



Interim report for FöreningsSparbanken (Swedbank)
January – June 2003
August 22, 2003

Operating profit rose by 25 percent to SEK 4,529 M

First half of 2003 in summary:

- Operating profit rose by 25 percent to SEK 4,529 M (3,612)
- Profit after tax increased by 30 percent to SEK 2,983M (2,292)
- The return on equity rose to 15.3 percent (12.2)
- Earnings per share increased to SEK 5.65 (4.34)
- Total income rose by 7 percent to SEK 12,254 M (11,462)
- Net interest income rose by 3 percent to SEK 7,991 M (7,733)
- Net commission income decreased by 9 percent to SEK 2,701 M (2,956)
- Net profit on financial operations rose to SEK 412 M (70)
- Expenses decreased by 1 percent to SEK 6,807 M (6,899)
- Loan losses decreased by 23 percent to SEK 672 M (868)
- The capital gain on the sale of the shares in Erste Bank amounted to SEK 489 M
- The shareholding in SpareBank 1 Gruppen was written down by SEK 311 M

Group profit

The Group's operating profit for the first half of 2003 rose to SEK 4,529 M (3,612). Income rose to SEK 12,254 M (11,462), while expenses decreased to SEK 6,807 M (6,899). Loan losses decreased to SEK 672 M, compared with SEK 868 M in the first half of 2002. Profit for the period was affected by a capital gain of SEK 489 M on the sale of the shares in Erste Bank and by the writedown of the shareholding in SpareBank 1 Gruppen by SEK 311 M. The return on equity rose to 15.3 percent (12.2), while earnings per share rose to SEK 5.65 (4.34).

Operating profit in the second quarter of the year rose by SEK 563 M compared with the first quarter, to SEK 2,546 M (1,983). The Group's profit trend in recent quarters is shown on page 10.

Income

The Group's income rose by SEK 792 M or 7 percent compared with the first half of 2002 to SEK 12,254 M (11,462). Excluding the capital gain on the sale of the shares in Erste Bank, the income increase was SEK 303 M or 3 percent. Net interest income rose by SEK 258 M, partly due to higher lending volumes, while net commission income decreased by SEK 255 M. Net profit on financial operations rose by SEK 342 M primarily due to higher income from fixed income and foreign exchange operations.

Total income during the second quarter increased by SEK 642 M or by 11 percent to SEK 6 448 M compared with the first quarter. Excluding the capital gain, the increase was SEK 153 M or 3 percent.

Net interest income

The Group's net interest income amounted to SEK 7,991 M (7,733) during the first half-year. In the Swedish retail operations, net interest income from lending rose by approximately SEK 300 M due to higher volumes and margins. Lower deposit margins affected net interest income negatively by approximately SEK 300 M, while higher deposit volumes added slightly over SEK 100 M. Net interest income in Swedbank Markets improved by SEK 89 M. In the International banking operations, net interest income rose by SEK 36 M, mainly through Hansabank's volume growth.

Net interest income in the second quarter was slightly lower than the first quarter. Net interest income from Spintab's mortgage lending continued to develop positively, while net interest income from FI-Holding declined.

Dividends received

Dividends received amounted to SEK 99 M (87).

Net commission income

Net commission income amounted to SEK 2,701 M (2,956). Net commission income from payment services developed positively, rising by SEK 49 M. Asset management commissions declined by SEK 322 M due to lower stock prices and a higher share of savings in fixed income funds, where commissions are lower. Brokerage commissions fell by SEK 22 M due to lower stock market volume.

Net commission income rose by SEK 101 M during the second quarter of 2003 compared with the first quarter, to SEK 1,401 M (1,300). The increase is mainly due to higher lending, securities and payment processing commissions.

Net profit on financial operations

Net profit on financial operations amounted to SEK 412 M (70). Profit from trading in stocks and fixed income securities rose by SEK 275 M, while profit from trading in other financial instruments declined by SEK 104 M. Income from foreign exchange operations rose by SEK 171 M.

Net profit on financial operations rose by SEK 24 M during the second quarter of 2003 compared with the first quarter.

Other income

Other income amounted to SEK 1,051 M (616) during the first half-year. Income was affected by a capital gain of SEK 489 M from the sale of the shareholding in Erste Bank in June 2003. The first half of 2002 included a capital gain of SEK 85 M from branch sales.

Expenses

The Group's expenses in the first half of 2003 decreased by SEK 92 M or 1 percent to SEK 6,807 M (6,899). Expenses in the Swedish operations remained largely unchanged despite that the acquisition of HSB Bank resulted in an increase of SEK 60 M. In the International banking operations, expenses decreased by approximately SEK 100 M compared with the first half of 2002 mainly due to continued rationalizations in Lithuania.

Expenses during the second quarter of 2003 remained largely at the same level as the first quarter.

Staff costs

Staff costs amounted to SEK 3,399 M (3,515). Costs decreased by SEK 72 M in the Swedish operations and by SEK 50 M in Hansabank. Payroll expenses rose by SEK 60 M in the Swedish operations, mainly due to contractual wage increases, while the allocation to the Kopparmyntet profit-sharing fund decreased by SEK 77 M to SEK 59 M. In Hansabank, profit-sharing expenses amounted to SEK 43 M (65).

The number of employees in the Swedish operations has decreased by slightly over 140 during the year. The decrease is part of a personnel reduction through contractual pensions agreed to by around 400 employees in 2002. The personnel reduction program is expected to reduce staff costs by SEK 100 M in 2003 and by SEK 200 M annually starting in 2004.

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

	June 30	Dec 31	June 31
	2003	2002	2002
Total number of employees	15,350	15,468	15,711
<i>Of whom Hansabank</i>	<i>5,762</i>	<i>5,744</i>	<i>6,083</i>

IT expenses

IT expenses include all development and production expenditures as well as computer equipment service costs and depreciation. IT expenses for the first half of 2003, after deducting IT-related income from partly owned banks and independent savings banks, amounted to SEK 1,157 M (1,093). The corresponding expense in the Swedish operations was SEK 1,011 M (948). Harmonization of Swedish IT systems for the country's possible EMU ascension affected expenses by approximately SEK 50 M. For the full-year 2003 the expense for EMU-harmonizing IT systems is estimated at SEK 200 M.

Other expenses

Other expenses – i.e. other administrative expenses, depreciation of tangible fixed assets and amortization of goodwill – amounted to SEK 3,408 M (3,384) during the first half-year. Goodwill amortization, excluding holdings in associated companies, amounted to SEK 307 M (356).

Loan losses and doubtful claims

The loan loss level for the first half of 2003 was 0.19 percent (0.25). Loan losses amounted to SEK 672 M (868), of which FI-Holding and Hansabank accounted for SEK 185 M (42). Of the loan losses, SEK 233 M (567) related to collective provisions for individually assessed claims. The Group's doubtful claims, gross, amounted to SEK 3,650 M as of June 30, 2003, compared with SEK 3,600 M on December 31, 2002. Loan loss reserves amounted to SEK 5,056 M (4,823). A specification of loan losses and claims is provided in notes 3 and 4.

Share of profit/loss of associated companies

The share of profits and losses of associated companies amounted to SEK -246 M (-83). The change is primarily due to the increase in the share of SpareBank 1 Gruppen's loss, SEK -383 M (-117), which was affected by a goodwill writedown of SEK -311 M based on estimated future cash flows. Following the writedown, the book value of FöreningsSparbanken's shareholding in SpareBank 1 Gruppen, SEK 506 M, corresponds to the Bank's share of SpareBank 1 Gruppen's shareholders' equity.

Marakanda, which was divested in early 2003, is included in the amount of SEK -60 M during the first half of 2002.

Tax expense 26 percent

Consolidated profit before tax amounted to SEK 4,479 M (3,574) and the tax expense was SEK 1,186 M (997), or an effective tax rate of 26 percent (28). The lower tax rate for the period is mainly due to previously not utilized tax loss carryforwards for Marakanda.

Interest rate risk

An increase in market interest rates of one percentage point as of June 30, 2003 would have reduced the value of the Group's interest-bearing assets and liabilities, including derivatives, by SEK 1,873 M (735). The decrease in the value of positions in SEK would have been SEK 1,540 M (469) and positions in foreign currency SEK 333 M (266). An interest rate increase of one percentage point would have reduced the Group's net profit on financial operations by SEK 316 M (194) as of June 30, 2003. The higher interest rate risk in Swedish kronor has arisen primarily because the Bank has decided in view of the upcoming EMU referendum to position itself in order to reduce the negative effects on net interest income that would occur if Sweden's repo rate was reduced to the level of the ECB's were Sweden to join EMU. Comparative figures refer to December 31, 2002.

Capital adequacy

The capital adequacy ratio, which is calculated for the financial companies group, amounted to 11.2 percent (10.8) on June 30, 2003, 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 0.6 percentage points (0.5).

The risk-weighted amount for loan risks rose during the period to SEK 552 billion (539). The increase is primarily attributable to higher lending by Spintab and Hansabank.

The risk-weighted amount for market risks rose by SEK 5 billion during the period to nearly SEK 31 billion. The change was mainly due to higher interest-rate risks.

Specification of capital adequacy

SEK M	June 30 2003	Dec 31 2002	June 30 2002
Primary capital *	41,666	40,266	39,224
Supplementary capital	27,246	25,103	25,675
Less shares, etc.	- 4,965	- 5,266	- 5,365
Expanded portion of capital base	1,030	1,105	1,144
Capital base	64,977	61,208	60,678
Risk-weighted amount for credit risks	551,780	539,379	528,038
Risk-weighted amount for market risks	30,856	25,674	29,052
Total risk-weighted amount	582,636	565,053	557,090
Capital adequacy ratio, %	11.2	10.8	10.9
Primary capital ratio, %	7.2	7.1	7.0

* Including profit for the period after deducting the estimated dividend.

As of June 30, 2003 the FöreningsSparbanken financial companies group included the FöreningsSparbanken Group, Eskilstuna Rekarne Sparbank AB, Färs och Frosta Sparbank AB, FöreningsSparbanken Sjuhärad AB, FöreningsSparbanken Söderhamn AB, Bergslagens Sparbank AB, Vimmerby Sparbank AB, Aktia Sparbank Abp in Finland, Sparebank 1 Gruppen A/S and First Securities A/S in Norway. The Group's insurance companies are not included.

Business volumes

Savings and investments

Customers' total savings and investments in FöreningsSparbanken amounted to SEK 520 billion (488) as of June 30, 2003. Customers' deposits, excluding repurchase agreements (repos), rose to SEK 263 billion (254) or by 4 percent. Deposits in SEK rose by 3 percent to SEK 214 billion (208), while deposits in foreign currency rose to SEK 49 billion (46).

Savings and investments, the Group

SEK billion	June 30 2003	Dec 31 2002	June 30 2002
Deposits from the public			
Households, SEK	135.6	129.1	123.8
Other, SEK	78.0	78.5	75.6
Households, foreign currency	15.9	14.9	14.1
<i>Of which Hansabank</i>	15.7	14.8	14.0
Other, foreign currency	33.3	31.2	33.7
<i>Of which Hansabank</i>	19.2	18.0	17.2
Subtotal	262.8	253.7	247.2
<i>Of which HSB Bank</i>	8.9	9.2	
Discretionary asset management	23.0	17.9	18.5
Fund management	223.9	205.9	226.4
Retail bonds, interest-bearing	2.8	2.6	2.5
Retail bonds, equity linked	6.4	5.5	5.0

Unit-linked insurance	34.2	33.2	40.8
Less unit-linked insurance in own companies	- 33.7	- 30.8	- 38.2
Total	519.4	488.0	502.2

Sales and market shares

In 2003 FöreningsSparbanken's objective is to reach a market share of 22 percent in Sweden for new sales of savings products – deposits from household customers, mutual funds, unit-linked insurance from all customer categories, retail bonds and equity linked bonds – excluding sales through partly owned and independent savings banks. For the first half of 2003 this market share was 18.2 percent, compared with 18.3 percent for the full-year 2002. For household deposits, the market share for new savings was 19.7 percent, against 23.9 percent for the full-year 2002.

Lending

The Group's total credit exposure, including contingent liabilities and derivatives, amounted to SEK 893 billion (856). SEK 33 billion of the total increase of SEK 37 billion was related to the Swedish market.

The Group's lending amounted to SEK 695 billion (673) as of June 30, an increase of SEK 22 billion or 3 percent. Approximately SEK 591 billion (572) pertained to Swedish operations. Lending by Hansabank and FI-Holding amounted to SEK 104 billion (100). Of the increase, SEK 0.3 billion was attributable to changes in exchange rates. Consumer loans amounted to SEK 321 billion (307), up SEK 14 billion or 5 percent from the beginning of the year. The increase is largely due to mortgage lending by Spintab arranged through the Swedish branch office network.

Lending, Group SEK billion

	June 30 2003	Dec 31 2002	June 30 2002
Private individuals	321.4	306.9	290.8
<i>Of which Spintab</i>	<i>261.6</i>	<i>248.2</i>	<i>236.9</i>
Real estate management	146.6	144.1	135.8
Retail, hotels, restaurants	26.8	25.6	25.3
Construction	11.1	10.5	10.3
Manufacturing	51.0	50.7	50.3
Transportation	14.9	14.3	14.0
Forestry and agriculture	33.1	31.1	29.4
Other service businesses	19.4	18.9	14.9
Other business lending	57.2	56.9	63.9
Municipalities *)	13.6	13.7	13.6
Total lending to the public	695.1	672.7	648.3
Credit institutions incl. Nat'l Debt Office	68.0	64.4	50.1
Repurchase agreements (repos)	91.7	65.0	105.3
Total lending	854.8	802.1	803.7
<i>Of which lending to the public by:</i>			
<i>Hansabank</i>	<i>33.6</i>	<i>30.3</i>	<i>25.4</i>
<i>FI-Holding</i>	<i>70.2</i>	<i>70.1</i>	<i>70.5</i>
<i>HSB Bank</i>	<i>9.2</i>	<i>8.5</i>	

*) Not including municipal companies.

The Group's exposure to companies in the IT and telecommunications industries amounted to SEK 7.3 billion (5.8) as of June 30, 2003.

Market shares

FöreningsSparbanken's subsidiary Spintab had a market share in consumer mortgage lending of 34 percent on June 30 (35 percent in December 2001), while its market share in commercial mortgage lending was 22 percent (22 percent in December 2002).

Payments

Cards

As of June 30, 2003 approximately 2.8 million FöreningsSparbanken bank cards were in issue in the Swedish market, an increase of about 91,000 cards during the year. The trend toward greater card use is continuing. Compared with the first half of 2002, FöreningsSparbanken card purchases rose by 22 percent, while the number of card transactions cleared climbed 24 percent.

Giro

Customers continue to switch from paper-based giro payments to an electronic, Internet-based giro system through the Internet bank. The number of private customers with giro accounts is 2.7 million (2.7), of whom 1.0 million (0.8) are Internet-based. Comparative figures refer to June 30, 2002.

e-billing

With e-billing, bills are sent directly to the Internet bank, where customers can safely and conveniently approve payment. A total of 141 companies offer the service, compared with 106 on June 30, 2002. The number of e-bills is rising steadily. During the period about 349,000 e-bills were sent, compared with 209,000 in the first half of 2002.

Online banking services

The Group's Internet banking services

	June 30 2003	Dec 31 2002	June 30 2002
No. of Internet customers in Sweden	1,453,000	1,343,000	1,230,000
<i>Of whom private customers</i>	<i>1,274,000</i>	<i>1,188,000</i>	<i>1,076,000</i>
<i>Of whom business customers</i>	<i>115,000</i>	<i>105,000</i>	<i>98,000</i>
<i>Of whom telephone bank via Internet</i>	<i>64,000</i>	<i>50,000</i>	<i>56,000</i>
Number of Baltic customers	991,000	797,000	594,000
Total no. of Internet customers	2,444,000	2,140,000	1,824,000

More Internet transactions

The number of Internet payments rose to approximately 40 million, against 30 million in the first half of 2002. In total, 32 percent (31) of mutual fund purchases and redemptions within the Group were made online, as were 43 percent (36) of giro transactions.

Other

Accounting change

The interim report has been prepared in accordance with recommendation RR 20 of the Swedish Financial Accounting Standards Council on interim reporting and follows the same accounting principles as the most recent annual report. The recommendations that entered into force on January 1, 2003 have been taken into account but have not had an impact on earnings.

Key ratios for the Group

	Jan-Jun 2003	Jan-Jun 2002	Full-year 2002
Return on equity, %	15.3	12.2	11.0
Return on total equity, %	0.90	0.73	0.69
Earnings per share, SEK *	5.65	4.34	7.87
Earnings per share after dilution, SEK **	5.65	4.34	7.86
Equity per share, SEK *	73.32	69.53	73.13
Equity per share after dilution, SEK **	73.30	69.49	73.11
C/I ratio before loan losses	0.58	0.61	0.63
C/I ratio after loan losses	0.63	0.68	0.70
Capital adequacy ratio, %	11.2	10.9	10.8
Primary capital ratio, %	7.2	7.0	7.1
Loan loss ratio, net, %	0.19	0.25	0.23
Share of doubtful claims, %	0.26	0.31	0.27
Provision ratio for doubtful claims, % ***	139	116	134
No. of shares at beginning and end of period	527,808,843	527,808,843	527,808,843
Avg. no. of shares during the period	527,808,843	527,808,843	527,808,843
* No. of shares in calculation	527,808,843	527,808,843	527,808,843
** No. of shares after dilution	527,969,005	528,119,502	527,960,453

*** See note 4

Operational profit and loss account, the Group *

	Jan-Jun 2003	Jan-Jun 2002	%	Q2 2003	Q2 2002	%	Full-year 2002
SEK M							
Interest receivable	24,792	26,591	-7	12,206	13,606	-10	52,013
Interest payable	- 16,801	- 18,858	-11	- 8,248	- 9,698	-15	- 36,464
Net interest income	7,991	7,733	3	3,958	3,908	1	15,549
Dividends received	99	87	14	89	74	20	90
Commissions receivable	3,615	3,845	-6	1,877	1,942	-3	7,558
Commissions payable	- 914	- 889	3	- 476	- 463	3	- 1,794
Net commission income	2,701	2,956	-9	1,401	1,479	-5	5,764
Net profit on financial operations	412	70		218	- 173		441
Other operating income	1,051	616	71	782	303		1,157
Total income	12,254	11,462	7	6,448	5,591	15	23,001
General administrative expenses							
- Staff costs	- 3,399	- 3,515	-3	- 1,686	- 1,763	-4	- 7,005
- Other	- 2,752	- 2,645	4	- 1,401	- 1,301	8	- 5,279
Depreciation and write-off of tangible fixed assets	- 349	- 383	-9	- 169	- 194	-13	- 751
Amortization of goodwill	- 307	- 356	-14	- 153	- 178	-14	- 663
Total expenses	- 6,807	- 6,899	-1	- 3,409	- 3,436	-1	- 13,698
Profit before loan losses	5,447	4,563	19	3,039	2,155	41	9,303
Loan losses, net, including change in value of property taken over	- 672	- 868	-23	- 282	- 433	-35	- 1,603
Write-off of financial fixed assets							- 264
Share of profit/loss of associated companies	- 246	- 83		- 211	- 62		- 588
Operating profit	4,529	3,612	25	2,546	1,660	53	6,848
Settlement of pensions	- 50	- 38	32	- 20	- 22	-9	- 76
Tax	- 1,186	- 997	19	- 682	- 438	56	- 1,983
Minority interest	- 310	- 285	9	- 146	- 145	1	- 637
Profit for the period	2,983	2,292	30	1,698	1,055	61	4,152

* The operational profit and loss account comprises the same legal entities and follows the same accounting principles as the profit and loss account prepared according to the instructions of the Financial Supervisory Authority, except that the insurance operations (consisting in large part of the pension and endowment insurance operations of Robur Försäkring) are integrated on a line-for-line basis in the income and expenses of the other operations. In the profit and loss account prepared according to the instructions of the Financial Supervisory Authority, insurance results are shown on a separate line. On an operating profit level, the two profit and loss accounts show the same results. The descriptions in the running text and the business area report are based on the operational profit and loss account unless indicated otherwise. The notes refer to the profit and loss account on pages 20 and 21.

Quarterly profit trend for the Group

SEK M	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002	Q1 2002	Q4 2001	Q3 2001	Q2 2001
Net interest income	3,958	4,033	3,886	3,930	3,908	3,825	3,815	3,681	3,724
Net commission income	1,401	1,300	1,439	1,369	1,479	1,477	1,486	1,518	1,549
Net profit on financial operations	218	194	188	183	- 173	243	148	341	397
Other income	871	279	277	267	377	326	319	215	361
Total income	6,448	5,806	5,790	5,749	5,591	5,871	5,768	5,755	6,031
Staff costs	- 1,649	- 1,648	- 1,716	- 1,706	- 1,686	- 1,628	- 1,687	- 1,534	- 1,513
Allocation profit-sharing fund	- 37	- 65	- 70	2	- 77	- 124	- 58	- 127	- 98
Other expenses	- 1,723	- 1,685	- 1,671	- 1,638	- 1,673	- 1,711	- 1,823	- 1,782	- 1,794
Total expenses	- 3,409	- 3,398	- 3,457	- 3,342	- 3,436	- 3,463	- 3,568	- 3,443	- 3,405
Profit before loan losses	3,039	2,408	2,333	2,407	2,155	2,408	2,200	2,312	2,626
Loan losses, net incl. change in value of property taken over	- 282	- 390	- 360	- 375	- 433	- 435	- 459	- 233	- 295
Write-off of financial fixed assets				- 264			- 10		
Share of associated companies' profit/loss	- 211	- 35	- 125	- 380	- 62	- 21	- 54	- 77	22
Operating profit	2,546	1,983	1,848	1,388	1,660	1,952	1,677	2,002	2,353

Business area report

SEK M	Swedish retail operations		Swedbank Markets		Asset management and insurance		International banking operations		Treasury management		Other		Eliminations	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
January - June														
Net interest income	5,673	5,569	446	357	26	42	1,522	1,486	303	371	7	-103	14	11
Net commission income	1,259	1,551	332	280	549	654	487	394	-14	-13	88	117		-27
Financial transactions, net	60	47	158	21	8	-1	129	76	59	-42	-2	-31		
Other income	313	420	76	26	16	15	115	127	518	25	1,461	1,367	-1,349	-1,277
Total income	7,305	7,587	1,012	684	599	710	2,253	2,083	866	341	1,554	1,350	-1,335	-1,293
Staff costs	-1,924	-1,927	-285	-291	-128	-148	-464	-508	-8	-6	-620	-662	30	27
IT expenses	-680	-657	-131	-117	-37	-25	-74	-72	-3	-3	-411	-340	675	604
Other expenses	-1,577	-1,517	-169	-178	-115	-118	-279	-271	-14	-10	-567	-603	630	662
Depreciation/amortization	-203	-198	-8	-11	-119	-124	-248	-315			-78	-91		
Total expenses	-4,384	-4,299	-593	-597	-399	-415	-1,065	-1,166	-25	-19	-1,676	-1,696	1,335	1,293
Profit before loan losses	2,921	3,288	419	87	200	295	1,188	917	841	322	-122	-346		
Loan losses	-594	-657	-9	-63			-185	-42			116	-106		
Share of associated companies' profit/loss	48	-24	-4	-12			-299	-58			9	11		
Operating profit/loss	2,375	2,607	406	12	200	295	704	817	841	322	3	-441		
Return on allocated equity, %	16.7	19.6	17.3	0.5	16.4	21.5	3.6	9.0	124.3	35.5				
C/I ratio	60	57	59	87	67	58	47	56	3	6	108	126		
No. of employees	6,989	7,142	592	581	255	277	5,926	6,248	18	16	1,570	1,447		

Business area accounting principles

Market-based compensation is applied between business areas. All IT, Support and Group Staff costs are transferred at full cost-based internal prices to the business areas. Executive Management expenses are not distributed.

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

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

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

Swedish retail operations

The Swedish retail operations include customer responsibility for private customers, small and medium-size businesses, organizations, municipalities and county councils in Sweden as well as the Bank's own distribution channels: branches, ATM's, the Swedish telephone and Internet banks, the Lending and Payments business areas, bank deposits, e-business, HSB Bank, partly owned Swedish banks and private banking operations in Luxembourg.

The branch network in Sweden is organized in 88 local banks in seven regions throughout the country. With 521 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 241 in-store banking locations. The agreement with Svensk Kassaservice (the

Swedish postal service) also gives customers access to certain teller transactions at more than 1,000 post offices.

Approximately two million customers use the Telephone bank. Since the start of the year the number of customers using the Internet bank has risen by approximately 100,000 to nearly 1.5 million, of whom approximately 1.3 million were private customers, or 22 percent of private customers at FöreningsSparbanken, the independent savings banks and partly owned banks. 32 percent of business customers in Sweden use the Internet bank.

Profit trend

SEK M	Jan-Jun 2003	Jan-Jun 2002	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002	Q1 2002
Net interest income	5,673	5,569	2,832	2,841	2,882	2,857	2,849	2,720
Net commission income	1,259	1,551	657	602	699	698	779	772
Net profit on financial operations	60	47	33	27	25	40	26	21
Other income	313	420	161	152	219	171	190	230
Total income	7,305	7,587	3,683	3,622	3,825	3,766	3,844	3,743
Staff costs	-1,924	-1,927	-964	-960	-1,059	-961	-982	-945
IT expenses	-680	-657	-342	-338	-342	-311	-325	-332
Other expenses	-1,577	-1,517	-801	-776	-862	-707	-802	-715
Depreciation/amortization	-203	-198	-99	-104	-96	-98	-99	-99
Total expenses	-4,384	-4,299	-2,206	-2,178	-2,359	-2,077	-2,208	-2,091
Profit before loan losses	2,921	3,288	1,477	1,444	1,466	1,689	1,636	1,652
Loan losses	-594	-657	-291	-303	-232	-250	-300	-357
Share of profit/loss of associated companies	48	-24	24	24	-19	-103	-18	-6
Operating profit	2,375	2,607	1,210	1,165	1,215	1,336	1,318	1,289
Tax	-665	-730	-342	-323	-365	-404	-369	-361
Minority interests	-2	-3	-1	-1	0	-1	-2	-1
Profit after tax	1,708	1,874	867	841	850	931	947	927
Allocated equity	20,463	19,076	20,463	20,463	19,076	19,076	19,076	19,076
Return on allocated equity, %	16.7	19.6	16.9	16.4	17.8	19.5	19.9	19.4
Income items								
Income from external customers	6,951	7,104	3,463	3,488	3,648	3,626	3,612	3,492
Income from transactions with other segments	354	483	220	134	177	140	232	251
Total income	7,305	7,587	3,683	3,622	3,825	3,766	3,844	3,743
Business volumes, SEK bn								
Lending	557	511	557	541	534	516	511	504
Deposits	226	213	226	224	219	216	213	206
Mutual funds & insurance	153	156	153	139	142	135	156	180
Other investment volume	7	5	7	6	6	6	5	5
Shares and participations in associated companies, SEK billion	1	1	1	1	1	1	1	1
Risk-weighted volume, SEK billion	363	331	363	351	346	335	331	325
Total assets, SEK billion	600	543	600	580	571	546	543	534
Total liabilities, SEK billion	579	524	579	560	552	527	524	515
Full-time positions	6,989	7,142	6,989	7,126	7,222	7,150	7,142	7,117

Operating profit in the first half of 2003 amounted to SEK 2,375 M, a decrease of SEK 232 M or 9 percent from the previous year. Compared with the first quarter of 2003, operating profit rose by SEK 45 M or 4 percent.

Increased net interest income in 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, due to which income decreased by SEK 282 M or 4 percent from the previous year to SEK 7,305 M. Last year included a capital gain of SEK 85 M from the branch sale to Sparbanken Nord. During the second quarter of 2003 a lower deposit margin owing to generally lower interest rates was offset by increased lending and deposit volumes. Expenses rose by SEK 85 M or 2 percent from the previous year to SEK 4,384 M, primarily due to the acquisition of HSB Bank. Loan losses amounted to SEK 594 M in the first half-year, a decrease of SEK 63 M or 10 percent from the previous year.

The share of the profit/loss of associated companies was positive. The e-commerce company Marakanda, which contributed negatively to 2002 results, has been dissolved. The return on allocated equity fell to 16.7 percent in the first half of 2003 (19.6). The decrease in the number of full-time positions in 2003 has been affected by, among other things, organizational changes within the Bank.

Swedbank Markets

Swedbank Markets is responsible for the Bank's Investment and Merchant Banking operations as well as for large companies and financial institutions. In addition to operations in Sweden and First Securities in Norway, the business area includes the international branches in Oslo, London and New York.

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

Profit trend

SEK M	Jan-Jun 2003	Jan-Jun 2002	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002	Q1 2002
Net interest income	446	357	199	247	305	165	223	134
Net commission income	332	280	171	161	195	159	148	132
Net profit on financial operations	158	21	69	89	52	59	-169	190
Other income	76	26	67	9	12	11	15	11
Total income	1,012	684	506	506	564	394	217	467
Staff costs	-285	-291	-135	-150	-159	-141	-144	-147
IT expenses	-131	-117	-67	-64	-66	-57	-63	-54
Other expenses	-169	-178	-90	-79	-102	-78	-91	-87
Depreciation/amortization	-8	-11	-4	-4	-4	-5	-6	-5
Total expenses	-593	-597	-296	-297	-331	-281	-304	-293
Profit/loss before loan losses	419	87	210	209	233	113	-87	174
Loan losses	-9	-63	0	-9	-11	1	-63	0
Share of profit/loss of associated companies	-4	-12	4	-8	0	-1	-5	-7
Operating profit/loss	406	12	214	192	222	113	-155	167
Tax	-114	-3	-60	-54	-62	-32	44	-47
Profit/loss for the period	292	9	154	138	160	81	-111	120

Allocated equity	3,384	3,540	3,384	3,384	3,540	3,540	3,540	3,540
Return on allocated equity, %	17.3	0.5	18.2	16.3	18.1	9.2	neg.	13.6
Income items								
Income from external customers	852	562	427	425	484	326	160	402
Income from transactions with other segments	160	122	79	81	80	68	57	65
Total income	1,012	684	506	506	564	394	217	467
Business volumes, SEK bn								
Lending	33	36	33	35	36	39	36	40
Deposits	2	2	2	2	2	2	2	2
Mutual funds & insurance	1	1	1	1	1	0	1	1
Shares and participating interests in associated companies, SEK billion	0		0	0	0	0		
Risk-weighted volume, SEK billion	65	68	65	66	59	68	68	70
Total assets, SEK billion	266	262	266	266	223	229	262	276
Total liabilities, SEK billion	263	258	263	263	219	225	258	272
Full-time positions	592	581	592	588	556	580	581	583

Swedbank Markets' operating profit amounted to SEK 406 M in the first half of 2003, an increase of SEK 394 M from the previous year. The major profit improvement is mainly because last year's profit was negatively affected by changes in exchange rates.

Compared with the previous quarter, operating profit rose by SEK 22 M or 11 percent. Conditions for fixed income and foreign exchange trading were good during the first half year, while market conditions for equity-related operations remained poor. The return on allocated equity rose to 17.3 percent in the first half of 2003 (0.5).

Asset management and insurance

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

Profit trend

SEK M	Jan-Jun 2003	Jan-Jun 2002	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002	Q1 2002
Net interest income	26	42	3	23	13	19	20	22
Net commission income	549	654	278	271	293	262	312	342
Net profit on financial operations	8	-1	16	-8	10	2	0	-1
Other income	16	15	1	15	8	7	8	7
Total income	599	710	298	301	324	290	340	370
Staff costs	-128	-148	-62	-66	-42	-67	-75	-73
IT expenses	-37	-25	-19	-18	-22	-16	-12	-13
Other expenses	-115	-118	-65	-50	-65	-59	-59	-59
Depreciation/amortization	-119	-124	-59	-60	-62	-61	-62	-62
Total expenses	-399	-415	-205	-194	-191	-203	-208	-207
Profit before loan losses	200	295	93	107	133	87	132	163
Operating profit	200	295	93	107	133	87	132	163
Tax	-56	-83	-26	-30	-37	-24	-37	-46
Profit for the period	144	212	67	77	96	63	95	117
Allocated equity	1,759	1,971	1,759	1,759	1,971	1,971	1,971	1,971

Return on allocated equity, %	16.4	21.5	15.2	17.5	19.5	12.8	19.3	23.7
Income items								
Income from external customers	1,159	1,456	624	535	611	586	697	759
Income from transactions with other segments	-560	-746	-326	-234	-287	-296	-357	-389
Total income	599	710	298	301	324	290	340	370
Business volumes, SEK bn								
Mutual funds & insurance	224	226	224	203	206	195	226	265
Other investment volume	24	21	24	18	20	19	21	21
Risk-weighted volume, SEK billion	0	0	0	0	0	0	0	0
Total assets, SEK billion	39	40	39	35	36	34	40	47
Total liabilities, SEK billion	37	38	37	33	34	32	38	45
Full-time positions	255	277	255	260	282	279	277	283

Operating profit for the first half year was SEK 200 M, a decrease of SEK 95 M or 32 percent from the previous year. The decline is due to lower global stock prices, which is leading to lower asset management volumes and lower commission income. Compared with the previous quarter, operating profit decreased by SEK 14 M or 13 percent.

Robur's IT operations were transferred to FöreningsSparbanken IT at the start of 2003, which primarily explains the decrease in the number of full-time positions, from 282 to 255. The return on allocated equity fell to 16.4 percent for the first half-year of 2003 (21.5).

Fund savings, volumes and flows

Net contributions to Robur's mutual funds during the first half of 2003 totaled SEK 7.7 billion, against SEK 7.4 billion in the first half of 2002. Of net contributions, SEK 3.0 billion (2.8) was from premium pension investments and SEK 1.3 billion (3.0) from unit-linked insurance in Robur Försäkring.

Robur's assets under management amounted to SEK 224 billion (206) on June 30, 2003. The change resulted from an increase in the value of fund assets of approximately SEK 10 billion, mainly owing to rising stock prices during the first half-year. After net fund contributions of approximately SEK 8 billion, the increase in fund assets during the period was about SEK 18 billion. Institutional asset management operations managed SEK 39 billion (31), of which SEK 16 billion (13) was invested in Robur funds.

Robur's share of net contributions in the Swedish mutual fund market was 19 percent (17) for the first half of 2003. Its share of assets under management in the fund market was 28 percent (29) on March 31, 2003.

	June 30 2003	Dec 31 2002	June 30 2002
Fund management, Robur			
Assets under management (SEK bn)	224	206	226
<i>Of which:</i>			
<i>Swedish equities, %</i>	25.3	26.1	28.9
<i>Foreign equities, %</i>	35.7	35.0	39.6
<i>Interest-bearing securities, %</i>	39.0	38.9	31.5
Number of customers (thousands)	2,747	2,744	2,739
Unit-linked insurance, Robur Försäkring			
Assets under management (SEK bn)	34.2	31.3	35.5
<i>Of which in Robur funds</i>	33.7	30.8	35.0
Number of policies (thousands)	673	635	628

**Discretionary asset management,
FöreningsSparbanken Kapitalförvaltning**

Assets under management (SEK bn)	39	31	33
<i>Of which in Robur funds</i>	<i>16</i>	<i>13</i>	<i>14</i>

Unit-linked insurance

Sales (premiums paid) of unit-linked insurance amounted to SEK 2.8 billion (3.8) during the first half of 2003. As of June 30, 2003 assets under management by Robur Försäkring amounted to SEK 34.2 billion (31.3).

The market share for new unit-linked insurance was 13.2 percent on June 30, 2003. Robur Försäkring had approximately 673,000 (635,000) policies as of June 30, in addition to around 1 million group life insurance policies.

Asset management results

Robur's management results during the first half-year were affected positively by stock prices. In total, slightly over 60 percent of Robur's funds outperformed their indexes during the period.

Its Swedish funds generated a return of 10.8 percent. Public savings funds, which invest in Sweden and globally, had a return of approximately 6.9 percent. The highest relative returns were generated by the Sweden and Nordic funds and industry-specific funds such as Realinvest.

Of Robur's funds that invest in both equities and fixed income instruments – blend funds – two-thirds outperformed their comparative indexes. Robur's Swedish fixed income funds posted returns of between 3.5 and 7.5 percent on an annual basis. 15 percent of Robur's fixed income funds have outperformed their comparative indexes. The differences with regard to fixed income funds are small, however.

International banking operations

The International banking operations 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.

Profit trend

SEK M	Jan-Jun 2003	Jan-Jun 2002	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002	Q1 2002
Net interest income	1,522	1,486	743	779	695	791	760	726
Net commission income	487	394	258	229	256	216	206	188
Net profit on financial operations	129	76	56	73	107	58	14	62
Other income	115	127	75	40	44	48	90	37
Total income	2,253	2,083	1,132	1,121	1,102	1,113	1,070	1,013
Staff costs	-464	-508	-237	-227	-257	-240	-253	-255
IT expenses	-74	-72	-37	-37	-39	-37	-38	-34
Other expenses	-279	-271	-146	-133	-187	-123	-138	-133
Depreciation/amortization	-248	-315	-121	-127	-122	-140	-161	-154
Total expenses	-1,065	-1,166	-541	-524	-605	-540	-590	-576
Profit before loan losses	1,188	917	591	597	497	573	480	437
Loan losses	-185	-42	-97	-88	-58	-30	-11	-31
Share of profit/loss of associated companies	-299	-58	-244	-55	-106	-280	-45	-13
Operating profit	704	817	250	454	333	263	424	393
Tax	-234	-149	-167	-67	-23	-40	-88	-61

Minority interests	-310	-284	-144	-166	-167	-187	-147	-137
Profit for the period	160	384	-61	221	143	36	189	195
Allocated equity	8,790	8,523	8,790	8,790	8,523	8,523	8,523	8,523
Return on allocated equity, %	3.6	9.0	neg.	10.1	6.7	1.7	8.9	9.2
Income items								
Income from external customers	2,253	2,083	1,132	1,121	1,102	1,113	1,070	1,013
Business volumes, SEK bn								
Lending	104	96	104	104	100	99	96	94
Deposits	35	31	35	35	33	31	31	31
Shares and participating interests in associated companies, SEK billion								
	1	2	1	2	1	1	2	2
Risk-weighted volume, SEK billion	152	146	152	154	150	146	146	139
Total assets, SEK billion	142	134	142	144	136	131	134	133
Total liabilities, SEK billion	133	125	133	135	127	122	125	124
Full-time positions	5,926	6,248	5,926	5,924	5,901	6,006	6,248	6,322

Operating profit for International banking operations amounted to SEK 704 M for the first half of 2003. The result was affected by a writedown of goodwill, amounting to SEK 311 M, which was related to the shareholding in SpareBank1 Gruppen. Excluding the writedown, operating profit for International banking operations increased by 24 percent or SEK 198 M. Hansabank's operating profit increased by SEK 185 M and the share of profit in SpareBank1 Gruppen increased by SEK 45 M, while operating profit in FI-Holding decreased by SEK 31 M.

Compared with the previous quarter, operating profit decreased due to the writedown of goodwill. Hansabank improved its result by SEK 43 M. The profit in SpareBank1 Gruppen was positive during the second quarter and the share of profit excluding writedown of goodwill increased by SEK 70 M, while the result in FI-Holding decreased by SEK 25 M.

Income during the first half-year rose by SEK 170 M or 8 percent from the previous year to SEK 2,253 M. Expenses declined by SEK 101 M or 9 percent to SEK 1,065 M. Loan losses rose by SEK 143 M to SEK 185 M. The return on allocated equity decreased to 3.6 percent for the first half of 2003 (9.0). For Hansabank, the return was 21.2 percent (17.4) and for FI-Holding 9.3 percent (9.9).

Treasury management

The business area includes Treasury management in Sweden (the Parent Company, FöreningsSparbanken AB, and the subsidiary Spintab). Treasury management in Sweden is responsible for long-term funding, including funding for mortgage operations, the Bank's strategic short- and long-term portfolios, and certain other shareholdings, e.g. the holding in OM.

Profit trend

SEK M	Jan-Jun 2003	Jan-Jun 2002	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002	Q1 2002
Net interest income	303	371	142	161	132	107	211	160
Net commission income	-14	-13	-6	-8	-7	-6	-8	-5
Net profit on financial operations	59	-42	57	2	4	16	-23	-19
Other income	518	25	515	3	1	0	29	-4
Total income	866	341	708	158	130	117	209	132
Staff costs	-8	-6	-4	-4	-4	-3	-3	-3
IT expenses	-3	-3	-1	-2	-2	-2	-3	0

Other expenses	-14	-10	-8	-6	-15	-4	-4	-6
Depreciation/amortization	0	0	0	0	0	0	0	0
Total expenses	-25	-19	-13	-12	-21	-9	-10	-9
Profit before loan losses	841	322	695	146	109	108	199	123
Write-off of financial fixed assets						-264		
Operating profit	841	322	695	146	109	-156	199	123
Tax	-132	-90	-91	-41	-31	-30	-56	-34
Profit for the period	709	232	604	105	78	-186	143	89
Allocated equity	1,141	1,307	1,141	1,141	1,307	1,307	1,307	1,307
Return on allocated equity, %	124.3	35.5	211.7	36.8	23.9	neg.	43.8	27.2
Income items								
Income from external customers	867	343	708	159	130	118	210	133
Income from transactions with other segments	-1	-2	0	-1	0	-1	-1	-1
Total income	866	341	708	158	130	117	209	132
Business volumes, SEK bn								
Lending	1	1	1	1	1	1	1	0
Other investment volume	9	7	9	9	8	8	7	7
Risk-weighted volume, SEK billion	6	7	6	8	7	8	7	5
Total assets, SEK billion	402	328	402	362	340	348	328	319
Total liabilities, SEK billion	401	327	401	361	339	347	327	318
Full-time positions	18	16	18	16	18	18	16	16

Treasury management's operating profit amounted to SEK 841 M for the first half of 2003, an increase of SEK 519 M from the previous year. The increase was mainly due to a capital gain of SEK 489 M on the sale of the Bank's shareholding in Erste Bank during the second quarter of 2003.

Compared with the previous quarter, operating profit rose by SEK 549 M.

Other

Other comprises income and expenses that do not fall under any of the business areas. This includes IT, Group Staffs, the support organization, the Group's own insurance company (Sparia) and FöreningsSparbanken Fastighetsbyrå (real estate brokerage). Other also includes central provisions for loan losses that are not reported by units with customer responsibility.

Profit trend

SEK M	Jan-Jun 2003	Jan-Jun 2002	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002	Q1 2002
Net interest income	7	-103	30	-23	-143	-12	-160	57
Net commission income	88	117	53	35	1	35	71	46
Net profit on financial operations	-2	-31	-13	11	-8	6	-21	-10
Other income	1,461	1,367	728	733	678	639	659	708
Total income	1,554	1,350	798	756	528	668	549	801
Staff costs	-620	-662	-300	-320	-283	-308	-320	-342
IT expenses	-411	-340	-221	-190	-160	-177	-155	-185
Other expenses	-567	-603	-265	-302	-149	-300	-235	-368
Depreciation/amortization	-78	-91	-39	-39	-41	-46	-44	-47
Total expenses	-1,676	-1,696	-825	-851	-633	-831	-754	-942
Profit before loan losses	-122	-346	-27	-95	-105	-163	-205	-141

Loan losses	116	-106	106	10	-59	-96	-59	-47
Share of profit/loss of associated companies	9	11	5	4	0	4	6	5
Operating profit/loss	3	-441	84	-81	-164	-255	-258	-183
Appropriations	-50	-38	-20	-30	-25	-13	-22	-16
Tax	15	58	4	11	9	53	68	-10
Minority interests	2	2	-1	3	-1	4	4	-2
Profit/loss for the period	-30	-419	67	-97	-181	-211	-208	-211
Allocated equity	162	163	162	162	163	163	163	163
Income items								
Income from external customers	430	448	221	209	216	221	211	237
Income from transactions with other segments	1,124	902	577	547	312	447	338	564
Total income	1,554	1,350	798	756	528	668	549	801
Business volumes, SEK bn								
Lending	0	5	0	2	2	3	5	4
Shares and participating interests in associated companies, SEK billion	0	0	0	0	0	0	0	0
Risk-weighted volume, SEK billion	-3	4	-3	1	3	2	4	6
Total assets, SEK billion	8	6	8	10	6	7	6	6
Total liabilities, SEK billion	8	6	8	10	6	7	6	6
Full-time positions	1,570	1,447	1,570	1,491	1,489	1,428	1,447	1,465

The operating profit in Other was SEK 3 M in the first half of 2003, a change of SEK 444 M compared with the previous year. The change is mainly due to lower loan losses and increased invoicing from central units.

Compared with the previous quarter, the profit change was SEK 165 M.

Eliminations

SEK M	Jan-Jun 2003	Jan-Jun 2002	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002	Q1 2002
Net interest income	14	11	9	5	2	3	5	6
Net commission income	0	-27	-10	10	2	5	-29	2
Net profit on financial operations	0	0	0	0	-2	2	0	0
Other income	-1,349	-1,277	-676	-673	-685	-609	-614	-663
Total income	-1,335	-1,293	-677	-658	-683	-599	-638	-655
Staff costs	30	27	16	14	18	16	14	13
IT expenses	675	604	348	327	290	294	306	298
Other expenses	630	662	313	317	375	289	318	344
Total expenses	1,335	1,293	677	658	683	599	638	655
Business volumes, SEK bn								
Mutual funds & insurance	-154	-157	-154	-140	-143	-135	-157	-181
Other investment volume	-7	-5	-7	-6	-6	-6	-5	-5
Total assets, SEK billion	-424	-327	-424	-386	-355	-350	-327	-328
Total liabilities, SEK billion	-424	-327	-424	-386	-355	-350	-327	-328

Profit and loss account, the Group *

SEK M	Jan-Jun 2003	Jan-Jun 2002	%	Q2 2003	Q2 2002	%	Full-year 2002
Interest receivable	24,763	26,559	-7	12,200	13,589	-10	51,957
Interest payable	- 16,836	- 18,899	-11	- 8,265	- 9,717	-15	-36,547
Net interest income	7,927	7,660	3	3,935	3,872	2	15,410
Dividends received	99	86	15	89	73	22	89
Commissions receivable	3,421	3,604	-5	1,771	1,822	-3	7,108
Commissions payable	- 868	- 829	5	- 452	- 433	4	-1,685
Net commission income (Note 1)	2,553	2,775	-8	1,319	1,389	-5	5,423
Net profit on financial operations (Note 2)	402	100		199	-152		466
Other operating income	1,035	600	73	741	297		1,126
Total income	12,016	11,221	7	6,283	5,479	15	22,514
General administrative expenses							
- Staff costs	- 3,374	- 3,475	-3	- 1,675	- 1,743	-4	-6,952
- Other	- 2,698	- 2,600	4	- 1,369	- 1,282	7	-5,331
Depreciation and writedown of tangible fixed assets	- 348	- 380	-8	- 169	- 193	-12	-747
Amortization of goodwill	- 307	- 356	-14	- 153	- 178	-14	-663
Total expenses	- 6,727	- 6,811	-1	- 3,366	- 3,396	-1	-13,693
Profit before loan losses	5,289	4,410	20	2,917	2,083	40	8,821
Loan losses, net (Note 3)	- 666	- 868	-23	- 283	- 433	-35	-1,601
Change in value of property taken over (Note 3)	- 6	0		1	0		-2
Write-off of financial fixed assets							-264
Share of profit/loss of associated companies	- 246	- 83		- 211	- 62		-588
Operating profit in banking operations	4,371	3,459	26	2,424	1,588	53	6,366
Operating profit in insurance operations	158	153	3	122	72	69	482
Profit before appropriations and tax	4,529	3,612	25	2,546	1,660	53	6,848
Settlement of pensions	- 50	- 38	32	- 20	- 22	-9	-76
Tax	- 1,186	- 997	19	- 682	- 438	56	-1,983
Minority interest	- 310	- 285	9	- 146	- 145	1	-637
Profit for the period	2,983	2,292	30	1,698	1,055	61	4,152
Earnings per share, SEK **	5.65	4.34		3.22	2.00		7.87
Earnings per share after dilution, SEK **	5.65	4.34		3.22	2.00		7.86

* Prepared according to the instructions of the Financial Supervisory Authority.

** See key ratios on page 8 for number of shares.

Profit and loss account, the Bank

SEK M	Jan-Jun 2003	Jan-Jun 2002	%	Q2 2003	Q2 2002	%	Full-year 2002
Interest receivable	9,584	11,430	-16	4,759	5,888	-19	21,585
Interest payable	- 6,110	- 7,923	-23	- 3,007	- 4,137	-27	-14,509
Net interest income	3,474	3,507	-1	1,752	1,751	0	7,076
Dividends received	319	251	27	304	239	27	4,897
Commissions receivable	2,252	2,439	-8	1,169	1,240	-6	4,801
Commissions payable	- 484	- 469	3	- 260	- 251	4	- 960
Net commission income (Note 1)	1,768	1,970	-10	909	989	-8	3,841
Net profit on financial operations (Note 2)	258	- 35		127	- 195		144
Other operating income	1,002	581	72	749	268		1,082
Total income	6,821	6,274	9	3,841	3,052	26	17,040
General administrative expenses							
- Staff costs	- 2,659	- 2,735	-3	- 1,309	- 1,373	-5	- 5,505
- Other	- 2,145	- 2,048	5	- 1,099	- 1,000	10	- 4,224
Depreciation and writedown of tangible fixed assets	- 215	- 233	-8	- 105	- 117	-10	-458
Amortization of goodwill	- 50	- 50	0	- 25	- 25	0	-101
Total expenses	- 5,069	- 5,066	0	- 2,538	- 2,515	1	- 10,288
Profit before loan losses	1,752	1,208	45	1,303	537		6,752
Loan losses, net (Note 3)	- 488	- 796	-39	- 201	- 416	-52	- 1,509
Change in value of property taken over (Note 3)	- 6	0		1			- 1
Write-off of financial fixed assets	- 311	- 32		- 272	- 15		- 1,082
Profit before appropriations and tax	947	380		831	106		4,160
Appropriations	- 50	- 38	32	- 20	- 22	-9	- 237
Tax	- 182	- 60		- 142	21		- 1,377
Profit for the period	715	282		669	105		2,546

Balance sheet

SEK M	Group			Bank		
	Jun 30 2003	Dec 31 2002	Jun 30 2002	Jun 30 2003	Dec 31 2002	Jun 30 2002
Loans to the public (Note 4)	722,989	703,397	678,218	204,228	209,225	214,511
Loans to credit institutions (Note 4)	131,793	98,662	125,507	181,967	119,369	150,683
Interest-bearing securities	77,759	64,884	72,030	80,039	69,350	73,260
- <i>Financial fixed assets</i>	1,627	2,729	2,875	881	170	255
- <i>Financial current assets</i>	76,132	62,155	69,155	79,158	69,180	73,005
Assets in insurance operations	35,200	32,242	36,348			
Other assets	65,881	58,318	74,352	73,235	71,815	75,290
Total assets	1,033,622	957,503	986,455	539,469	469,759	513,744
Deposits and borrowings from the public	271,345	263,419	264,449	223,392	219,009	230,362
Amounts owed to credit institutions	107,390	102,814	113,711	141,639	103,222	111,539
Debt securities in issue	473,904	420,254	424,056	67,578	45,064	60,675
Liabilities in the insurance operations	35,303	32,243	36,858			
Other liabilities	77,108	72,516	81,966	62,940	56,702	68,666
Subordinated liabilities	29,872	27,655	28,715	21,920	21,574	20,548
Shareholders' equity (Note 5)	38,700	38,602	36,700	22,000	24,188	21,954
Total liabilities, provisions and shareholders' equity	1,033,622	957,503	986,455	539,469	469,759	513,744
Assets pledged for own liabilities	92,211	103,000	66,420	57,518	71,208	30,391
Other assets pledged	7,481	8,903	58,141	7,457	8,799	57,887
Contingent liabilities	20,068	21,525	20,008	21,390	19,700	18,807
Commitments	2,967,259	2,438,988	2,723,157	2,674,752	2,173,974	2,432,855

Change in shareholders' equity

SEK M	Group			Bank		
	Restricted equity	Non-restricted equity	Total shareholders' equity	Restricted equity	Non-restricted equity	Total shareholders' equity
Closing balance Dec. 31, 2002	29,234	9,368	38,602	18,484	5,704	24,188
Transfers between restricted and non-restricted equity	186	- 186		573	- 573	
Dividend		- 2,903	- 2,903		- 2,903	- 2,903
Translation difference		45	45			
Exchange rate difference subsidiary and associated company financing		- 27	- 27			
Profit for the period		2,983	2,983		715	715
Closing balance June 30, 2003	29,420	9,280	38,700	19,057	2,943	22,000
Closing balance Dec. 31, 2001	27,911	9,572	37,483	17,845	6,730	24,575
Transfers between restricted and non-restricted equity	296	-296		220	- 220	
Dividend		- 2,903	- 2,903		- 2,903	- 2,903
Translation difference	0	- 387	- 387			
Exchange rate difference subsidiary financing		215	215			
Profit for the period		2,292	2,292		282	282
Closing balance June 30, 2002	28,207	8,493	36,700	18,065	3,889	21,954

Statement of cash flows

SEK M January – June	Group		Bank	
	2003	2002	2003	2002
Liquid assets at beginning of period *	58,569	94,153	47,087	72,828
Operating activities				
Operating profit	4,529	3,612	947	380
Adjustments for non-cash items	- 421	2,217	6,829	7,191
Taxes	- 983	- 524	- 649	- 176
Decrease/increase in receivables from credit institutions	5,834	9,096	- 28,051	7,515
Decrease/increase in loans to the public	- 18,236	- 22,207	6,520	- 4,952
Decrease/increase in holdings of securities classified as current assets	- 12,313	- 2,031	- 2,992	2,527
Increase in deposits and borrowings from the public, including retail bonds	9,497	12,238	7,348	9,764
Decrease/increase in amounts owned to credit institutions	21,881	- 7,664	58,110	- 6,053
Change in other assets and liabilities, net	- 12,170	- 4,351	- 9,053	938
Cash flow from operating activities	- 2,382	- 9,614	39,009	17,134
Investing activities				
Purchase of fixed assets	- 1,078	- 840	- 2,804	- 548
Sale of fixed assets	1,874	802	1,605	58
Cash flow from investing activities	796	- 38	- 1,199	- 490
Financing activities				
Issuance of interest-bearing securities	112,472	73,737	808	839
Redemption of interest-bearing securities	- 63,618	- 67,776	- 79	- 8,411
Decrease/increase in other funding	- 2,534	12,632	9,777	7,488
Dividend paid	- 2,903	- 2,903	- 2,903	- 2,903
Cash flow from financing activities	43,417	15,690	7,603	- 2,987
Cash flow for the period	41,831	6,038	45,413	13,657
Exchange rate differences in liquid assets	48	- 491		
Liquid assets at end of period *	100,448	99,700	92,500	86,485
* of which securities pledged for OM, etc.				
at beginning of period	4,800	4,400	4,800	4,400
At end of period	2,067	3,058	2,067	3,058

Note 1. Specification of net commission income

SEK M January – June	Group		Bank	
	2003	2002	2003	2002
Payment processing commissions	1,397	1,329	1,085	1,044
Brokerage	130	152	103	120
Asset management	895	1,157	483	679
Other securities commissions	84	83	76	84
Other commissions receivable	915	883	505	512
Total commissions receivable	3,421	3,604	2,252	2,439
Payment processing commissions	- 489	- 470	- 420	- 400
Securities commissions	- 65	- 74	- 45	- 53
Other commissions payable	- 314	- 285	- 19	- 16
Total commissions payable	- 868	- 829	- 484	- 469
Total commissions, net	2,553	2,775	1,768	1,970

Note 2. Specification of net profit on financial operations

SEK M	Group		Bank	
	2003	2002	2003	2002
January – June				
Capital gains/losses				
Shares/participating interests	-27	37	- 34	39
Interest-bearing securities	295	26	282	32
Other financial instruments	14	29	1	0
Total	282	92	249	71
Unrealized changes in value				
Shares/participating interests	31	- 26	38	6
Interest-bearing securities	- 149	- 122	- 226	- 115
Other financial instruments	- 98	- 9	0	1
Total	- 216	- 157	- 188	- 108
Change in exchange rates	336	165	197	2
Total	402	100	258	- 35

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

SEK M	Group		Bank	
	2003	2002	2003	2002
January – June				
<i>Specific provisions for claims assessed individually</i>				
The period's write-off for established loan losses	- 621	- 707	- 328	- 415
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	373	413	189	210
The period's provisions for anticipated loan losses	- 741	- 435	- 183	- 184
Recoveries from previous years' established loan losses	233	292	66	85
Recovered provisions for anticipated loan losses	371	200	38	67
The year's net expense	- 385	- 237	- 218	- 237
<i>Collective provisions for individually assessed claims</i>				
Allocations to collective provisions	- 233	- 567	- 233	- 515
<i>Collectively valued homogenous groups of claims with limited value and similar credit risk</i>				
The period's write-off for established loan losses	- 51	- 60	- 35	- 38
Recoveries from previous years' established loan losses	5	15	1	7
Allocations/withdrawals from loan loss reserve	1	- 15	- 6	- 15
The period's net expense for collectively assessed claims	- 45	- 60	- 40	- 46
<i>Contingent liabilities</i>				
The period's net expense for discharged guarantees and other contingent liabilities	- 3	- 4	3	2
The period's net loan loss expense	- 666	- 868	- 488	- 796
Change in the value of property taken over	- 6	0	- 6	0
Total loan losses, net, and change in value of property taken over	- 672	- 868	- 494	- 796

Note 4. Claims

(Loans to credit institutions and loans to the public)

SEK M	Group			Bank		
	Jun 30 2003	Dec 31 2002	Jun 30 2002	Jun 30 2003	Dec 31 2002	Jun 30 2002
Accrued acquisition value (before accounting for provisions)	859,838	806,882	808,423	389,084	331,292	367,732
Specific provisions for individually assessed claims	- 1,256	- 1,259	- 1,350	- 648	- 696	- 772
Provisions for collectively valued homogenous groups of claims with limited value and similar credit risk	- 198	- 199	- 202	- 108	- 102	- 106
Collective provisions for individually assessed claims	- 3,602	- 3,365	- 3,146	- 2,133	- 1,900	- 1,660
Total provisions	- 5,056	- 4,823	- 4,698	- 2,889	- 2,698	- 2,538
Book value	854,782	802,059	803,725	386,195	328,594	365,194
Book value of doubtful claims	2,196	2,142	2,504	1,127	1,057	1,425
Book value of unsettled claims not included in doubtful claims and for which accrued interest has been entered as income	578	599	637	150	186	209
Property taken over to protect claims:						
- Buildings and land	12	13	12	1	1	2
- Shares and participating interests	15	13	15	10	7	7
- Other	2	2	4	0	0	1
Total	29	28	31	11	8	10
Doubtful claims as % of total lending	0.26	0.27	0.31	0.29	0.32	0.39
Total provision ratio for doubtful claims *	139	134	116	153	145	110
Provision ratio for individually identified doubtful claims	40	40	38	40	43	38

* Total provision, i.e. including collective provision for individually assessed claims, in relation to book value before provision for individually identified doubtful claims.

Specification of loan receivables

Sector/Industry SEK M June 30, 2003	Accrued acquisition value before accounting for provisions	Specific provisions for individually assessed claims	Collective provisions for individually assessed claims	Provisions for collectively valued homogenous groups of claims	Book value of claims after accounting for provisions	Book value of doubtful claims	Book value of unsettled claims for which interest is entered as income
Consumers	321,764	67	132	198	321,367	171	230
Real estate management	147,248	259	379		146,610	493	155
Retail, hotels, restaurants	27,322	190	370		26,762	143	13
Construction	11,200	26	91		11,083	69	1
Manufacturing	52,434	330	1,053		51,051	490	111
Transportation	15,139	24	257		14,858	124	6
Forestry and agriculture	33,183	39	61		33,083	83	8
Other service businesses	19,870	80	353		19,437	214	51
Other business lending	58,371	219	906		57,246	409	3
Municipalities	13,612				13,612		
Lending	700,143	1,234	3,602	198	695,109	2,196	578
Credit institutions							
incl. Nat'l Debt Office	67,996	22			67,974	0	
Repurchase agreements - credit institutions incl. Nat'l Debt Office	66,254				66,254		
Repurchase agreements - public	25,445				25,445		
Total lending to credit institutions and the public	859,838	1,256	3,602	198	854,782	2,196	578

Warrant program

In the spring of 2000 employees of FöreningsSparbanken and wholly owned Group companies in Sweden and members of local bank boards were offered the opportunity to buy warrants in FöreningsSparbanken on market terms. The 8,008,100 outstanding warrants carry the right to subscribe for an equal number of shares during a specific period in 2005, as detailed in their terms and conditions. The premium was SEK 15 and the subscription price SEK 187. On June 30, 2003 the price of the FöreningsSparbanken share was SEK 110 and the warrant SEK 2.20.

Derivatives

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

Specification of Group derivatives as of March 31, 2003

Derivatives with positive fair values or nil value

SEK M	Interest-related		Currency-related		Equity-related		Other	
	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value
Derivatives reported entirely or partly on the balance sheet	17,019	14,587	13,217	11,548	815	1,164	0	-1
Derivatives not reported on the balance sheet	169		421					

Derivatives with negative fair values

SEK M	Interest-related		Currency-related		Equity-related		Other	
	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value
Derivatives reported entirely or partly on the balance sheet	19,955	16,529	19,850	15,583	619	972	0	0
Derivatives not reported on the balance sheet	11		222					

Ratings June 2003

S&P		Moody's		BFSR	Fitch		R/I
Short	Long	Short	Long		Short	Long	Long
FöreningsSparbanken							
A-1	A	P-1	Aa3	B	F1	A+	AA-
Spintab							
A-1	-	P-1	Aa3	-	F1+	AA-	-
Hansabank							
-	-	P-1	A1	C	F2	A-	-
FIH							
-	-	P-1	A1	-	-	-	-

Financial information 2003

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

FöreningsSparbanken will publish financial reports on the following dates:

- Interim report January – September 2003 on October 24, 2003
- Year-end report for 2003 on February 16, 2004

Stockholm, August 22, 2003

Birgitta Johansson-Hedberg

President and Chief Executive Officer

Audit report

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

Stockholm, August 22, 2003

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
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