. Internal Audit is an internal review function independent from the operational units in accordance with the general advice of the Swedish Financial Supervisory Authority (FFFS 1999:12).

Internal Audit is directly subordinate to the Board of Directors.

Internal Audit also assists the outside auditors in their tasks.

Board of Directors



CARL ERIC STÅLBORG

Chairman since 2003. Born 1951. Graduate Business Administrator. Elected 2001.

Other directorships: Chairman of the Swedish Skiing Association. Deputy Chairman of the International Skiing Federation and European Savings Bank Group (ESBG). Board Member of Sparebank 1 Gruppen AS and the Swedish Olympic Committee.

Chairman of the Board of Directors' Credit and Capital Market Committee.

Holding: 10,000 shares and 0 warrants.



BO FORSLUND

First Deputy Chairman since 2003. Born 1939. Former Member of the Swedish Parliament. Chairman of the Sundsvall City Council. Elected 1991.

Other directorships: Chairman of Savings Bank Foundation Norrland and Sparbanksstiftelsernas Förvaltningsaktiebolag. Deputy Chairman of the Supervisory Board of Aktia Sparbank Ab.

Chairman of the Board of Directors' Election Committee and Deputy Chairman of the Credit and Capital Market Committee.

Holding: 7,001 shares and 0 warrants.



ULRIKA FRANCKE

Second Deputy Chairman since 2003. Born 1956. President of SBC Ek för SBC Bostadsrättscentrum AB. Elected 2002.

Other directorships: Chairman of the Stockholm Building Society and its subsidiaries and foundations, and Södersjukhuset AB. Board Member of SBC Bostadsrättscentrum AB's subsidiaries, Econova Biotech AB, Skanska AB and Tyréns AB.

Member of the Board of Directors' Credit and Capital Market Committee and Chairman of the Audit and Security Committee.

Holding: 481 shares and 0 warrants.



THOMAS JOHANSSON

Deputy Chairman of the Federation of Swedish Farmers. Born 1954. B.Sc. in Agriculture. Elected 2001.

Other directorships: Chairman of the Swedish Agricultural Research Foundation. Deputy Chairman of Federation of Swedish Farmers. Board Member of Agro Väst AB, Hagmarks Mistra and Swedish Meats.

Member of the Board of Directors' Credit and Capital Market Committee.

Holding: 100 shares and 0 warrants.



GÖRAN JOHANSSON

Chairman of the Swedish Metal Workers' Union. Born 1945. Elementary school and labor union training. Elected 1997.

Other directorships: Deputy Chairman of the European and Nordic federations of metal workers' unions. Board Member of the Fourth National Pension Insurance Fund, the International Metalworkers' Federation, the Swedish Trade Union Confederation, the Swedish Foundation for Strategic Research and Stiftelsen Kvinnoforum. Deputy Member of the Swedish Social Democratic Party /Party Board and Executive Committee.

Member of the Board of Directors' Credit and Capital Market Committee.

Holding: 15 shares and 0 warrants.



BIRGITTA KLASÉN

Chief Information Officer EADS – European Aeronautic Defence and Space Company – as of February 18, 2004. Born 1949. Civil Engineer. Elected 2000.

Other directorships: Board Member of E.ON Benelux bv, Ledstjärnan AB, ENIRO AB and IP Unpluggad AB.

Member of the Board of Directors' Audit and Security Committee.

Holding: 2,000 shares and 0 warrants.



MARIANNE QVICK STOLTZ

Small business owner. Born 1949. Diploma in Retail Economics, studied at CHF, Lausanne. Elected 1994.

Other directorships: President/Co-owner of Aug Magnussons Eftf AB. Chairman/Co-owner of Tidforum Göteborg AB. Deputy Chairman of Higab and Västsvenska industri och Handelskammaren. Board Member of Göteborg o Co Träffpunkt AB.

Member of the Board of Directors' Audit and Security Committee.

Holding: 321 shares and 0 warrants.



LENNART SUNDÉN

President of Swedish Match AB. Born 1952. Civil Engineer and Graduate Business Administrator. Elected 2000.

Other directorships: Board Member of A André GmbH & Co KG, JM AB and Swedish Match AB with subsidiaries.

Deputy Chairman of the Board of Directors' Audit and Security Committee.

Holding: 2,000 shares and 0 warrants.



ANDERS SUNDSTRÖM

Member of Parliament. Born 1952. Urban planner. Elected 2003.

Other directorships: Chairman of Luleå University of Technology and Sparbanken Nord. Board member of Bollden AB and Excellent e-Service AB. Member of the Swedish Social Democratic Party /Party Board and Executive Committee.

Holding: 1,000 shares and 0 warrants.



GITH BENGTSSON

Bank employee. Born 1962. Employee representative. Elected 2000.

Other directorship: Board Member of Sparinstitutens Pensionskassa (SPK).

Holding: 321 shares and 700 warrants.



MONICA HELLSTRÖM

Bank employee. Born 1948. Employee representative. Deputy Board member since 1999, Board member since 2003.

Other directorships: None.

Holding: 0 shares and 600 warrants.



JAN LIDÉN

President and CEO, adjunct member of the Board, Head of the Stockholm Region and acting CFO. Born 1949. Graduate Business Administrator. Employed since 1990.

Other directorships: Chairman of Förenings-Sparbankens Fastighetsbyrå AB. Board member of Visa International/Visa International EU, Visa Sweden Service AB/Visa Sweden Association and the Swedish Bankers Association.

Holding: 481 shares and 10,000 warrants.



CECILIA HERNQVIST

Secretary of the Board of Directors and the Executive Management. Born 1960. Bachelor of Laws. Employed since 1990.

Holding: 0 shares and 0 warrants.



HÅKAN BERG

Head of Internal Audit. Born 1955. Bachelor of Laws. Employed since 1984. Adjunct member of the Employed September 2003. Adjunct member of the Board of Directors' Audit and Security Committee.

Holding: 0 shares and 20,000 warrants.

Executive Management



JAN LIDÉN

President and CEO, adjunct member of the Board, Head of the Stockholm Region and acting CFO. Born 1949. Graduate Business Administrator. Employed since 1990.

Holding: 481 shares and 10,000 warrants.



ANDERS EK

Executive Vice President and President of AB Robur. Born 1948. Bachelor of Arts. Employed since 2000.

Holding: 0 shares and 20,000 warrants.



GERT ENGMAN

Executive Vice President, Chief Information Officer and Head of Shared Services. Born 1949. Graduate Economist. Employed since 1993.

Holding: 1,811 shares and 20,000 warrants.



GÖRAN GUNNARSSON

Executive Vice President and Head of Electronic Channels. Born 1943. Economist. Employed since 2001. Previously employed 1985-1999.

Holding: 1,712 shares and 5,000 warrants.



LENNART HAGLUND

Executive Vice President and Manager of the Southern Region. Born 1947. Marketing economist. Employed since 1999.

Holding: 1,000 shares and 10,000 warrants.



KJELL HEDMAN

Executive Vice President and Head of Customer Offerings and Products. Born 1951. Economist. Employed since 1985.

Holding: 200 shares and 5,000 warrants.



BRITT HENRIKSSON

Executive Vice President and Manager of the Northern Region. Born 1949. Marketing economist. Employed since 1969.

Holding: 0 shares and 20,000 warrants.



MIKAEL INGLÄNDER

Executive Vice President and Manager of the Southeastern Region. Born 1963. Graduate Business Administrator. Employed since 1988.

Holding: 0 shares and 5,000 warrants.



LARS-ERIK KVIST

Executive Vice President and Chief Credit Officer. Born 1945. Graduate Business Administrator. Employed since 1974.

Holding: 2,581 shares and 20,000 warrants.



BENGT-ERIK LINDGREN

Executive Vice President and Manager of the Central Region. Born 1950. Graduate Economist. Employed since 1975.

Holding: 3,000 shares and 21,000 warrants.



INGRID PERSSON

Executive Vice President responsible for independent savings banks and partly owned banks. Born 1948. Graduate Economist. Employed since 1994.

Holding: 750 shares and 15,000 warrants.



PETER RYDELL

Executive Vice President and Manager of the Western Region. Born 1948. Bachelor of Laws. Employed since 2002.

Holding: 150 shares and 0 warrants.



GÖRAN THEODORSSON

Executive Vice President, and Head of Human Resources and Competence Development. Born 1948. Economist. Employed since 1969.

Holding: 481 shares and 20,000 warrants.



ANNIKA WIJKSTRÖM

Executive Vice President and Head of International Banking as well as Swedbank Markets. Born 1951. Bachelor of Arts. Employed since 1986.

Holding: 650 shares and 20,000 warrants.



HENRIK KOLGA

Head of Communications. Born 1953. MBA.

Holding: 0 shares and 0 warrants.



GITH BENGTSSON

Bank employee. Born 1962. Upper secondary education. Employee representative. Elected 2000.

Holding: 321 shares and 700 warrants.

Other Senior Executives

LARS EKLUND

Senior Vice President responsible for Operational Risks, Security, Legal Affairs, Insurance and Crisis Management. Born 1945. Bachelor of Laws. Employed since 1989.

Adjunct member of the Board of Directors' Audit and Security Committee. Chairman of the Audit and Security Sub-Committee.

Holding: 1,981 shares and 20,000 warrants.

ROBERT CHARPENTIER

Senior Vice President and Deputy Head of Swedbank Markets. Born 1965. Master of Economics. Employed since 1997.

Holding: 0 shares and 10,000 warrants.

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Swift: swedsess

Swedbank Markets

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Fax: +46-8-796 49 85
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Robur Försäkring AB

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FSB BolånDirekt Bank

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e-mail: kundesenter@entercard.no

Annual General Meeting

The Annual General Meeting will be held at 2:00 p.m. (CET) on Thursday, April 22, 2004 at ELMIA Kongress & Konserthus, Elmiavägen, Jönköping. Registration for the meeting begins at 12:30 p.m.

Notification of attendance, etc.

Shareholders who wish to attend the Annual General Meeting must be recorded in the register issued by VPC AB (the Swedish Securities Register Center) on Thursday, April 8, 2004 and must notify the Company of their intention to participate and the number of persons who will accompany them (max. 2) not later 3:00 p.m. on Friday, April 16, 2004 in writing to FöreningsSparbanken's headquarters, Box 47022, SE-100 74 Stockholm, Sweden, by telephone +46 8 775 44 66, by fax +46 8 775 81 65 or via the Internet at www.foreningssparbanken.se/ir under the heading *bolagsstämma* (Annual General Meeting).

When notifying the Company, please indicate your name, personal/company registration number (for Swedish citizens or companies), address and tele-phone number. To vote by proxy, a duly signed and dated power of attorney must be submitted to the Bank prior to the meeting. If the power of attorney is issued by a legal entity, it must be accompanied by a certified registration certificate or other document attesting to the authority of the signatory. The power of attorney may be no more than one year old.

To be entitled to attend the meeting, shareholders whose shares are nominee-registered must request to have them temporarily re-entered in their own names in the shareholders register. The registration process, which normally takes several days, must be effected by Thursday, April 8, 2004. Shareholders should therefore advise their nominees well in advance of this date.



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The printer and the paper bear the Swan mark, the symbol of environmental protection in the Nordic countries.

While every care has been taken in the translation of this Annual Report, readers are reminded that the original Annual Report, signed by the Board of Directors, is in Swedish.

Agenda

Matters which by law and the Articles of Association shall come before the Annual General Meeting: presentation of the annual report of the Board of Directors and the President and the Auditors' report as well as the consolidated financial statements and the Auditors' report for the Group for the financial year 2003, the adoption of the profit and loss account and the balance sheet as well as the consolidated profit and loss account and the consolidated balance sheet, the disposition of the Bank's profit in accordance with the adopted balance sheet, the approval of the record date for the dividend, the discharge from liability of the members of the Board of Directors and the President for the period covered by the report, and the election of the Board of Directors and approval of the Board of Directors' and Auditors' fees.

Among other matters will be two proposals from the Board of Directors. The first is to acquire the Bank's own shares in order to facilitate securities operations. The second proposal is to authorize the Board to decide to acquire shares in the Bank and transfer such shares.

A list of the matters on the agenda for the Annual General Meeting will be included in the notice of the meeting, which is scheduled to be published in, among others, the dailies *Dagens Nyheter*, *Svenska Dagbladet* and *Dagens Industri*.

Dividend

The Board of Directors recommends that shareholders receive a dividend of SEK 5.75 per share. Tuesday, April 27, 2004 has been proposed as the record date for the right to the 2003 dividend. The last day for trading in the Bank's share with the right to the dividend is Thursday, April 22, 2004.

If the Annual General Meeting adopts the Board of Directors' recommendation, the dividend is expected to be paid by VPC on Friday, April 30, 2004.

Financial information 2004

FöreningsSparbanken's financial reports are preliminarily scheduled for release on the following dates:

Interim report January-March 2004	May 4
Interim report January-June 2004	August 18
Interim report January-September 2004	October 29

The Group's financial reports can be accessed on FöreningsSparbanken's website at www.foreningssparbanken.se/ir or obtained at the nearest FöreningsSparbanken branch.

OTHER DIRECTORSHIPS OF PAUL CARPENTER

EASTWOOD LIMITED (Jersey incorporated company)

PRIMEMODERN LIMITED

NATWEST RENTALS LIMITED

NATWEST LESSORS LIMITED

RBS HOTEL DEVELOPMENT COMPANY LIMITED

NATWEST MACHINERY LEASING LIMITED

TIDYISSUE SERVICES LIMITED

RBS HOTEL INVESTMENTS LIMITED

RBS HOTEL INVESTMENTS NO 8 LIMITED

RBS HOTEL INVESTMENTS NO 11 LIMITED

RBS HOTEL INVESTMENTS NO 7 LIMITED

RBS HOTEL INVESTMENTS NO 9 LIMITED

RBS HOTEL INVESTMENTS NO 6 LIMITED

RBS HOTEL INVESTMENTS NO 10 LIMITED

RBS HOTEL INVESTMENTS NO 5 LIMITED

RBS HOTEL INVESTMENTS NO 4 LIMITED

RBS HOTEL INVESTMENTS NO 3 LIMITED

RBS HOTEL INVESTMENTS NO 1 LIMITED

SPEEDWARD LIMITED

NATWEST LEASE MANAGEMENT LIMITED

DRAKEPLOT LIMITED

NATWEST PROPERTY INVESTMENTS LIMITED

NATWEST CORPORATE INVESTMENTS

NATWEST OVERSEAS OPPORTUNITIES LIMITED

RBS HOTEL INVESTMENTS NO 2 LIMITED

RBS HOTEL OPERATOR NO 10 LIMITED

RBS HOTEL OPERATOR NO 1 LIMITED

RBS HOTEL OPERATOR NO 3 LIMITED
RBS HOTEL OPERATOR NO 4 LIMITED
RBS HOTEL OPERATOR NO 5 LIMITED
RBS HOTEL OPERATOR NO 6 LIMITED
RBS HOTEL OPERATOR NO 11 LIMITED
RBS HOTEL OPERATOR NO 7 LIMITED
RBS HOTEL OPERATOR NO 8 LIMITED
RBS HOTEL OPERATOR NO 9 LIMITED
ROYAL BANK PROJECT INVESTMENTS LIMITED