



Cash Offer by

FöreningsSparbanken AB (publ)

a company incorporated pursuant to the laws of Sweden

for the acquisition of all shares of

AS Hansapank

a company incorporated pursuant to the laws of Estonia

Tallinn, 1 March 2005

This offer document, consisting of six parts; this document, a list of companies controlled by FöreningsSparbanken, FöreningsSparbanken's annual reports for 2001, 2002 and 2003 and the preliminary year-end report for 2004 (the "Prospectus"), has been prepared by FöreningsSparbanken AB in connection with the cash offer being made by FöreningsSparbanken AB for the acquisition of all shares of AS Hansapank.

The Prospectus has been prepared in an Estonian language version, an English language version and a Swedish language version. The Estonian language version shall be the governing version.

Warning to shareholders regarding information received from third parties: No person is authorized to give any information or to make any representation other than as contained in this Prospectus. If given or made, such information or representation must not be relied upon as having been made or authorized by FöreningsSparbanken AB, or Morgan Stanley & Co. Limited ("Morgan Stanley"), neither of whom shall be liable in respect thereof.

The Offer (as defined on page 3 in the Prospectus) is not directed towards any person whose participation requires additional prospectus, registration or other measures than those required by Estonian or Swedish law. Specifically, the Offer is not being made directly or indirectly in or into the United States of America, Australia, Japan or Canada. Copies of the Prospectus or any other documents related to the Offer must not be mailed or otherwise distributed or sent in or into or from the United States of America, Australia, Japan or Canada, and persons receiving the Prospectus or any other documents related to the Offer (including, without limitation, custodians, nominees and trustees) must not distribute or send them in, into or from the United States of America, Australia, Japan or Canada. The Prospectus or any other documents related to the Offer may not be distributed to or in any other country where such distribution (i) requires additional registration or other measures than those prescribed by Estonian and Swedish law or (ii) conflicts with prevailing legislation or regulations in such country.

The Estonian language version of the Prospectus and the terms of the Offer have been approved by the Estonian Financial Supervision Authority (Finantsinspektsioon) on 28 February 2005.

The Swedish language version of the Prospectus has been registered with the Swedish Financial Supervisory Authority (Finansinspektionen) in accordance with the provisions in Chapter 2, Section 4 of the Financial Instruments Trading Act (1991:980). Registration with the Swedish Financial Supervisory Authority is not a guarantee from the Swedish Financial Supervisory Authority that the information in the Prospectus is accurate or complete.

Please note that the totals in the tables in the Prospectus may differ from the corresponding sums due to rounding (1/2 and exceeding fractions are rounded upwards to a higher integer and lower fractions downwards).

All information contained in the Prospectus is presented as of 11 February 2005 (except if expressly stated otherwise), the date for submission of the Prospectus and the notice of the Offer to the Estonian Financial Supervision Authority.

The Offer and all acceptances given and/or transactions entered into in the course thereof shall be governed by the laws of Estonia. Any disputes arising in connection with the Offer and/or the acceptances given and/or transactions entered into in the course thereof shall be settled in the Tallinn City Court.

Morgan Stanley is acting for FöreningsSparbanken and no one else in connection with the Offer and will not be responsible to anyone other than FöreningsSparbanken for providing the protections afforded to clients of Morgan Stanley nor for providing advice in connection with the Offer.

Morgan Stanley



Swedbank
Markets

TABLE OF CONTENTS

CASH OFFER	3
PROCEDURE FOR ACCEPTING THE OFFER.....	4
OTHER PROVISIONS AND CONDITIONS	5
OFFER TIMETABLE	6
ESTONIAN TAKEOVER RULES.....	6
ESTONIAN TAX TREATMENT	7
BACKGROUND TO AND DESCRIPTION OF THE OFFER	8
OFFEROR AND PERSONS ACTING IN CONCERT WITH THE OFFEROR	8
CURRENT HOLDINGS OF FÖRENINGSSPARBANKEN AND THE GROUP IN HANSABANK.....	8
FÖRENINGSSPARBANKEN’S STRATEGIC FOCUS	8
FÖRENINGSSPARBANKEN’S REASONS FOR THE OFFER	9
INTENTIONS OF FÖRENINGSSPARBANKEN CONCERNING HANSABANK	10
DESCRIPTION OF THE SHARES SUBJECT TO THE OFFER	10
CONSIDERATIONS FOR HANSABANK’S SHAREHOLDERS	11
FINANCIAL ADVICE	12
PRINCIPLES AND PROCEDURE FOR PAYING THE PURCHASE PRICE	12
INFORMATION ON FINANCING THE OFFER	13
SWEDISH REGULATORY APPROVAL	13
INFORMATION ABOUT FÖRENINGSSPARBANKEN	14
GENERAL INFORMATION	14
HISTORIC BACKGROUND	14
BUSINESS ORGANIZATION AND ACTIVITIES	15
COOPERATION WITH SAVINGS BANKS.....	16
SHARES AND SHAREHOLDERS.....	16
BOARD AND MANAGEMENT	18
ANNUAL REPORTS	19
INFORMATION ABOUT HANSABANK	22
GENERAL INFORMATION	22
HISTORIC BACKGROUND	22
BUSINESS ORGANIZATION AND ACTIVITIES	23
SUPERVISORY COUNCIL AND MANAGEMENT BOARD	24
ANNUAL REPORTS	25
OTHER INFORMATION	27
SOURCES OF INFORMATION	27
DOCUMENTS AVAILABLE FOR INSPECTION	27
APPENDICES	27
APPENDICES	28
APPENDIX 1: LIST OF COMPANIES CONTROLLED BY FÖRENINGSSPARBANKEN.....	28
APPENDIX 2: FÖRENINGSSPARBANKEN’S PRELIMINARY YEAR-END REPORT FOR 2004	30
STATEMENT FROM FÖRENINGSSPARBANKEN AB	64

CASH OFFER

In accordance with the Rules of Takeover Bids and other laws effective in Estonia, FöreningsSparbanken AB ("**FöreningsSparbanken**"), a company incorporated pursuant to the laws of Sweden, registration number 502017-7753, address 105 34 Stockholm, Sweden, is offering to acquire all shares of AS Hansapank ("**Hansabank**"), a company incorporated pursuant to the laws of Estonia, registry code 10060701, address Liivalaia 8, Tallinn 15040, Estonia, not already owned by FöreningsSparbanken from shareholders of Hansabank ("**Shareholders**") on the following terms and conditions (the "**Offer**"):

The persons acting in concert with FöreningsSparbanken within the meaning of Article 168 of the Securities Market Act of Estonia are the companies controlled by FöreningsSparbanken.

1. Number of shares of Hansabank owned by FöreningsSparbanken and persons acting in concert

FöreningsSparbanken is the beneficial owner of 189,504,712 shares of Hansabank, representing 59.71 per cent of the total number of shares of Hansabank. As at 23 February 2005, Hansabank was the registered owner of 539,823 shares of Hansabank, representing 0.17 per cent of the total number of shares of Hansabank, AS Hansa Investeerimisfondid was the registered owner of 42,468 shares of Hansabank, representing 0.01 per cent of the total number of shares of Hansabank, and AS Hansa Elukindlustus was the registered owner of 99,300 shares of Hansabank, representing 0.03 per cent of the total number of shares of Hansabank. None of the other persons acting in concert with FöreningsSparbanken is the beneficial owner of any shares of Hansabank.

2. Description of shares in respect of which the Offer is made

The total number of shares issued by Hansabank is 317,368,436, all of which are Class B registered common shares, each with a nominal value of EEK 10.00 (the "**Shares**").

The Offer is made in respect of all Shares not already owned by FöreningsSparbanken, being 127,863,724 Shares, representing 40.29 per cent of all Shares.

Pursuant to the articles of association of Hansabank, each common share gives the shareholder one vote at the general meeting of shareholders and entitles the shareholder to participate in the distribution of profits and assets remaining upon the dissolution. All Shares are freely transferable.

The Shares are listed on the Tallinn Stock Exchange.

3. Purchase price

EEK 172.11 (EUR 11.00)¹ per Share (the "**Share Price**").

4. Offer period

The period of acceptance of the Offer (the "**Offer Period**") begins on 1 March 2005 and ends on 4 April 2005 (the "**Final Date**"). The transaction instructions of the Shareholders wishing to accept the Offer must be registered with the Estonian Central Register of Securities (the "**ECRS**") by 5 p.m. Estonian time on the Final Date.

5. Condition for the completion of the Offer

The rights and obligations determined by the Offer shall arise in case the following condition ("**Condition Precedent**") is fulfilled:

Shareholders give acceptances to the Offer to such an extent that FöreningsSparbanken will hold at least ninety five per cent (95%) of all Shares.

FöreningsSparbanken shall have the right to waive the Condition Precedent, however, not later than on the 10th calendar day before the expiry of the Offer Period.

6. Method of payment of the purchase price and transfer of Shares

FöreningsSparbanken shall pay the purchase price to each Shareholder who has accepted to sell his/her/its respective Shares to FöreningsSparbanken on 11 April 2005 (the "**Value Date**") to such accepting Shareholder's cash account connected to his/her/its securities account. FöreningsSparbanken shall pay the purchase price to each accepting Shareholder against the delivery of Shares by such accepting Shareholder to FöreningsSparbanken (delivery versus payment).

7. Procedure for accepting the Offer

Each Shareholder wishing to accept the Offer should contact the relevant financial institution operating the securities account on which the Shares belonging to such Shareholder are held (ECRS account operator) and register a transaction instruction in accordance with the terms specified in more detail in the Section *Procedure for accepting the Offer*, for the sale of Shares to FöreningsSparbanken against payment.

8. Offer timetable

1 March 2005 – 4 April 2005	Offer Period
7 April 2005	Publication of results
11 April 2005	Value Date

The authorized arranger of the Offer is AS Hansapank, registry code 10060701, address Liivalaia 8, Tallinn 15040, Estonia.

¹ The Share Price as stated in EUR has been converted from EEK using the peg of EEK 15.6466 for 1 EUR. Depending on the account operator of the respective Shareholder, different conversion rates may be applied for those Shareholders wishing to convert the payment in EEK into EUR.

PROCEDURE FOR ACCEPTING THE OFFER

Each Shareholder wishing to accept the Offer should contact the relevant financial institution operating the securities account on which the respective Shares belonging to such Shareholder are held (ECRS account operator) and register, by the deadline given by each respective account operator to its clients, a transaction instruction containing the following data:

Transaction instruction

Security:	AS Hansapank share
ISIN code:	EE0000001063
Transaction price per security:	EEK 172.11
Number of shares:	(to be determined by the Shareholder)
Transaction counterparty:	FöreningsSparbanken AB
Securities account operator of the counterparty:	AS Hansapank
Securities account number of the counterparty:	99000997768
Value Date of the transaction:	11 April 2005
Type of transaction:	delivery versus payment

The ECRS account operators are Estonian Credit Bank (Eesti Krediidipank), Union Bank of Estonia (Eesti Ühispank), Hansabank (Hansapank), Lõhmus, Haavel and Viisemann, Nordea Bank Estonia (Nordea Panga Eesti filiaal), OMX Back Office and Custody Services, Sampo Bank (Sampo Pank), SBM Bank (SBM Pank) and Tallinn Business Bank (Tallinna Äripank).

By registering the above-specified transaction instruction with the ECRS account operator each Shareholder shall be deemed to have duly authorized and instructed the account operator to forward such instructions to the registrar of ECRS.

The acceptance by the Shareholder to sell the respective Shares specified in the transaction instruction to FöreningsSparbanken pursuant to the terms of the Offer shall be deemed to have been given irrevocably (unless otherwise stated herein) and taken effect from the moment the registrar of ECRS has received the transaction instruction of the respective Shareholder (“**Accepting Shareholder**”) from his/her/its respective ECRS account operator.

From that moment an agreement for the sale of Shares specified in the transaction instruction shall be deemed to have been entered into between FöreningsSparbanken and the Accepting Shareholder on the terms and subject to the conditions specified in the Offer (“**Transfer Agreement**”). The rights and obligations of the Accepting Shareholder and of FöreningsSparbanken under the Transfer Agreement shall arise upon the fulfillment, during the Offer Period, of the Condition Precedent specified in the Prospectus which has not been waived by FöreningsSparbanken.

By registering the above-specified instructions in accordance with the initial terms of the Offer (i.e. terms of the Offer effective on the moment of publishing of the Prospectus and notice of the Offer) in the format required by each respective ECRS account operator each Accepting Shareholder shall be deemed to have accepted any new Value Date announced by FöreningsSparbanken as a result of an extension of the Offer Period in accordance with Section *Other provisions and conditions* below as well as any increase of the Share Price announced by FöreningsSparbanken. The above-said does not exclude or restrict in any way the right of any Accepting Shareholder to withdraw from the Transfer Agreement in accordance with the terms of the Offer and with Estonian laws.

Each Shareholder who wishes to accept the Offer but who does not hold the Shares directly on a securities account operated by an ECRS account operator should contact the respective custodian bank operating the securities account on which the respective Shares belonging to such Shareholder are held.

In case of additional questions on the Offer acceptance procedure, please contact Hansabank Client Support at:

Natural persons Tel +372 6310 310

Legal persons Tel +372 6132 222

OTHER PROVISIONS AND CONDITIONS

The respective Shares to be acquired by FöreningsSparbanken pursuant to the Transfer Agreements entered into in the course of the Offer shall be transferred from each Accepting Shareholder to FöreningsSparbanken on the Value Date simultaneously with the transfer of the purchase price for the respective Shares to the cash account of such Accepting Shareholder (delivery versus payment). In accordance with the Rules of Takeover Bids, the Shares to be acquired by FöreningsSparbanken shall be transferred to the securities account of FöreningsSparbanken not before the purchase price has been paid for the Shares.

In the event during the Offer Period another offeror discloses a takeover bid with respect to all Shares in accordance with laws and regulations (“**Competing Bid**”), the Shareholders shall have the right to choose between the bids and, in order to do so, the Shareholders shall have the right to withdraw, until the expiry of the Offer Period, from the Transfer Agreement entered into in the course of this Offer. In the event of a Competing Bid, the Offer Period shall be automatically extended until the expiry of the offer period for the Competing Bid and, if necessary, FöreningsSparbanken shall disclose a new Value Date.

If between 11 February 2005 and the expiry of the Offer Period FöreningsSparbanken or any person acting in concert with FöreningsSparbanken (other than Hansabank and companies controlled by Hansabank unless acting under instructions by FöreningsSparbanken or any other person acting in concert with FöreningsSparbanken which does not belong to the Hansabank group) acquire Shares under conditions more favorable for the Shareholders than those specified in the Offer (e.g. for a higher price), the respective conditions shall be retroactively incorporated into this Offer. In such case FöreningsSparbanken shall amend the terms of the Offer and disclose such amendments immediately.

Any increase of the Share Price and the waiver of the Condition Precedent by FöreningsSparbanken shall apply retroactively also to all Shareholders who have given their acceptance and entered into the Transfer Agreements.

In the event FöreningsSparbanken or any person acting in concert with FöreningsSparbanken (other than Hansabank and companies controlled by Hansabank unless acting under instructions by FöreningsSparbanken or any other person acting in concert with FöreningsSparbanken which does not belong to the Hansabank group) acquire any Shares on more favorable conditions, as set out above, or waives the Condition Precedent or increases the Share Price, then each Accepting Shareholder has the right to withdraw, until the expiry of the Offer Period, from the Transfer Agreement entered into in the course of this Offer.

FöreningsSparbanken has agreed to pay the Share Price for the Shares to be acquired on the terms of this Offer assuming that the Shares will be transferred to FöreningsSparbanken free and clear of encumbrances (including pledges) and third persons’ rights or claims of any nature whatsoever which rights could be exercised with respect to FöreningsSparbanken or which claims could be submitted to FöreningsSparbanken.

All rights to the Shares transferred by each Accepting Shareholder to FöreningsSparbanken in the course of the Offer shall be transferred from such Accepting Shareholder to FöreningsSparbanken from the moment of payment of the purchase price for the respective Shares by FöreningsSparbanken to such Accepting Shareholder in accordance with the terms of the Offer.

Each Accepting Shareholder wishing to withdraw from the Transfer Agreement in accordance with the terms of this Offer and with Estonian laws, should revoke, during the Offer Period, the transaction instruction registered pursuant to the terms of this Offer. The withdrawal by the Accepting Shareholder from the Transfer Agreement shall be deemed to have taken effect from the moment the registrar of ECRS has annulled the transaction instruction of the respective Accepting Shareholder based on the annulment instruction received from such Shareholder's account operator.

In case the Condition Precedent (which has not been waived by FöreningsSparbanken) is not fulfilled during the Offer Period, the respective account operators and the ECRS will annul the transaction instructions of the Accepting Shareholders.

OFFER TIMETABLE

Date	Event
1 March 2005 – 4 April 2005	Offer Period
7 April 2005	Publication of results
11 April 2005	Value Date

ESTONIAN TAKEOVER RULES

The following is a summary of certain Estonian takeover rules. The summary is based on current Estonian rules and legislation and is intended as general information only. The summary does not contain an exhaustive description of such rules. The full texts of the Rules of Takeover Bids and the Securities Market Act can be found on the website www.riigiteataja.ee. Unofficial translations into English can be found on the website www.legaltext.ee.

The supervisory council of the target should publish its opinion regarding the offer within 14 days from the publication of the prospectus. Among other things, the opinion should include a statement regarding the effects of the takeover bid on the target and the effects on the target's relations with its employees. Each member of the supervisory council or management board of the target holding shares in the target must express in the opinion whether they are going to accept the offer and tender their shares.

The terms and conditions of the offer may not be amended, except by offering a higher price in the offer or by waiving one or more conditions of the offer. Such amendment must be made no later than on the 10th day before the expiry of the offer period. In the event the terms and conditions of the offer are amended as permitted by the laws, the accepting shareholders have a right to withdraw their acceptances. The acceptance period may not be extended, except if a competing bid is launched. The offeror must announce the results of the offer at least on the 6th trading day after the expiry of the offer period.

ESTONIAN TAX TREATMENT

The following is a summary of certain Estonian tax consequences related to the Offer. The summary is based on current Estonian legislation and is intended as general information only. The summary does not contain an exhaustive description of all tax rules which may be applicable to each individual investor. Specific tax provisions may apply to certain categories of tax payers. All Shareholders should therefore consult a tax adviser regarding the tax implications that may arise as a result of the Offer, including, in particular, the effects of tax laws of any other jurisdiction.

Shareholders resident outside of Estonia should consult their own tax advisor as to the tax consequences resulting from the Offer.

The sale of Shares by current Shareholders to FöreningsSparbanken may trigger the following Estonian income tax consequences depending on the status of the seller:

1. A non resident company or individual is not subject to Estonian income tax on his/her/its capital gains from the sale of Shares.
2. A resident company is not subject to Estonian income tax on its capital gains from the sale of Shares. The resident company must pay taxes upon distribution of profit to its shareholders.
3. Subject to certain set-off rights, a resident individual is subject to Estonian income tax at the rate of 24 per cent on his/her capital gains from the sale of Shares. A tax declaration must be presented by 31 March 2006 and tax paid by 1 October 2006.

BACKGROUND TO AND DESCRIPTION OF THE OFFER

OFFEROR AND PERSONS ACTING IN CONCERT WITH THE OFFEROR

FöreningsSparbanken

FöreningsSparbanken's purpose is to conduct banking and financing business and activities related thereto.

Certain information about FöreningsSparbanken and the FöreningsSparbanken group of companies, the latter includes the Hansabank group of companies, (the "**FöreningsSparbanken Group**" or the "**Group**") is provided below. More detailed information about FöreningsSparbanken and its business can be obtained from the annual reports and the preliminary year-end report for 2004 appended to this document and from FöreningsSparbanken's website (www.fsb.se).

Persons acting in concert with FöreningsSparbanken

The persons acting in concert with FöreningsSparbanken within the meaning of Article 168 of the Securities Market Act of Estonia are the companies controlled by FöreningsSparbanken. The list of such companies as at 11 February 2005 is set forth in Appendix 1.

The main area of activities of the FöreningsSparbanken Group is banking, other financing business, fund management, insurance and other activities related to any of the foregoing.

CURRENT HOLDINGS OF FÖRENINGSSPARBANKEN AND THE GROUP IN HANSABANK

As at 11 February 2005, FöreningsSparbanken was the beneficial owner of 189,504,712 Shares, representing 59.71 per cent of the total number of Shares. As at 11 February 2005, FöreningsSparbanken did not hold any securities convertible into or rights to subscribe for any shares of Hansabank.

As at 23 February 2005, according to information from ECRS, Hansabank was the registered owner of 539,823 Shares, representing 0.17 per cent of the total number of Shares, AS Hansa Investeerimisfondid was the registered owner of 42,468 shares of Hansabank, representing 0.01 per cent of the total number of shares of Hansabank, and AS Hansa Elukindlustus was the registered owner of 99,300 shares of Hansabank, representing 0.03 per cent of the total number of shares of Hansabank. No other member of the Group is the beneficial owner of any Shares or any securities convertible into or rights to subscribe for any shares of Hansabank.

Neither FöreningsSparbanken nor any of the members of the Group, not including Hansabank and companies controlled by Hansabank, have entered into any agreements with any third person for the purpose of acquiring any Shares or securities convertible into or rights to subscribe for any shares of Hansabank.

FÖRENINGSSPARBANKEN'S STRATEGIC FOCUS

FöreningsSparbanken's main strategic focus is to become the leading bank in the Nordic-Baltic region with a strong local presence in each home market, signified by universal banking, a significant market share, and, if possible, 100 per cent ownership in Hansabank and other potential subsidiaries.

FöreningsSparbanken envisages to further increase its market share and capacity to sell products and services in the new home markets Estonia, Latvia and Lithuania as well as in its current home market Sweden.

In addition to FöreningsSparbanken's home markets, and as part of the international strategy, FöreningsSparbanken has significant operations in the Nordic countries where select products and services are offered to target customer segments, either directly or through partly owned companies.

FöreningsSparbanken's international strategy is based on three pillars:

- Acquisitions of universal banks (100 per cent ownership if possible).
- Expansion in selected product areas where economies of scale or cross-border customer value can be realized or additional distribution channels can be added.
- Organic growth (i.e. growth achieved by means other than mergers and acquisitions) in major Nordic cities.

FÖRENINGSPARBANKEN'S REASONS FOR THE OFFER

Hansabank – A cornerstone of FöreningsSparbanken's strategy

Hansabank is an important part of the FöreningsSparbanken group, both strategically and financially. Estonia, Latvia and Lithuania are considered as home markets to FöreningsSparbanken and key countries in the international strategy. Therefore, the acquisition of the Shares is consistent with FöreningsSparbanken's strategy outlined above and constitutes a cornerstone of its objective to be the leading Nordic-Baltic bank with a strong presence in the Swedish and the new Baltic home markets. FöreningsSparbanken believes that the dynamic economies of Estonia, Latvia and Lithuania, their entry into the European Union last year, the increasing stability of the region as well as their future adoption of the euro are all factors that make the acquisition of the Shares a logical strategic step.

A strong platform for investments into future growth

Hansabank is the leading bank in the Baltic countries, with a strong brand recognition and significant market shares in retail banking, corporate banking and asset management. Together with FöreningsSparbanken's financial resources, it is envisaged that Hansabank will be an optimal platform for further growth in the Baltic countries and allows the pursuit of additional opportunities in neighboring countries, including Russia. FöreningsSparbanken expects Hansabank to be a significant contributor to profit and growth going forward.

Closer cooperation to generate synergies

FöreningsSparbanken believes it can increasingly add value to the operations of Hansabank as the Baltic economies and markets for financial services continue to grow and become more integrated with the Nordic markets. FöreningsSparbanken also believes that increased sharing of knowledge and best practice with Hansabank could lead to further improvements of the Swedish operations. On an operational level, a closer cooperation should enable the realization of synergies. Such synergies could include cost savings relating to funding, IT-development, product development and reallocate resources to those units with the highest productivity. Revenue synergies are expected to be generated by using FöreningsSparbanken's product platform to satisfy the increasing requirements of an expanding client base. These synergies are expected to be limited in the near term but should grow with the increasing integration of the Nordic and Baltic economies.

INTENTIONS OF FÖRENINGSSPARBANKEN CONCERNING HANSABANK

Limited structural changes

In accordance with FöreningsSparbanken's principles for governance and organization, FöreningsSparbanken will continue to strengthen local operations and decision-making capabilities in the Estonian, Latvian and Lithuanian home markets. The Offer is expected to have no substantial structural changes for Hansabank or FöreningsSparbanken employees. FöreningsSparbanken will continue to optimize the Group's resource capacity and with Hansabank as a platform for future growth, further investments are envisaged in these markets.

Management board and supervisory council

At present, FöreningsSparbanken does not intend to change the management board of Hansabank in relation to the Offer, but will review the composition of the supervisory council in light of the changes in ownership.

Execution of squeeze-out

If, following the Offer, FöreningsSparbanken will hold, alone or in concert, at least 95 per cent of the Shares, FöreningsSparbanken intends to exercise the right to take over the Shares belonging to the remaining minority shareholders of Hansabank in return for fair monetary compensation in accordance with Chapter 29¹ of the Commercial Code of Estonia.

Delisting

If, following the Offer, FöreningsSparbanken will hold, alone or in concert, at least 95 per cent of the Shares, FöreningsSparbanken intends to delist the Shares from the Tallinn Stock Exchange. The listing body of the Tallinn Stock Exchange has the authority to decide upon delisting.

DESCRIPTION OF THE SHARES SUBJECT TO THE OFFER

As at 11 February 2005, the share capital of Hansabank (as registered with the Commercial Registry) was EEK 3,173,684,360 consisting of 317,368,436 Class B registered common shares, each with a nominal value of EEK 10.00.

The Offer is made in respect of all Shares not already owned by FöreningsSparbanken, being 127,863,724 Shares, representing 40.29 per cent of all Shares.

Pursuant to the articles of association of Hansabank, each common share gives the shareholder one vote at the general meeting of shareholders and entitles the shareholder to participate in the distribution of profits and assets remaining upon the dissolution. All Shares are freely transferable.

The Shares are listed on the Tallinn Stock Exchange.

According to the share register of Hansabank as at 11 February 2005 available on the website of the ECRS (www.e-register.ee), the Shares were divided among the shareholders as follows:

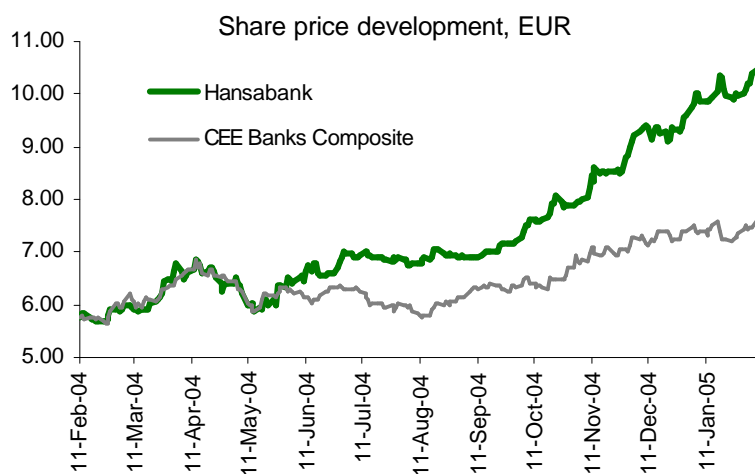
Shareholder	Number of shares	Percentage of total number of shares
FöreningsSparbanken	189,504,712	59.71
Other shareholders	127,863,724	40.29
Total	317,368,436	100.00

Hansabank may issue also Class C registered preference shares with a nominal value of EEK 10.00 each. Each preference share would give the shareholder priority in payment of dividend. As at 11 February 2005, no preference shares had been issued by Hansabank.

The articles of association allow also issuing of convertible bonds, although, as at 11 February 2005, no convertible bonds had been issued by Hansabank.

CONSIDERATIONS FOR HANSABANK'S SHAREHOLDERS

The Hansabank share has had a strong price performance on the Tallinn Stock Exchange in the last twelve months prior to the Offer. The Hansabank share price has, adjusted for a three-to-one bonus issue, increased from EUR 5.76 as at 11 February 2004 to EUR 10.51 on the 10 February 2005, corresponding to an increase of 82 per cent. The exhibit below illustrates the share price performance over the last twelve months.



Source: FactSet, 10 February 2005

The Share Price offered to Shareholders represents a premium of 4.7 per cent to the closing price on 10 February 2005 and a premium of 16.0 per cent to the last three months average closing price for the Hansabank share. FöreningsSparbanken considers the Share Price to represent a substantial premium, compared to Hansabank's average share price over different time periods.

The table below illustrates the Hansabank share price development over the last twelve months and the offer premiums corresponding to different time periods.

Period¹⁾	Hansabank share³⁾ (EUR/share)	Offer premium⁴⁾
Closing price on 10 February 2005 ²⁾	10.51	4.7%
1 month average	10.13	8.6%
2 months average	9.82	12.0%
3 months average	9.49	16.0%
6 months average	8.42	30.6%
12 months average	7.44	47.9%

¹⁾ Source: FactSet

²⁾ Last closing price prior to the announcement of the Offer

³⁾ Average prices have been calculated as arithmetical means.

⁴⁾ Part of the Share Price, expressed in percentages, which exceeds the closing price on 10 February 2005 or the average closing price for the Hansabank share during the different time periods.

The table below illustrates the trading volumes of the Shares.

Period¹⁾	Trading volume (Daily average)	Daily turnover (EUR M)
Last 1 month	355,786	3.6
Last 2 months	291,946	2.9
Last 3 months	288,326	2.8
Last 6 months	250,766	2.2
Last 12 months	253,058	1.9

¹⁾ Source: FactSet

FöreningsSparbanken confirms that:

- the Offer, including the Share Price offered to the Shareholders, has been prepared and determined without any involvement of any member of Hansabank's supervisory council or management board or any of its employees;
- the FöreningsSparbanken Group (excluding Hansabank's group) has no non-public information, the disclosure of which would increase significantly the price of the Share in comparison with the Share Price.

FINANCIAL ADVICE

FöreningsSparbanken has received financial advice from Morgan Stanley and Swedbank Markets in relation to the Offer.

PRINCIPLES AND PROCEDURE FOR PAYING THE PURCHASE PRICE

FöreningsSparbanken shall pay the Share Price to each Accepting Shareholder on the Value Date against the delivery of the respective Shares by such Accepting Shareholder to FöreningsSparbanken (delivery versus payment). The Share Price will be paid in EEK.

INFORMATION ON FINANCING THE OFFER

All Shares acquired by FöreningsSparbanken in the course of the Offer will be paid for in cash by utilizing FöreningsSparbanken's own funds and existing financing arrangements.

SWEDISH REGULATORY APPROVAL

FöreningsSparbanken has on 11 February 2005 obtained approval, according to the rules in the Swedish Banking and Financing Business Act, from the Swedish Financial Supervisory Authority to acquire all Shares not already owned by FöreningsSparbanken.

INFORMATION ABOUT FÖRENINGSSPARBANKEN

GENERAL INFORMATION

FöreningsSparbanken, internationally known as Swedbank, is together with its consolidated subsidiaries one of the largest banking groups in Sweden, the Baltic and the Nordic countries.

FöreningsSparbanken is a universal bank, with activities in all business segments ranging from traditional retail banking to corporate and investment banking and asset management. FöreningsSparbanken's vision is to be the leading bank in the Nordic-Baltic region.

The Group's core business is retail banking and the customer base consists of private individuals, small and medium sized companies, municipalities and large corporations. As at year-end 2004, the Group had approximately 4.1 million retail customers in Sweden. In addition, the Group has access to another 1.7 million retail customers through cooperating independent savings banks and partly owned banks. The Group's customer base represents almost two thirds of the Swedish population and also includes approximately 230,000 corporate customers and another 115,000 corporate customers through the independent savings banks and partly owned banks.

The FöreningsSparbanken Group has a very strong market position in Sweden. It has leading retail market shares in household deposits, mutual funds, mortgage lending and issuing of bank cards and acquiring of bank card transactions. In the corporate market, the Group's market share varies between approximately 15 and 25 per cent in deposits, lending and installment financing and leasing.

The FöreningsSparbanken Group's Swedish branch network of just below 500 branches is the largest banking network in Sweden, with an extensive nation-wide coverage. The Group's products and services are also distributed through the almost 300 branches of the cooperating independent savings banks and partly owned banks. Outside Sweden, the Group has an extensive branch network in the Baltic countries through its local subsidiary Hansabank.

HISTORIC BACKGROUND

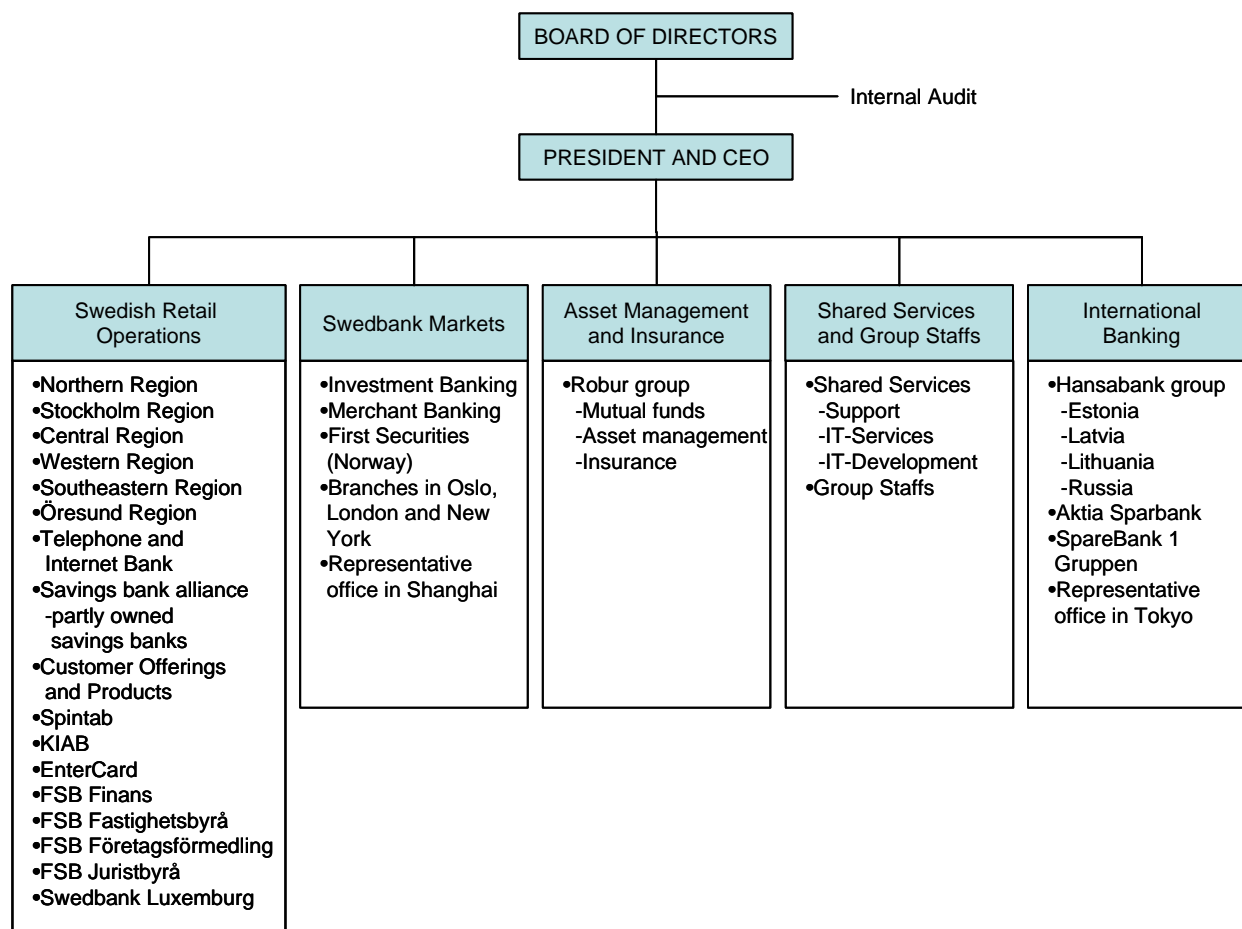
FöreningsSparbanken traces its origin back to the savings bank movement in the early 19th century and the cooperative bank movement in the early 20th century. From the very beginning operations were distinguished by a strong local presence. The first Swedish savings bank was founded in Gothenburg in 1820 and the first cooperative bank in Stockholm in 1915. The original idea behind both movements was to promote long-term savings and investments and to create financial security for individuals.

In the early 1940's the savings banks formed a jointly owned central bank, Sparbankernas Bank AB. In 1992, the businesses of eleven of the largest regional former savings banks were merged into Sparbankernas Bank AB, which then changed its name to Sparbanken Sverige AB.

Föreningsbanken dates back to Sweden's agricultural cooperatives, a special form of cooperative society. As of 1958 the organization included a central bank, which in 1974 changed its name to Föreningsbankernas Bank. In the early 1990's the regional cooperative banks merged with Föreningsbankernas Bank to form Sveriges Föreningsbank. In 1992, this bank joined together with the local cooperative banks to form Föreningsbanken AB.

Sparbanken Sverige and Föreningsbanken merged in 1997 to form FöreningsSparbanken.

BUSINESS ORGANIZATION AND ACTIVITIES



Swedish Retail Operations

Swedish Retail Operations is the dominating business area in FöreningsSparbanken. It comprises the branch network with 492 branches and 855 ATMs organized in 75 local banks in 6 regions. The customer responsibility for all Swedish clients, except for financial institutions, is located in the branch offices or in special corporate centres in the regions.

This business area also includes the Telephone and Internet banks and a number of subsidiaries, including Spintab (mortgage lending) and FöreningsSparbanken Finans (leasing products), and product units whose products are distributed through FöreningsSparbanken's and the independent and partly owned banks' distribution networks.

The unit Customer Offerings and Products' task is to support the sales organization by developing and packaging products and services demanded by the different customer groups and sold by the branches.

A part of the business area are also FöreningsSparbanken's private banking unit Swedbank Luxemburg, which mainly serves Swedes living abroad, and EnterCard, a credit card issuer operating on the Norwegian market, which operations are integrated with the Swedish card business.

Swedbank Markets

Swedbank Markets is FöreningsSparbanken's investment bank, with activities in equity, fixed income, foreign exchange, corporate, project, export and acquisition finance on behalf of the branches as well as its own customers (mainly financial institutions). Swedbank Markets also operates via the partly owned investment bank First Securities in Norway, the international branches in Oslo, London and New York and through a representative office in Shanghai.

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.

Shared Services and Group Staffs

Shared Services and Group Staffs comprises Group Management functions and common support functions, including IT-operations, for the Swedish part of the Group and the independent savings banks and partly owned banks.

International Banking

International Banking operations comprise the subsidiary Hansabank in the Baltic States, with operations in Estonia, Latvia, Lithuania and Russia. FöreningsSparbanken also owns 19.9 per cent of the shares in Aktia Sparbank (Finland) and 19.5 per cent of the shares in SpareBank 1 Gruppen (Norway). In Japan, FöreningsSparbanken is present through a representative office in Tokyo.

COOPERATION WITH SAVINGS BANKS

The cooperation with the independent savings banks and partly owned banks is an important part of FöreningsSparbanken's operations in Sweden. The cooperation has a long history and has gradually come to account for a significant portion of the involved banks' business activities. The cooperating banks market and distribute a range of the Group's products and services through their own local branch networks.

There are 74 independent savings banks, following the completion of certain ongoing mergers, and 7 partly owned banks.

Each savings bank and partly owned bank operates within a limited geographic area, which creates know-how about the region and its business sector. Through the cooperation, the FöreningsSparbanken Group's capacity to sell products and services is significantly strengthened. For customers, this results in a unique local presence throughout Sweden.

SHARES AND SHAREHOLDERS

As at 11 February 2005, the share capital of FöreningsSparbanken was SEK 10,556,176,860 and the total number of shares was 527,808,843 with a nominal value of SEK 20.00 per share.

FöreningsSparbanken is listed on the Stockholm Stock Exchange. As of 10 February 2005, FöreningsSparbanken's market capitalization was approximately SEK 87 billion according to share price data from the Stockholm Stock Exchange.

Pursuant to information from the Swedish central securities depository VPC AB, the ownership structure of FöreningsSparbanken was the following as at 31 December 2004:

Size of holding	Number of shares	Number of shareholders
1 – 100	6,417,973	243,038
101 – 500	27,837,894	121,075
501 – 1 000	10,819,725	15,527
1 001 – 2 000	6,143,312	4,317
2 001 – 5 000	5,049,437	1,625
5 001 – 10 000	3,179,113	437
10 001 – 100 000	17,281,351	533
100 001 – 500 000	42,099,054	182
500 001 –	408,980,984	145
Total	527,808,843	386,879

Pursuant to information from FöreningsSparbanken and SIS Ownership Data Corp the principal shareholders of FöreningsSparbanken and their respective holdings were the following as at 31 December 2004:

Shareholder	Number of shares	Per cent¹⁾
Savings bank foundations	107,054,351	20.9
Independent savings banks	41,409,167	8.1
Alecta	24,685,786	4.8
Robur funds	19,050,528	3.7
AMF Pension	16,500,000	3.2
Farmers' cooperative	15,119,168	2.9
SHB/SPP funds	12,574,906	2.5
AFA Försäkring	12,370,966	2.4
FSB profit-sharing funds	9,623,035	1.9
2nd Swedish National Pension Fund – AP2	8,130,353	1.6
Other	261,290,583	48.0
Total²⁾	527,808,843	100.00

¹⁾ FöreningsSparbanken held 14,937,531 treasury shares as at 31 December 2004.

²⁾ Swedish shareholders held 83.3 per cent of the total numbers of shares in FöreningsSparbanken.

BOARD AND MANAGEMENT

As at 11 February 2005, the members of the board of directors and the secretary of the board of FöreningsSparbanken were:

Name	Year born	Position
Carl Eric Stålberg	1951	Executive Chairman
Bo Forslund	1939	First Deputy Chairman
Ulrika Francke	1956	Second Deputy Chairman
Thomas Johansson	1954	Director
Göran Johnsson	1945	Director
Birgitta Klasén	1949	Director
Marianne Qvick Stolz	1949	Director
Lennart Sundén	1952	Director
Gith Bengtsson	1962	Director, employee representative
Monica Hellström	1948	Director, employee representative
Per Ekström	1947	Alternate, employee representative
Anna-Karin Holst	1955	Alternate, employee representative
Cecilia Hernqvist	1960	Secretary of the board

As at 11 February 2005, the members of the executive management of FöreningsSparbanken were:

Name	Year born	Position
Jan Lidén	1949	President and CEO
Anders Ek	1948	Executive Vice President and Head of International Banking
Catrin Fransson	1962	Executive Vice President and Manager of the Northern Region
Lennart Haglund	1947	Executive Vice President and Manager of the Öresund Region
Kjell Hedman	1951	Executive Vice President and Head of Customer Offerings and Products
Britt Henriksson	1949	Executive Vice President and Manager of the Southeastern Region
Mikael Inglander	1963	Executive Vice President and Manager of the Stockholm Region
Lars-Erik Kvist	1945	Executive Vice President, Chief Credit Officer and Head of Group Staffs
Bengt-Erik Lindgren	1950	Executive Vice President and Manager of the Central Region
Ingrid Persson	1948	Executive Vice President, responsible for relations with the independent savings banks and partly owned banks
Peter Rydell	1948	Executive Vice President and Manager of the Western Region
Göran Theodorsson	1948	Executive Vice President and Head of Human Resources
Annika Wijkström	1951	Executive Vice President and Head of Swedbank Markets

Co-opted members:

Jan Alexandersson	1951	Head of Telephone and Internet banking
Christer Cragnell	1954	Chief Information Officer
Henrik Kolga	1953	Head of Corporate Communications
Fredrik Runnquist	1947	Head of Shared Services

Employee representative:

Gith Bengtsson	1962	Employee representative in the executive management
----------------	------	---

ANNUAL REPORTS

The 2001, 2002 and 2003 annual reports and the preliminary year-end report for 2004 of FöreningsSparbanken are appended to this document. The annual reports and the preliminary year-end report appended to the Estonian language version and the English language version of this document are translations.

A five year summary for FöreningsSparbanken is provided below. The figures have been extracted from the 2003 annual report and the preliminary year-end report for 2004 of FöreningsSparbanken.

The preliminary year-end report for 2004 has not been subject to audit.

Key ratios, the FöreningsSparbanken Group	2004	2003	2002	2001	2000
Profit					
Operating profit, SEK M	11,912	9,564	6,848	8,039	9,366
Investment margin, %	1.54	1.59	1.58	1.54	1.51
Interest margin, %	1.44	1.47	1.43	1.38	1.35
C/I ratio before loan losses	0.54	0.57	0.63	0.60	0.57
Return on equity, %	20.5	15.9	11.0	14.7	19.7
Return on total capital, %	1.13	0.94	0.69	0.82	1.04
Earnings per share, SEK	16.42	12.02	7.87	9.86	12.10
Earnings per share after dilution, SEK ¹⁾	16.42	12.01	7.86	9.85	12.08
Capital adequacy					
Capital adequacy ratio, %	11.6	10.8	10.8	11.3	10.8
Capital base, SEK M	60,740	63,695	61,208	61,743	54,999
Primary capital ratio, %	8.2	7.2	7.1	7.1	6.9
Credit quality					
Loan loss ratio, net, %	0.07	0.14	0.23	0.21	0.19
Share of doubtful claims, %	0.18	0.28	0.27	0.32	0.22
Provision ratio for individually identified doubtful claims, %	40	40	40	41	48
Total provision ratio for doubtful claims,%	150	131	134	103	105

Balance sheet data

Total lending, SEK M	834,740	826,395	802,059	793,816	759,933
Mortgage lending, SEK M	428,628	398,752	367,645	340,997	321,332
Deposits and borrowing from the public, SEK M	285,540	283,616	263,419	247,190	247,438
Shareholders' equity, SEK M	43,624	41,919	38,602	37,483	34,954
Total assets, SEK M	1,020,459	1,002,334	957,503	959,632	929,439

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

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

¹⁾ Includes independent savings banks and jointly owned banks.

Operational profit and loss account	2004	2003	2002	2001	2000
<i>SEK M</i>					
Interest receivable	42,515	47,755	52,013	55,535	52,560
Interest payable	-26,242	-31,554	-36,464	-40,519	-38,971
Net interest income	16,273	16,201	15,549	15,016	13,589
Dividends received	90	105	90	148	247
Commissions receivable	8,919	7,661	7,558	7,742	8,377
Commissions payable	-2,261	-1,922	-1,794	-1,670	-1,593
Net commission income	6,658	5,739	5,764	6,072	6,784
Net profit on financial operations	1,047	801	441	1,110	1,694
Other operating income	2,406	1,607	1,157	1,063	1,689
TOTAL INCOME	26,474	24,453	23,001	23,409	24,003
General administrative expenses					
Staff costs	-7,694	-6,978	-7,005	-6,614	-6,448
Other	-5,537	-5,585	-5,279	-5,873	-6,000
Depreciation/amortization and write-offs of tangible and intangible fixed assets	-1,137	-1,278	-1,414	-1,407	-1,271
TOTAL EXPENSES	-14,368	-13,841	-13,698	-13,894	-13,719
PROFIT BEFORE LOAN LOSSES	12,106	10,612	9,303	9,515	10,284

Loan losses, net, and change in the value of property taken over	-495	-987	-1,603	-1,337	-1,115
Write-down of financial fixed assets			-264	-10	
Reversal of write-off of financial fixed assets		55			
Share of profit/loss of associated companies	301	-116	-588	-129	197
OPERATING PROFIT	11,912	9,564	6,848	8,039	9,366
Appropriations		-19	-76	-87	-5
Taxes	-2,564	-2,567	-1,983	-2,123	-2,476
Minority interest	-756	-635	-637	-625	-501
PROFIT FOR THE FINANCIAL YEAR	8,592	6,343	4,152	5,204	6,384

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

INFORMATION ABOUT HANSABANK

GENERAL INFORMATION

Hansabank is a company established pursuant to the laws of Estonia. According to the articles of association of Hansabank as at 11 February 2005, the main areas of activity of Hansabank are banking operations as established by law.

Hansabank is a universal bank, providing together with its subsidiaries a wide range of services ranging from retail banking and corporate financing to life assurance, leasing and investment banking.

The Hansabank group is currently active in all three Baltic markets and has a market share of approximately one third of the total market in the region. As of June 2004, the Hansabank group had the largest market share for deposits and loans in the region. Selected niche segments are also served in Russia.

HISTORIC BACKGROUND

In July 1991, Hansabank started operations as a branch of AS Tartu Kommertspank (Tartu Commercial Bank). Officially Hansabank launched independent operations on 10 January 1992. In 1993, the first subsidiary AS Hansa Liising (Hansa Leasing) was established.

1995 was a significant milestone in the history of Hansabank with the listing of Hansabank's shares on the I-list of the Helsinki Stock Exchange. In the same year, Hansabank launched operations in neighboring Latvia.

In 1996, Hansabank established its presence in Lithuania, the largest market in the Baltics. In the same year, Hansabank's shares started trading on the over-the-counter market in Frankfurt. The Hansabank group was developed at the end of 1996 with the establishment of the sales units Hansabank Estonia, Hansabank Latvia and Hansa Leasing. Hansabank Markets was set up to cover the financial markets of the Baltic States.

In April 1998, Hansabank merged with AS Eesti Hoiupank (Hoiupank) and since then the legal name of the merged bank has been AS Hansapank. FöreningsSparbanken was a shareholder in Hoiupank and as a result of this merger received shares in Hansabank. Following the merger, FöreningsSparbanken gradually increased its holding in Hansabank to 59.71 per cent in 2002. In September 1998, Hansabank Latvia and Hoiupank's subsidiary in Latvia, Zemes Banka, signed a merger agreement.

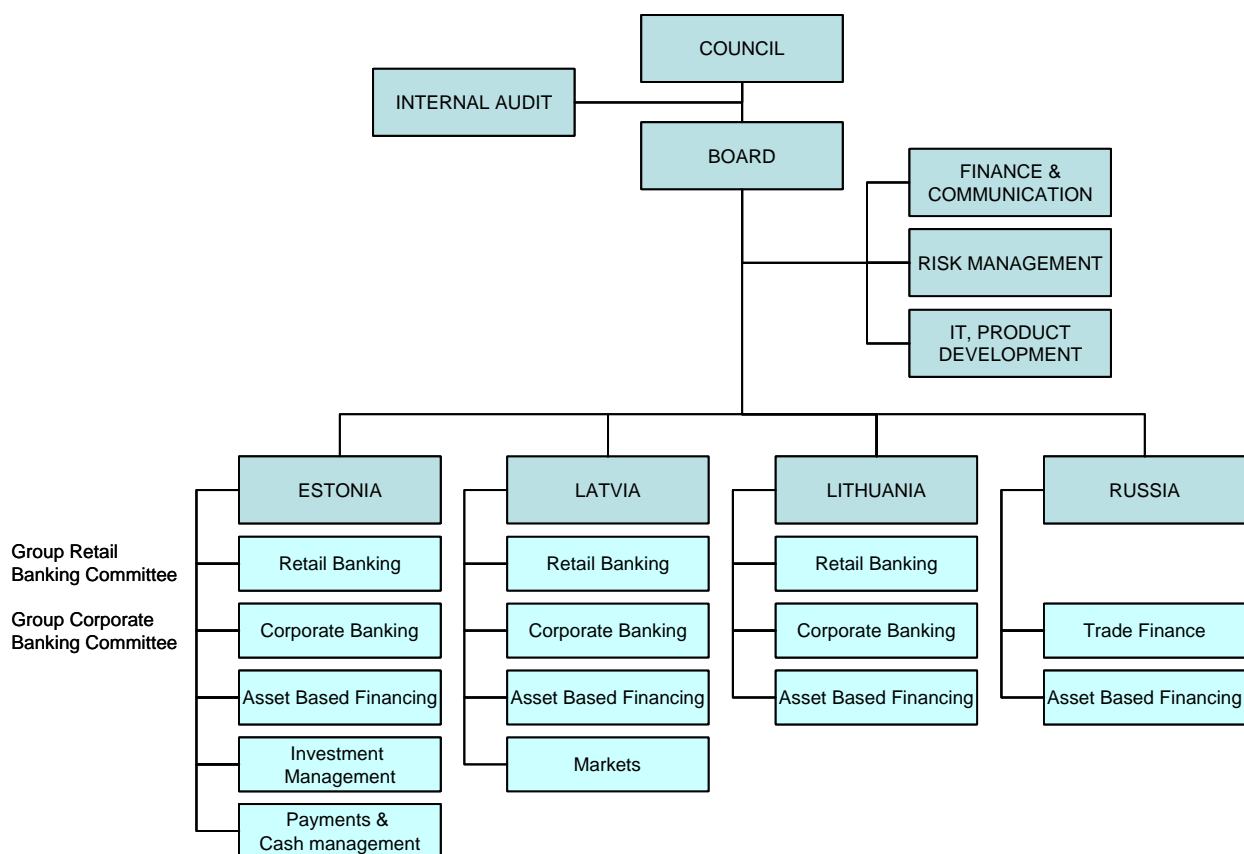
In June 2000, Hansabank Latvia merged with the strong regional bank Ventspils UBB, which further strengthened its position in the Latvian market and increased the number of customers by 38 per cent and deposits by 34 per cent.

In 2001, Hansabank acquired 90.7 per cent of UAB Lietuvos Taupomasis Bankas (LTB) from the Lithuanian State Property Fund for LTL 150 million (EUR 42 million). At the time of the acquisition, LTB was by far the largest retail bank in Lithuania with over 1.5 million retail customers and 3,000 employees and the second largest bank in terms of total deposits and loans.

In November 2002, Hansa Capital and the European Bank for Reconstruction and Development signed the establishment agreement with regard to Hansa Leasing Russia, which focuses on financing the most important areas of the Russian-related transit sector (ports and the railway).

In October 2003 the Hansabank group signed a purchase agreement for acquiring the Lithuanian life insurance company UAB Lietuvos Draudimo Gyvybes Draudimas.

BUSINESS ORGANIZATION AND ACTIVITIES



The Hansabank group's operations are divided into four business units: Estonia, Latvia, Lithuania and Russia. Each country has its own manager, responsible for operations within its territory. IT, product development, risk and financial management are managed centrally on the group level.

Estonia

As at 31 December 2003, the Hansabank group was the market leader in Estonia in retail and corporate banking as well as in asset management.

As of September 2004, the Hansabank group had 820,000 active customers in Estonia served by 95 branches and 514 ATMs. The number of employees was 2,281 (38 per cent of the total number of employees).

Latvia

As at 31 December 2003, the Hansabank group was the market leader in Latvia in retail banking and asset management and had the second largest market share in corporate banking.

As of September 2004, the Hansabank group had 385,000 active customers in Latvia served by 66 branches and 213 ATMs. The number of employees was 1,441 (24 per cent of the total number of employees).

Lithuania

As at 31 December 2003, the Hansabank group was the market leader in Lithuania in retail banking and asset management and had the second largest market share in corporate banking.

As of September 2004, the Hansabank group had 1,250,000 active customers in Lithuania, 120 branches and 299 ATMs. The number of employees was 2,271 (38 per cent of the total number of employees).

Russia

The Hansabank group's business in Russia, established in 2002, originally only consisted of leasing and trade financing. Operations were expanded in 2004 when Hansabank signed a purchase agreement of the Russian Kvest bank in Moscow and established a subsidiary of OOO Hansa Leasing in Kaliningrad, as part of Hansabank's strategy to roll-out leasing and banking operations in Russia. The Hansabank group's Russian business focuses on the Moscow, St Petersburg and Kaliningrad regions, serving Baltic, Scandinavian and Russian corporate clients.

SUPERVISORY COUNCIL AND MANAGEMENT BOARD

As at 11 February 2005, the members of the supervisory council of Hansabank were:

Name	Year born	Position
Anders Ek ^{1) 2)}	1948	Chairman
Gunnar Okk	1960	Vice Chairman
Lennart Lundberg ^{1) 2)}	1947	Member
Tiina Mõis	1957	Member
Endel Siff	1957	Member
Staffan Crona	1940	Member
Robert Charpentier ^{1) 2)}	1965	Member
Anders Sahlén ²⁾	1943	Member ³⁾

¹⁾ The employees of FöreningsSparbanken.

²⁾ Elected to the supervisory council upon the proposal of FöreningsSparbanken.

³⁾ Anders Sahlén has on 29 June 2004 decided to resign from the supervisory council.

As at 11 February 2005, the members of the management board of Hansabank were:

Name	Year born	Position
Indrek Neivelt	1967	Chairman
Erkki Raasuke	1971	Vice Chairman
Aivo Adamson	1965	Member
Druvis Murmanis	1971	Member
Giedrius Dusevicius	1970	Member
Ingrida Bluma	1961	Member
Kristina Siimar	1971	Member
Olli Heinonen	1950	Member
Priit Põldoja	1969	Member
Ugis Zemturis	1973	Member

ANNUAL REPORTS

The 2001, 2002 and 2003 annual reports as well as the consolidated financial result for 2004 of Hansabank are available for inspection at the locations referred to in Section *Documents available for inspection* and may also be viewed at Hansabank's website (www.hansagroup.com).

Financial information for the Hansabank group is provided below, which has been extracted from the 2003 annual report as well as from the consolidated financial result for 2004.

The consolidated financial result for 2004 has not been subject to audit.

Summary of selected financial data	2004	2003	2002	2001	2000
<i>EUR M, except per share and ratio data, as of or for the year ended December, 31</i>					
For the year					
Net interest income	240.8	207.9	201.2	170.1	126.2
Net fee income	120.8	102.2	86.0	69.6	56.2
Total income	420.8	360.2	330.7	288.7	226.7
Operating expenses	200.8	184.0	200.1	172.4	121.5
Operating profit before provisions	220.0	176.2	130.6	116.3	105.2
Net allowances for credit losses	21.0	29.4	3.1	5.0	23.3
Net profit / (-loss)	182.8	130.9	119.8	108.2	76.7
Total at year-end					
Assets	8,219.3	6,408.6	5,239.7	4,602.8	2,914.0
Loans	5,924.0	4,395.5	3,356.3	2,572.0	1,761.5
Deposits	4,972.0	4,076.7	3,573.1	3,263.6	1,867.9
Net loans of total assets	n.a.	67.6%	63.1%	54.7%	59.0%
Gross loans of total deposits	n.a.	107.8%	93.9%	78.8%	94.3%
Shareholders' equity	815.0	670.7	577.1	480.6	368.0
% of total assets	n.a.	10.5%	11.0%	10.4%	12.6%
Paid in share capital, incl. share premium	233.0	231.7	231.2	226.9	226.5
Capital ratios					
Tier I capital adequacy	11.8%	12.3%	13.7%	13.8%	16.0%
Total capital adequacy	11.8%	13.1%	14.8%	15.2%	17.0%
Performance ratios					
Return on shareholders' equity	24.7%	21.15%	22.65%	25.26%	22.40%
Return on assets	2.5%	2.30%	2.46%	2.85%	2.98%
Cost-income ratio ¹⁾	45.8%	49.33%	56.32%	53.83%	47.79%
Cost to assets ratio ¹⁾	n.a.	3.12%	3.83%	4.09%	4.21%
Yield of interest-earning assets	n.a.	5.78%	6.85%	8.28%	9.50%
Cost of interest-bearing liabilities	n.a.	1.95%	2.36%	3.53%	3.88%

Spread	n.a.	3.83%	4.49%	4.75%	5.62%
Net interest margin	3.33%	3.65%	4.14%	4.47%	4.91%
Number of employees (average, FTE)	n.a.	5,789	5,966	5,343	3,215
Number of customers	n.a.	4,121,000	3,550,000	2,900,000	1,200,000
incl. Internet banking customers	1,343,000	1,103,000	747,000	401,000	212,000
Number of branch offices	283	280	306	375	165
Number of electronic service points (ATM, SST)	n.a.	1,017	971	875	624
Share indicators					
Shares outstanding	n.a.	79,342,109	79,342,109	78,857,109	78,764,434
Book value at December, 31	n.a.	8.47	7.31	6.09	4.67
Market Value at December, 31	n.a.	21.38	15.89	10.28	8.88
EPS	n.a.	1.65	1.52	1.38	0.99
Cash dividend per share	n.a.	0.45	0.38	0.26	0.06
Dividend yield	n.a.	2.09%	2.41%	2.49%	0.72%
Cash dividend/net income	n.a.	27.03%	25.28%	18.51%	6.48%

¹⁾ Excluding goodwill amortization.

OTHER INFORMATION

SOURCES OF INFORMATION

The following main sources have been used for composing the Prospectus:

1. Articles of association of Hansabank
2. Excerpt from the Commercial Register regarding Hansabank (as of 11 February 2005)
3. Annual and interim reports from FöreningsSparbanken and Hansabank
4. Website of FöreningsSparbanken, www.fsb.se
5. Website of Hansabank, www.hansagroup.com
6. Website of the Estonian Central Register for Securities, www.e-register.ee
7. Website of Tallinn Stock Exchange, www.ee.omxgroup.com

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available to Shareholders for inspection at AS Hansapank office Liivalaia 8, Tallinn, Estonia from 9 a.m. to 5 p.m. Estonian time on any day (Saturdays, Sundays and public holidays excepted) during the Offer Period:

1. Prospectus (with appendices)
2. Hansabank's annual reports for 2001, 2002 and 2003
3. Hansabank's consolidated financial result for 2004

APPENDICES

1. List of companies controlled by FöreningsSparbanken
2. FöreningsSparbanken's preliminary year-end report for 2004
3. FöreningsSparbanken's annual reports for 2001, 2002 and 2003

APPENDICES

APPENDIX 1: LIST OF COMPANIES CONTROLLED BY FÖRENINGSSPARBANKEN

Company name	Registration number	Country/City
FöreningsSparbanken AB	502017-7753	Sweden/Stockholm
AB Spintab	556003-3283	Sweden/Stockholm
FöreningsSparbanken Jordbrukskredit AB	556061-5592	Sweden/Stockholm
FöreningsSparbanken Finans AB	556131-3395	Sweden/Stockholm
ML Rental AB	556047-9700	Sweden/Stockholm
AutoPlan AB (inactive)	556193-0370	Sweden/Stockholm
Gota ProjektFinans AB (inactive)	556117-1074	Sweden/Stockholm
Robur AB	556110-3895	Sweden/Stockholm
Robur Försäkring AB	516401-8292	Sweden/Stockholm
Robur Administration AB (inactive)	556217-8797	Sweden/Stockholm
Roburs Första Fondadministration AB (inactive)	556242-5628	Sweden/Stockholm
Roburs Andra Fondadministration AB (inactive)	556242-5636	Sweden/Stockholm
Roburs Tredje Fondadministration AB (inactive)	556290-1966	Sweden/Stockholm
Roburs Fjärde Fondadministration AB (inactive)	556349-5869	Sweden/Stockholm
Roburs Femte Fondadministration AB (inactive)	556315-6198	Sweden/Stockholm
Robur Fondadministration AB (inactive)	556242-0066	Sweden/Stockholm
Robur Fonder AB	556198-0128	Sweden/Stockholm
Svensk Fondförvaltning Luxembourg S.A. (99.8%)	B40.364	Luxemburg
Robur International Asset Management AB (inactive)	556382-2013	Sweden/Stockholm
Svenska Kyrkans Fond AB (60%)	556095-3878	Sweden/Stockholm
Föreningsbanken Kapitalförvaltning AB (inactive)	556244-4132	Sweden/Stockholm
Robur Kapitalförvaltning AB	556550-4783	Sweden/Stockholm
Swedbank (Luxembourg) S.A.	302018-5066	Luxemburg
FöreningsSparbanken Administration AB	556284-5387	Sweden/Stockholm
FöreningsSparbanken Datainvest AB	556278-9684	Sweden/Stockholm
CREO Sommarlandsparkering AB	556208-7147	Sweden/Stockholm
Mandamus i Borås AB	556183-2378	Sweden/Stockholm
CREO Fastigheter AB	556092-0026	Sweden/Stockholm
Mandamus Vikaren AB	556344-8728	Sweden/Stockholm
Hassela Sport- och Konferens AB	556483-0866	Sweden/Stockholm
Trywest AB	556379-7702	Sweden/Stockholm
Åre Björnen Service AB	556209-6007	Sweden/Stockholm
Creo Romberga AB	556049-9229	Sweden/Stockholm
CREO Åshammars Fastighets AB	556256-0879	Sweden/Stockholm
Köpings Fastighets AB	556189-1739	Sweden/Stockholm
Kårbergets Kaffevatten AB	556087-3902	Sweden/Stockholm
Guefar AB	556401-4743	Sweden/Stockholm
Mandamus i Småland AB	556238-8271	Sweden/Stockholm
Mandamus i Lund AB	556339-6521	Sweden/Stockholm
Citystaden Förvaltning AB	556331-2395	Sweden/Stockholm
Sparfrämjandet AB	556041-9995	Sweden/Stockholm
TD Europe AB	556578-3106	Sweden/Stockholm
FöreningsSparbanken Fastighetsbyrå AB	556090-2115	Sweden/Stockholm
Fjällmäklaren AB	556236-1005	Sweden/Sälen
Sparia Försäkrings AB	516401-8631	Sweden/Stockholm
SPS Reinsurance S.A.	B47.398	Luxemburg
Nordic Service Centre Ltd (inactive)	n.a.	Great Britain/n.a.
FöreningsSparbanken Företagskredit AB	556204-2340	Sweden/Stockholm
Net Trade Swedbank AB (inactive)	556431-1016	Sweden/Stockholm
Mandab AB	556318-3119	Sweden/Stockholm

Mandamus Mark AB (inactive)	556188-0195	Sweden/Stockholm
Mandamus Holding AB (inactive)	556497-6180	Sweden/Stockholm
Indata Stansservice Roo & Co AB (inactive)	556140-9862	Sweden/Stockholm
Mandab Holding AB	556673-0585	Sweden/Stockholm
Mandab Sverige AB	556673-0593	Sweden/Stockholm
Sverigefastigheter i Mellersta Sverige Förmedlings AB (inactive)	556184-2120	Sweden/Stockholm
Kundinkasso AB K.I.A.B	556209-5363	Sweden/Göteborg
FöreningsSparbanken Öland AB (60%)	516401-0034	Sweden/Borgholm
FöreningsSparbanken Juristbyrå AB	556576-8891	Sweden/Stockholm
Allround AB (67%)	556087-2516	Sweden/Stockholm
Enter Card AS	980 844 854	Norway/Oslo
AS Hansapank (59.71%)	10060701	Estonia/Tallinn
A/S Hansabanka	40003074764	Latvia/Riga
SIA Hansa Lizings	40003240524	Latvia/Riga
SIA Baltijas Autolizings	40003359984	Latvia/Riga
SIA Hansa Apdrošinašanas brokeris	40003397986	Latvia/Riga
SIA Hansabankas Centrala Eka	40003552687	Latvia/Riga
A/S Hansa atklatais pensiju fonds	40003606528	Latvia/Riga
A/S ieguldījumu parvaldes sabiedrība "Hansa Fondi"	40003337582	Latvia/Riga
AS Hansa Investēšanasfondid	10194399	Estonia/Tallinn
AB Bankas Hansabankas (99.85%)	112029651	Lithuania/Vilnius
UAB Baltijos Autolizingas	111612099	Lithuania/Vilnius
UADBB Hansa draudimo brokeris	124495055	Lithuania/Vilnius
UAB Hanza Lizingas	111568069	Lithuania/Vilnius
UAB LTB Lizingas (under liquidation)	2396409	Lithuania/Vilnius
UAB Hansa gyvybes draudimas	110065392	Lithuania/Vilnius
UAB Hansa Investicijų valdymas	2481537	Lithuania/Vilnius
AS Hansa Elukindlustus	10142356	Estonia/Tallinn
UAB Hansabank Markets (under liquidation)	1160805	Lithuania/Vilnius
OÜ Hansa Maja	10230988	Estonia/Tallinn
OÜ Crebit	10425396	Estonia/Tallinn
AS Hansa Capital	10042519	Estonia/Tallinn
AS Hansa Liising Eesti	10434248	Estonia/Tallinn
AS Hansa Leasing Russia (75%)	10330909	Estonia/Tallinn
OÜ X-Marketing	10528860	Estonia/Tallinn
BALTI AUTOLIISINGU AS	10197893	Estonia/Tallinn
AS EESTI LIISNGUKESKUS (66.6%)	10325921	Estonia/Tallinn
Balti Kindlustusmaakleri OÜ	10204399	Estonia/Tallinn
OÜ Evison Grupp	10506321	Estonia/Tallinn
EVISON KINDLUSTUSE OÜ	10808080	Estonia/Tallinn
UAB Evison Leasing	111757283	Lithuania/Vilnius
DP Hansa Leasing Ukraine	25198641	Ukraine/Kiev
OOO Hansa Leasing Rus	1047796412531	Russia/Moscow

APPENDIX 2: FÖRENINGSSPARBANKEN'S PRELIMINARY YEAR-END REPORT FOR 2004



FöreningsSparbanken (Swedbank) Preliminary year-end report for 2004

February 11, 2005

Continued strong profit trend

2004 in summary:

- Operating profit rose by 25 percent to SEK 11,912 M (9,564)
- Profit for the year rose by 35 percent to SEK 8,592 M (6,343)
- The return on equity rose to 20.5 percent (15.9)
- Earnings per share rose by 37 percent to SEK 16.42 (12.02)
- Total income rose by 8 percent to SEK 26,474 M (24,453)
- The sale of FI-Holding generated a capital gain of SEK 1,290 M
- The decrease in expenses excluding profit-based staff costs and costs for personnel changes was 2 percent.
- Loan losses decreased by 50 percent to SEK 495 M (987)
- Robur's market share for new fund contributions rose to 24 percent (20)
- Spintab consolidated its position as Sweden's leading mortgage lender, with a market share of 31 percent (31)
- The proposed dividend is raised 13 percent to SEK 6.50 (5.75)

Consolidated profit for the full-year 2004

Comparative figures refer to the full-year 2003 unless otherwise indicated.

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

In September the sale of FI-Holding to Kaupthing Bank was finalized. FI-Holding is included in the profit and loss account for the first eight months of the year with operating profit of SEK 632 M (SEK 849 M for full-year 2003). The capital gain on the sale amounted to SEK 1,290 M and is reported under other income.

Income rose 8 percent

Income rose by 8 percent to SEK 26,474 M (24,453). Excluding capital gains of SEK 1,290 M on the sale of FI-Holding and SEK 489 M on the sale of shares in Erste Bank, income rose by SEK 1,220 M or 5 percent. Net interest income rose by SEK 72 M and net commission income rose by 16 percent or SEK 919 M.

Net interest income

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

Net commission income rose 16 percent

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

Net profit on financial operations

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

Other income

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

Expenses

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

Staff costs

Staff costs rose to SEK 7,694 M (6,978). In the Swedish operations, staff costs amounted to SEK 6,673 M (6,018). Excluding profit-based staff costs of SEK 823 M (298) and costs for personnel changes of SEK 274 M (66), staff costs decreased by 1 percent or SEK 78 M. Included among profit-based costs is the allocation to the employee profit-sharing fund, Kopparmyntet, of SEK 567 M (148). In International Banking, staff costs amounted to SEK 1,021 M (960). In Hansabank, staff costs rose by SEK 113 M. Of the increase, SEK 90 M was profit-based staff costs. The sale of FI-Holding reduced staff costs by SEK 54 M compared with 2003.

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

	Dec. 31 2004	Dec. 31 2003
Total number of employees	15,156	15,366
<i>Of which Swedish operations</i>	<i>9,081</i>	<i>9,435</i>
<i>Of which International banking operations</i>	<i>6,075</i>	<i>5,931</i>

The sale of FI-Holding reduced the number of employees by 153.

Other expenses

Other expenses – i.e. other administrative expenses, depreciation of tangible fixed assets and amortization of goodwill – decreased to SEK 6,674 M (6,863). Depreciation of tangible fixed assets decreased by SEK 114 M to SEK 550 M (664) and amortization of goodwill amounted to SEK 587 M (614).

Lower IT expenses

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

Loan losses declined

The loan loss level fell to 0.07 percent (0.14). Loan losses declined by 50 percent to SEK 495 M (987, excluding FI-Holding 903). Hansabank's loan losses amounted to SEK 206 M (256), with a loan loss level of 0.50 percent (0.81). The Group's doubtful claims, gross, amounted to SEK 2,579 M (3,862, excluding FI-Holding 3,375). Loan loss reserves amounted to SEK 3,862 M (5,053, excluding FI-Holding 3,945). A specification of loan losses and claims is provided in Notes 3 and 4.

Share of profits of associated companies improved

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

Tax expense 22 percent

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

Group profit trend in the fourth quarter

Comparative figures refer to the fourth quarter of 2003 unless otherwise indicated.

Operating profit rose by 12 percent or SEK 292 M to SEK 2,759 M (2,467). Excluding FI-Holding, which was divested during the third quarter, operating profit rose by 24 percent or SEK 536 M to SEK 2,759 M (2,223).

Income

Income rose by 2 percent or SEK 147 M to SEK 6,330 M (6,183).

Net interest income fell by SEK 173 M to SEK 3,923 M (4,096). Excluding FI-Holding, whose net interest income was SEK 333 M in the fourth quarter of 2003, net interest income rose by SEK 160 M. Compared with the previous quarter, net interest income decreased by SEK 178 M, but excluding FI-Holding it remained unchanged.

Net commission income rose by 8 percent or SEK 123 M to SEK 1,685 M (1,562). Income from payment, lending and asset management operations continued to develop positively. Compared with the previous quarter, net commission income rose by SEK 25 M or 2 percent.

Net profit on financial operations rose by 64 percent or SEK 164 M to SEK 421 M (257). Compared with the previous quarter, net profit on financial operations rose by SEK 297 M.

Other income amounted to SEK 301 M (268).

Expenses

Expenses decreased by 5 percent or SEK 176 M to SEK 3,492 M (3,668). Profit-based staff costs, including an allocation to the Kopparmyntet profit-sharing fund of SEK 132 M, amounted to SEK 222 M. Expenses in FI-Holding in the fourth quarter of 2003 amounted to SEK 114 M.

Loan losses

Loan losses decreased by 36 percent or SEK 56 M to SEK 99 M (155). Compared with the previous quarter loan losses decreased by SEK 14 M. The change was not affected by the sale of FI-Holding.

Share of profits of associated companies

The share of profits of associated companies decreased by SEK 55 M to SEK 20 M (75). Income in the previous quarter was higher due to FI-Holding's associated companies.

A quarterly profit trend for the Group can be found on page 14.

Interest rate risk

An increase in all market interest rates of one percentage point as of December 31, 2004 would have reduced the value of the Group's interest-bearing assets and liabilities, including derivatives, by SEK 1,531 M (1,770). The decrease in the value of positions in SEK would have been SEK 1,595 M (1,445), while positions in foreign currency would have increased by SEK 64 M (-325). An interest rate increase of one percentage point would have reduced the Group's net profit on financial operations by SEK 220 M (276) as of December 31, 2004.

Capital adequacy

The capital adequacy ratio, which is calculated for the financial companies group, amounted to 11.6 percent (10.8) on December 31, of which the primary capital ratio was 8.2 percent (7.2).

During the year primary capital was affected positively by the issue of primary capital certificates by SEK 2.7 bn. The disposal of FI-Holding and reduced ownership in SpareBank 1 Gruppen and Aktia decreased the primary capital with 1.0 bn including the capital gain through the sale of FI-Holding. Likewise primary capital was affected negatively due to the effects of the application of recommendation RR 29, employee

benefits, by SEK 1.6 bn and by share repurchases by SEK 2.2 bn. Primary capital as of December 31 includes the year's profit after deducting the estimated dividend. Supplementary capital was reduced by SEK 4.8 billion primarily through the sale of FI-Holding.

The risk-weighted amount for credit risks decreased to SEK 503 billion (562). The risk-weighted amount for market risks decreased by SEK 4 billion. The changes are primarily attributable to the divestiture of FI-Holding and that SpareBank 1 Gruppen and Aktia no longer is included in the financial companies group.

All in all the primary capital ratio was positively affected by the disposal of FI-Holding, while the reduced ownership of SpareBank1 Gruppen and Aktia had a marginal effect.

As of December 31, 2004 the bank's capital adequacy requirements for general interest rate risk, share price risk and currency risk are calculated according to the VaR model.

Specification of capital adequacy

SEK M	Dec. 31 2004	Dec. 31 2003
Primary capital	42 995	42,158
Supplementary capital	20,034	24,848
Less shares, etc.	-3,109	-4,282
Expanded portion of capital base	820	971
Capital base	60,740	63,695
Risk-weighted amount for credit risks	503,172	561,860
Risk-weighted amount for market risks	21,378	25,660
Total risk-weighted amount	524,550	587,520
Capital adequacy ratio, %	11.6	10.8
Primary capital ratio, %	8.2	7.2

As of December 31, 2004 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, BoStocken AB and First Securities A/S in Norway. The Group's insurance companies are not included according to the capital adequacy rules for financial companies groups.

Business volumes

Savings and investments

Customers' total savings and investments in FöreningsSparbanken amounted to SEK 596 billion (557) as of December 31, 2004, an increase of 7 percent or SEK 39 billion since the beginning of the year. Customers' deposits, excluding repurchase agreements (repos), rose by 1 percent or SEK 2 billion to SEK 277 billion (275). Deposits in SEK amounted to SEK 215 billion (222) and deposits in foreign currency to SEK 62 billion (53). Robur's share of net contributions in the Swedish mutual fund market was 24 percent (20). For new household deposits, the market share was 17 percent (20). The market share for issue volumes of equity linked bonds rose to 27 percent (25).

Savings and investments

SEK billion	Dec. 31 2004	Dec. 31 2003	Change %
Deposits from the public			
Households	136.4	135.4	1
Households, foreign currency	20.3	16.7	22
<i>Of which Hansabank</i>	20.2	16.7	21
Other	78.7	87.0	-10
Other, foreign currency	41.7	35.8	17
<i>Of which Hansabank</i>	24.6	20.4	21
Subtotal	277.1	274.9	1
Discretionary asset management *	21.3	22.6	-6
Fund management	285.9	248.6	15
<i>Of which unit-linked insurance in own companies</i>	41.3	37.0	12
Retail bonds, interest-bearing	1.6	2.9	-45
Retail bonds, equity linked	9.9	7.6	30
Total	595.8	556.6	7

* excluding investments in Robur's funds

Lending

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

Lending

SEK billion	Dec. 31 2004	Dec. 31 2003	Change %
Private individuals	367.7	337.5	9
<i>Of which Spintab</i>	300.7	273.6	10
Real estate management	142.1	136.7	4
Retail, hotels, restaurants	24.2	23.1	5
Construction	9.3	10.1	-8
Manufacturing	20.9	19.9	5
Transportation	11.1	10.4	7
Forestry and agriculture	37.2	34.5	8
Other service businesses	16.6	16.9	-2
Other business lending	51.4	49.9	3
Municipalities ^{*)}	13.8	14.2	-3
Total lending to the public	694.3	653.2	6
FI-Holding		67.9	
Total	694.3	721.1	-4
<i>Of which Hansabank</i>	52.7	39.3	34
Credit institutions incl. Nat'l Debt Office	59.8	54.7	9
Repurchase agreements (repos)	80.6	50.6	59
Total lending	834.7	826.4	1

^{*)} Not including municipal companies.

The Group's lending to the public excluding FI-Holding rose by 6 percent or SEK 41 billion. In the Swedish operations, lending rose to SEK 641 billion (614). Lending by Hansabank rose to SEK 53 billion (39). Consumer loans rose to SEK 368 billion (337), an increase of 9 percent or SEK 31 billion during the year. The increase is largely due to mortgage lending by Spintab, which rose by 10 percent or SEK 27 billion to SEK 301 billion. Business loans amounted to SEK 312 billion (302).

FöreningsSparbanken's subsidiary Spintab consolidated its position as Sweden's leading mortgage lender, with a market share of 31 percent (31) including FöreningsSparbanken Jordbrukskredit.

Payments

Card payments

FöreningsSparbanken has 3 million bank cards in issue in the Swedish market. The trend toward greater card use is continuing. Compared with the corresponding period of 2003, the number of card purchases rose by 18 percent and the number of card transactions cleared rose by 19 percent.

Giro payments

Customers continue to switch from paper-based giro payments to an electronic Internet-based giro system through the Internet bank. The number of private customers in the Swedish market with giro accounts is 2.7 million (2.6), of whom 1.2 million (1.1) are Internet-based.

Electronic payments

With e-billing, bills are sent directly to the Internet bank, where customers can safely and conveniently approve payments. A total of 272 companies in Sweden offer the service, compared with 212 on December

31, 2003. The number of e-bills is rising steadily. During the year 1,022,000 e-bills were sent, against 758,000 in 2003.

Other

Proposed dividend raised by 13 percent to SEK 6.50 per share

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

FöreningsSparbanken opens offices in Copenhagen and Helsinki

FöreningsSparbanken is establishing banking operations in Denmark, starting in Copenhagen. Operations are slated to begin in the spring of 2005 with one branch centrally located in Copenhagen. The branch will offer the Bank's products and services to private and business customers. FöreningsSparbanken is also opening an affiliate in Helsinki, Finland. The office, which is set to open for business in the second half of 2005, will primarily offer qualified financial services to Swedish corporate clients with operations in Finland, as well as Finnish corporations with ties to the Swedish market.

Changes in Executive Management

Lars Lundquist has been appointed the new Chief Credit Officer of FöreningsSparbanken effective March 1, 2005. He will also be an adjunct member of the Group's Executive Management. Mr. Lundquist currently holds the position as Head of Credit and County Risks at Swedbank Markets. Lars-Erik Kvist remains a member of the Executive Management until March 31, 2005, when he will retire.

Jan Alexandersson has been appointed the new Head of FöreningsSparbanken's Telephone and Internet banks and an adjunct member of the Executive Management from December 1, 2004.

Reduced ownership in SpareBank 1 Gruppen

In May FöreningsSparbanken sold 85,932 shares in SpareBank 1 Gruppen, thereby reducing its interest in the Norwegian banking group from 25 to 19.5 percent. The capital gain was SEK 10 M. Due to the reduced ownership, SpareBank 1 Gruppen is no longer reported as an associated company as of June 2004.

Reduced ownership in Aktia

FöreningsSparbanken has sold 1,600,000 shares in Aktia Sparbank Abp to Livränteanstalten Hereditas. The sales price amounted to SEK 100 M. The sale reduced FöreningsSparbanken's ownership from 24.40 percent to 19.85 percent, and the holding in Aktia ceased to be reported according to the equity accounting method from December 2004.

The transaction has a limited financial effect for FöreningsSparbanken. Aside from a capital gain of SEK 16 M, the Group's primary capital ratio will increase by 0.02 percentage points and its capital adequacy will decrease by 0.07 percentage points.

The cooperation agreement with Aktia Sparbank is not affected by the sale.

Share repurchase

Within the framework of the authorization received from the 2004 Annual General Meeting, the Board of Directors resolved on May 3 to repurchase a maximum of 26 million of the Bank's shares in 2004, corresponding to approximately 5 percent of all shares in the Bank. The purpose of the repurchase program is to continuously adapt FöreningsSparbanken's capital structure to its current capital needs.

Share repurchases began on June 18. Through December 31, 14,937,531 shares, representing 2.8 percent of the shares outstanding, had been repurchased for a total of SEK 2,218 M. The Board decided in December to extend the share repurchases until the 2005 Annual General Meeting.

FöreningsSparbanken's Board will propose to the Annual General Meeting in 2005 that it continue to be authorized to repurchase shares. The proposal also includes an authorization to dispose of repurchased shares. As proposed, the authorization would apply to purchases on the Stockholm Stock Exchange on one of more occasions of up to 10 percent of all the shares in FöreningsSparbanken, including the trading done to facilitate securities operations, which corresponds to nearly 52.8 million shares.

Annual General Meeting

FöreningsSparbanken's Annual General Meeting will be held at 10:00 a.m. (CET) on Thursday, April 21, 2005 at Cirkus, on Djurgården in Stockholm. Shareholders who wish to attend must be directly recorded in the bank's share register no later than April 11, 2005.

Merger with FSB Boländirekt Bank (formerly HSB Bank)

The wholly owned subsidiary FSB Boländirekt Bank was merged with FöreningsSparbanken in late 2004. The merger applied retroactively to January 1, 2004.

Application of accounting principles

The year-end report is prepared according to the Swedish Financial Accounting Standards Council's recommendation RR 20, Interim reports. The report complies with the same accounting principles as the most recent annual report with the exception of changes owing to the application of the Swedish Financial Accounting Standards Council's new recommendation RR 29, Employee Benefits.

RR 29, which entered into force on January 1, 2004, details how various forms of employee compensation should be reported and, for the FöreningsSparbanken Group, affects the valuation and reporting of the Group's defined-benefit pension commitments. The change in accounting principle took effect on January 1, 2004, due to which the opening shareholders' balance has been restated. Comparative figures may not be restated according to the recommendation.

Valued in accordance with RR 29, the Group's opening balance of Other liabilities rises by SEK 1,537 M, consisting of pension debt, assets under management, payroll tax allocations and deferred income tax. The Group's opening balance of Other assets is reduced by SEK 26 M for the change in the share of equity in associated companies. The Group's opening shareholders' equity balance is thereby reduced by SEK 1,563 M. The pension cost for 2004, due to RR 29, was mainly the same in the Group as if it had been reported according to the previous method. Settlement of pensions within appropriations is no longer reported. The recommendation requires the Group to clarify the assumptions that serve as the basis for its calculation. The valuation is based on, among other things, the following annual assumptions: cap on wage increases 3.25 percent; increase in basic income amount 2.5 percent; inflation 2.0 percent; debt as per December 31, 2004 is discounted by 4.5 percent, the net interest cost of the year is calculated by 4.9 percent and the anticipated long-term return on assets held separately to cover pension commitments is estimated, after tax on returns and expenses, at 5.0 percent.

Highlights following the conclusion of the year

Credit card operation launched with Barclays

FöreningsSparbanken and the British bank Barclays are establishing a joint venture to sell and distribute credit cards in Sweden and Norway. The company will offer competitive cards and card-based consumer credits, with the goal to become market leader in the entire Nordic region.

The company, which will be headquartered in Stockholm, will consist of FöreningsSparbanken's Swedish credit card operations and its wholly owned Norwegian subsidiary EnterCard AS. The new company will be jointly owned by FöreningsSparbanken and Barclays, with FöreningsSparbanken retaining a 60 percent share of the votes and Barclays 40 percent. There will, however, be joint decision making in all key areas.

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

The sale of FöreningsSparbanken's credit card operations to the new company for an approximate price of SEK 1.0 bn will result in a capital gain of approximately SEK 800 M for the Bank. The gain is expected to affect third-quarter results for 2005. The agreement requires regulatory approval.

Financial reporting according to IFRS

General

From 2005 all listed companies in the European Union (EU) must prepare their consolidated accounts according to the standards adopted by the EU – the International Reporting Standards, IFRS. The standards are issued by the International Accounting Standards Board (IASB) and become mandatory for listed companies once approved by the EU. The introduction of IFRS principles in reports in 2005 means that comparative periods in 2004 must be restated according to the accounting principles valid as of the end of 2005. There is an exemption from the requirement to restate comparative periods according to the new standards as pertains to IAS 39 Financial Instruments: Recognition and Measurement. Since this standard is of great significance to FöreningsSparbanken's accounts, it is commented on separately below.

Significant differences in reported profit and financial position 2004

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

SEK billion	Profit for the year	Shareholders' equity
Reporting according to year-end report	8.6	43.6
Goodwill amortization	0.6	0.6
Reporting of minority interest	0.7	3.2
Reported according to IFRS principles	9.9	47.4

IAS 39

IAS 39 covers the reporting of financial instruments, i.e. primarily financial receivables (lending and securities), liabilities (funding) and derivatives. According to the wording of IAS 39 as issued by the IASB, there is a fair value option whereby receivables and liabilities may, at initial recognition, be reported at accrued acquisition value or fair value. Derivatives are always reported in the balance sheet at fair value with the change in value in the profit or loss statement or – with certain types of documented hedge accounting – directly in shareholders' equity.

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

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

Financial position on January 1, 2005

The opening balance sheet as of January 1, 2005 differs from the closing balance sheet as of December 31, 2004 according to the above due to the introduction of IAS 39 in the form now adopted by the EU.

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

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

For subordinated liabilities where the interest rate risk is hedged with derivatives, hedging accounting at fair value will be applied. Hedging accounting means that the hedged risk component in the liability is revalued at fair value.

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

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

	Shareholders' equity
SEK billion	
Reported according to IFRS	47.4
Reporting of derivatives	- 6.6
Currency revaluation of financial liabilities	5.7
Hedging reporting of financial liabilities at fair value	-1.3
Claims at fair value	0.6
Valuation of shares	0.5
Tax on the above changes in value	0.3
Financial position on January 1, 2005	46.6

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

Key ratios for the Group

	2004	2003
Return on equity, %	20.5	15.9
Return on total equity, %	1.13	0.94
Earnings per share, SEK ¹⁾	16.42	12.02
Earnings per share after dilution, SEK ²⁾	16.42	12.01
Equity per share, SEK ³⁾	85.06	79.42
Equity per share after dilution, SEK ⁴⁾	85.04	79.39
Return on total equity, %	0.54	0.57
Capital adequacy ratio, %	11.6	10.8
Primary capital ratio, %	8.2	7.2
Loan loss ratio, net, %	0.07	0.14
Share of doubtful claims, %	0.18	0.28
Provision ratio for doubtful claims, % ⁴⁾	150	131
No. of shares outstanding at end of period	512,871,312	527,808,843
Avg. no. of shares outstanding during the year	523,171,365	527,808,843
No. of shares in calculation		
1)	523,171,365	527,808,843
2)	523,272,978	528,027,504
3)	512,871,312	527,808,843
4)	512,972,925	528,027,504
5) See Note 4		

Operational profit and loss account, the Group ¹⁾

SEK M	Jan-Dec 2004	Jan-Dec 2003	%	Q4 2004	Q4 2003	%
<i>Interest receivable</i>	42,515	47,755	-11	9,604	11,420	-16
<i>Interest payable</i>	-26,242	-31,554	-17	-5,681	-7,324	-22
Net interest income	16,273	16,201	0	3,923	4,096	-4
Dividends received	90	105	-14	2	4	-50
<i>Commissions receivable</i>	8,919	7,661	16	2,290	2,072	11
<i>Commissions payable</i>	-2,261	-1,922	18	-605	-510	19
Net commission income	6,658	5,739	16	1,685	1,562	8
Net profit on financial operations	1,047	801	31	421	257	64
Other operating income	2,406	1,607	50	299	264	13
Total income	26,474	24,453	8	6,330	6,183	2
General administrative expenses						
- Staff costs excl. profit-based costs	-6,672	-6,571	2	-1,561	-1,687	-7
- Profit-based staff costs	-1,022	-407		-222	-140	59
- Other	-5,537	-5,585	-1	-1,459	-1,530	-5
Total general administrative expenses	-13,231	-12,563	5	-3,242	-3,357	-3
Depreciation and write-off of tangible fixed assets	-550	-664	-17	-125	-157	-20
Amortization of goodwill	-587	-614	-4	-125	-154	-19
Total expenses	-14,368	-13,841	4	-3,492	-3,668	-5
Profit before loan losses	12,106	10,612	14	2,838	2,515	13
Loan losses, net, including change in value of property taken over	-495	-987	-50	-99	-155	-36
Reversal of write-off of financial fixed assets		55			32	
Share of profit/loss of associated companies	301	-116		20	75	-73
Operating profit	11,912	9,564	25	2,759	2,467	12
Settlement of pensions		-19			28	
Tax	-2,564	-2,567		-693	-712	-3
Minority interest	-756	-635	19	-182	-159	14
Profit for the period	8,592	6,343	35	1,884	1,624	16
Earnings per share, SEK ²⁾	16.42	12.02	37	3.68	3.08	19
Earnings per share after dilution, SEK ²⁾	16.42	12.01	37	3.68	3.07	20

¹⁾ 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 accounts on pages 24 and 25.

²⁾ See key ratios on page 12 for number of shares

Quarterly profit trend for the Group

SEK M	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003
Net interest income	3,923	4,101	4,145	4,104	4,096	4,114	3,958	4,033
Net commission income	1,685	1,660	1,702	1,611	1,562	1,476	1,401	1,300
Net profit on financial operations	421	124	114	388	257	132	218	194
Other income	301	1,565	383	247	268	294	871	279
Total income	6,330	7,450	6,344	6,350	6,183	6,016	6,448	5,806
Staff costs	-1,561	-1,706	-1,696	-1,709	-1,687	-1,650	-1,623	-1,611
Profit-based staff costs	-222	-300	-213	-287	-140	-102	-63	-102
Other expenses	-1,709	-1,578	-1,716	-1,671	-1,841	-1,614	-1,723	-1,685
Total expenses	-3,492	-3,584	-3,625	-3,667	-3,668	-3,366	-3,409	-3,398
Profit before loan losses	2,838	3,866	2,719	2,683	2,515	2,650	3,039	2,408
Loan losses, incl. change in value	-99	-113	-120	-163	-155	-160	-282	-390
Reversal of write-off of financial fixed assets					32	23		
Share of associated companies' profit/loss	20	114	64	103	75	55	-211	-35
Operating profit	2,759	3,867	2,663	2,623	2,467	2,568	2,546	1,983

Business area report

SEK M	Swedish Retail Banking		Swedbank Markets		Asset Management and Insurance		International Banking		Shared Services and Group Staffs		Eliminations	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Net interest income	12,438	12,288	807	843	34	45	2,868	3,069	114	-60	12	16
Net commission income	3,477	2,983	613	622	1,374	1,168	1,176	1,002	11	-35	7	-1
Financial transactions, net	121	122	575	339	4	8	219	264	125	68	3	
Other income	881	653	69	98	41	35	1,583	181	2,888	3,857	-2,966	-3,112
Total income	16,917	16,046	2,064	1,902	1,453	1,256	5,846	4,516	3,138	3,830	-2,944	-3,097
Staff costs	-4,423	-3,904	-607	-557	-254	-248	-1,021	-960	-1,438	-1,368	49	59
IT expenses	-686	-734	-204	-230	-96	-78	-162	-157	-762	-957	666	823
Other expenses	-4,378	-4,291	-293	-308	-222	-235	-610	-598	-1,019	-1,035	2,229	2,215
Depreciation/amortization	-215	-240	-10	-15	-237	-238	-406	-480	-269	-305		
Total expenses	-9,702	-9,169	-1,114	-1,110	-809	-799	-2,199	-2,195	-3,488	-3,665	2,944	3,097
Profit before loan losses	7,215	6,877	950	792	644	457	3,647	2,321	-350	165		
Loan losses	-289	-826	-14	-17			-206	-340	14	196		
Reversal of write-off of financial fixed assets										55		
Share of associated companies' profit/loss	153	89	10	-7			132	-230	6	32		
Operating profit/loss	7,079	6,140	946	768	644	457	3,573	1,751	-330	448		
Return on allocated equity, %	20.8	20.3	28.3	26.4	29.2	18.7	30.0	8.2	neg.	25.8		
C/I ratio before loan losses	0.57	0.57	0.54	0.58	0.56	0.64	0.38	0.49	1.11	0.96		
Full-time employees	6,615	7,049	534	535	249	256	6,075	5,931	1,683	1,595		

Business area accounting principles

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

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

The Group's 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 Banking

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

The branch network in Sweden is organized in 75 local banks in 6 regions throughout the country. With 492 branches, FöreningsSparbanken has the largest branch network of any Swedish bank. The cooperation with the partly owned and independent savings banks adds another 289 branches. The branch network is complemented by 213 in-store banking locations. The agreement with Svensk Kassaservice (the Swedish postal service) also gives customers access to certain teller transactions at another 811 post offices.

FöreningsSparbanken has signed an agreement with ICA Banken that allows customers to withdraw cash at 1,400 ICA food stores. The service will begin in the spring of 2005.

Approximately 2.2 million customers use the Telephone bank. Since the start of the year the number of customers using the Internet bank has risen to 1.7 million, of whom approximately 1.6 million were private customers, or 28 percent of private customers at FöreningsSparbanken, the independent savings banks and partly owned banks. Approximately 42 percent of business customers in Sweden use the Internet bank.

Profit trend

SEK M	Jan-Dec 2004	Jan-Dec 2003	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003
Net interest income	12,438	12,288	3,130	3,272	3,001	3,035	3,165	3,049
Net commission income	3,477	2,983	905	859	879	834	814	812
Financial transactions, net	121	122	29	27	31	34	30	35
Other income	881	653	219	243	218	201	182	149
Total income	16,917	16,046	4,283	4,401	4,129	4,104	4,191	4,045
Staff costs	-4,423	-3,904	-1,056	-1,231	-1,051	-1,085	-1,014	-956
IT expenses	-686	-734	-190	-178	-165	-153	-179	-187
Other expenses	-4,378	-4,291	-1,142	-1,051	-1,120	-1,065	-1,190	-1,048
Depreciation/amortization	-215	-240	-51	-55	-54	-55	-55	-57
Total expenses	-9,702	-9,169	-2,439	-2,515	-2,390	-2,358	-2,438	-2,248
Profit before loan losses	7,215	6,877	1,844	1,886	1,739	1,746	1,753	1,797
Loan losses	-289	-826	-50	-76	-82	-81	-132	-100
Share of associated companies' profit/loss	153	89	-4	93	24	40	7	34
Operating profit/loss	7,079	6,140	1,790	1,903	1,681	1,705	1,628	1,731
Tax	-2,011	-1,719	-517	-529	-488	-477	-455	-490
Minority interest	-2	-1	1	-1	-1	-1	4	-3
Profit for the period	5,066	4,420	1,274	1,373	1,192	1,227	1,177	1,238
Allocated equity	24,325	21,806	24,325	24,325	24,325	24,325	21,806	21,806
Return on allocated equity, %	20.8	20.3	20.9	22.6	19.6	20.2	21.6	22.7
Income items								
Income from external customers	15,827	15,157	4,012	4,133	3,844	3,838	3,960	3,831
Income from transactions with other segments	1,090	889	271	268	285	266	231	214
Business volumes, SEK billion								
Lending	629	602	629	619	614	601	602	590
Deposits	232	238	232	242	245	237	238	238
Mutual funds & insurance	190	165	190	186	185	183	165	155
Other investment volume	9	11	9	8	8	12	11	10
Shares and participations in associated companies, SEK billion	2	1	2	1	1	1	1	1
Risk-weighted volume, SEK billion	429	390	429	417	406	398	390	384
Total assets, SEK billion	704	653	704	704	689	675	653	661
Total liabilities, SEK billion	680	631	680	680	665	651	631	639
Full-time employees	6,615	7,049	6,615	6,669	6,722	6,843	7,049	6,989

Operating profit amounted to SEK 7,079 M, an increase of SEK 939 M or 15 percent from the previous year.

Income rose by SEK 871 M or 5 percent to SEK 16,917 M mainly through higher payment, mutual fund and insurance commissions. The acquisition of EnterCard in November 2003 raised income by SEK 234 M.

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

Loan losses amounted to SEK 289 M, a decrease of SEK 537 M or 65 percent compared with the previous year. The loan loss ratio was 0.05 percent (0.14).

The return on allocated equity was 20.8 percent (20.3).

Operating profit for the fourth quarter amounted to SEK 1,790 M, which was SEK 113 M or 6 percent lower than the third quarter.

The number of full-time positions was reduced by 434 compared with the previous year and by 54 compared with the previous quarter. The decrease is partly due to internal organizational changes.

Swedbank Markets

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

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

Profit trend

SEK M	Jan-Dec 2004	Jan-Dec 2003	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003
Net interest income	807	843	148	105	274	280	144	348
Net commission income	613	622	145	148	151	169	206	124
Financial transactions, net	575	339	282	123	60	110	168	13
Other income	69	98	13	13	33	10	9	14
Total income	2,064	1,902	588	389	518	569	527	499
Staff costs	-607	-557	-154	-148	-145	-160	-152	-131
IT expenses	-204	-230	-50	-47	-48	-59	-45	-54
Other expenses	-293	-308	-60	-75	-83	-75	-70	-78
Depreciation/amortization	-10	-15	-2	-2	-3	-3	-3	-4
Total expenses	-1,114	-1,110	-266	-272	-279	-297	-270	-267
Profit before loan losses	950	792	322	117	239	272	257	232
Loan losses	-14	-17	-21	-3	20	-10	-4	-4
Share of associated companies' profit/loss	10	-7	12	-5	1	2	3	-6
Operating profit	946	768	313	109	260	264	256	222
Tax	-265	-215	-87	-32	-72	-74	-74	-61
Profit for the period	681	553	226	77	188	190	182	161
Allocated equity	2,405	2,093	2,405	2,405	2,405	2,405	2,093	2,093
Return on allocated equity, %	28.3	26.4	37.6	12.8	31.3	31.6	34.8	30.8
Income items								
Income from external customers	1 766	1 596	504	324	446	492	439	427
Income from transactions with other segments	298	306	84	65	72	77	88	72
Business volumes, SEK billion								
Lending	12	12	12	12	14	14	12	12
Deposits					0	1		
Mutual funds & insurance	1	1	1	1	1	1	1	1
Other investment volume	12	8	12	11	10	10	8	7
Shares and participations in associated companies, SEK billion	0	0	0	0	0	0	0	0
Risk-weighted volume, SEK billion	31	37	31	44	57	45	37	40
Total assets, SEK billion	311	232	311	307	319	276	232	253
Total liabilities, SEK billion	309	230	309	305	317	274	230	251
Full-time employees	534	535	534	554	544	536	535	568

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

The return on allocated equity rose to 28.3 percent (26.4).

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-Dec 2004	Jan-Dec 2003	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003
Net interest income	34	45	9	7	7	11	11	8
Net commission income	1,374	1,168	354	351	338	331	318	301
Financial transactions, net	4	8	2	-4	3	3	-3	3
Other income	41	35	13	9	9	10	11	8
Total income	1,453	1,256	378	363	357	355	337	320
Staff costs	-254	-248	-50	-70	-65	-69	-55	-65
IT expenses	-96	-78	-30	-23	-25	-18	-20	-21
Other expenses	-222	-235	-55	-55	-55	-57	-79	-41
Depreciation/amortization	-237	-238	-59	-60	-59	-59	-60	-59
Total expenses	-809	-799	-194	-208	-204	-203	-214	-186
Profit before loan losses	644	457	184	155	153	152	123	134
Operating profit	644	457	184	155	153	152	123	134
Tax	-193	-128	-73	-39	-38	-43	-34	-38
Profit for the period	451	329	111	116	115	109	89	96
Allocated equity	1,547	1,759	1,547	1,547	1,547	1,547	1,759	1,759
Return on allocated equity, %	29.2	18.7	28.7	30.0	29.7	28.2	20.2	21.8
Income items								
Income from external customers	2,864	2,450	753	702	708	701	662	629
Income from transactions with other segments	-1,411	-1,194	-375	-339	-351	-346	-325	-309
Business volumes, SEK billion								
Mutual funds & insurance	280	249	280	273	274	270	249	232
Other investment volume	21	22	21	22	21	22	22	24
Risk-weighted volume, SEK billion	0	0	0	0	0	0	0	0
Total assets, SEK billion	46	42	46	46	46	46	42	40
Total liabilities, SEK billion	44	40	44	44	44	44	40	38
Full-time employees	249	256	249	251	253	257	256	264

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

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

Operating profit for the fourth quarter amounted to SEK 184 M, which was SEK 29 M higher than the third quarter.

Fund savings, volumes and flows

Net contributions to Robur's mutual funds during the year amounted to SEK 13.1 billion, against SEK 14.1 billion in 2003. Of net contributions, SEK 3.6 billion (3.1) was from premium pension investments and SEK 1.4 billion (1.6) from unit-linked insurance in Robur Försäkring.

Robur's assets under management as of December 31 amounted to SEK 280 billion (249). The change is due to an appreciation in the value of fund assets of SEK 18 billion, mainly from rising stock prices during the year. After net fund contributions of SEK 13 billion, the increase in fund assets during the year was SEK 31 billion. Institutional asset management operations managed SEK 43 billion (41), of which SEK 22 billion (18) was invested in Robur funds.

Robur's share of net contributions in the Swedish mutual fund market in 2004 was 24 percent (20). Its share of assets under management in the fund market was 28 percent (28) on September 30.

	Dec. 31 2004	Dec. 31 2003
Fund management		
Assets under management (SEK billion)	280	249
<i>Of which: Swedish equities, %</i>	<i>29.4</i>	<i>27.4</i>
<i>Foreign equities, %</i>	<i>34.2</i>	<i>36.3</i>
<i>Interest-bearing securities, %</i>	<i>36.4</i>	<i>36.3</i>
Number of customers (thousands)	2,795	2,776
Unit-linked insurance		
Assets under management (SEK billion)	41.4	37.0
<i>Of which in Robur funds</i>	<i>41.3</i>	<i>37.0</i>
Number of policies (thousands)	724	680
Discretionary asset management		
Assets under management (SEK billion)	43	41
<i>Of which in Robur funds</i>	<i>22</i>	<i>18</i>

Unit-linked insurance

Sales (premiums paid) of unit-linked insurance during the year amounted to SEK 5.1 billion (4.4). Robur Försäkring's assets under management amounted to SEK 41.4 billion (37.0) at year-end. The market share for new unit-linked insurance was 14 percent (13) on September 30. Robur Försäkring had 724,000 (680,000) policies at year-end, in addition to around 1 million group life insurance policies.

Fund management results

The majority of Robur's equity funds posted positive returns during the period. Robur's Swedish equity funds rose in value by 21 percent, while its public savings funds returned 13 percent, net, after management fees. Robur's blend funds rose by 8 percent and its Swedish fixed income funds gained between 2 and 6 percent. Returns including management fees for equity funds that invest in Sweden and the Nordic region outperformed the comparative indexes, while international equity funds performed weaker than their indexes. Blend funds and fixed income funds slightly underperformed their indexes. Morningstar's average rating on Robur's funds as of year-end was 3.3 (3.2). Compared with its Swedish competitors, Robur's funds have the highest average rating.

International Banking

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

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

Profit trend

SEK M	Jan-Dec 2004	Jan-Dec 2003	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003
Net interest income	2,868	3,069	600	715	777	776	799	748
Net commission income	1,176	1,002	295	291	330	260	266	249
Financial transactions, net	219	264	83	-49	32	153	48	87
Other income	1,583	181	69	1 349	128	37	26	40
Total income	5,846	4,516	1,047	2,306	1,267	1,226	1,139	1,124
Staff costs	-1,021	-960	-254	-246	-272	-249	-276	-220
IT expenses	-162	-157	-45	-39	-43	-35	-48	-35
Other expenses	-610	-598	-181	-136	-150	-143	-173	-146
Depreciation/amortization	-406	-480	-74	-99	-114	-119	-113	-119
Total expenses	-2,199	-2,195	-554	-520	-579	-546	-610	-520
Profit before loan losses	3,647	2,321	493	1,786	688	680	529	604
Loan losses	-206	-340	-25	-47	-62	-72	-52	-103
Share of associated companies' profit/loss	132	-230	12	24	33	63	45	24
Operating profit	3,573	1,751	480	1,763	659	671	522	525
Tax	-310	-401	-27	-37	-148	-98	-89	-78
Minority interest	-740	-632	-177	-181	-176	-206	-158	-164
Profit for the period	2,523	718	276	1,545	335	367	275	283
Allocated equity	8,406	8,790	8,406	8,406	8,406	8,406	8,790	8,790
Return on allocated equity, %	30.0	8.2	13.1	73.5	15.9	17.5	12.5	12.9
Income items								
Income from external customers	5,846	4,516	1,047	2,306	1,267	1,226	1,139	1,124
Business volumes, SEK billion								
Lending	53	107	53	49	114	110	107	103
Deposits	45	37	45	43	42	40	37	35
Mutual funds & insurance	6	4	6	5	4	4	4	3
Shares and participating interests in associated companies, SEK billion	0	1	0	1	1	1	1	1
Risk-weighted volume, SEK billion	61	149	61	77	145	155	149	147
Total assets, SEK billion	82	144	82	76	153	149	144	137
Total liabilities, SEK billion	74	135	74	68	145	141	135	128
Full-time employees	6,075	5,931	6,075	6,054	6,103	6,110	5,931	5,932

Operating profit amounted to SEK 3,573 M, an increase of SEK 1,822 M or 104 percent from the previous year. Hansabank's operating profit amounted to SEK 1,689 M, an increase of SEK 451 M or 36 percent from the previous year. Including the capital gain, FI-Holding accounted for SEK 922 M of the profit increase. SpareBank 1 Gruppen's contribution to operating profit rose by SEK 396 M, including the write-off of the shareholding by SEK 311 M in 2003.

Income in Hansabank rose by SEK 524 M or 16 percent compared with the previous year to SEK 3,791 M. Expenses rose by SEK 123 M or 7 percent to SEK 1,898 M. Hansabank's acquisition of LDGD raised income by SEK 46 M and expenses by SEK 22 M. Loan losses decreased by SEK 50 M to SEK 206 M.

For Hansabank, the return on allocated equity was 30.5 percent (21.8).

Compared with the previous quarter, Hansabank's operating profit declined by SEK 14 M or 3 percent.

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

Shared Services and Group Staffs

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

Profit trend

SEK M	Jan-Dec 2004	Jan-Dec 2003	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003
Net interest income	114	-60	36	-2	82	-2	-25	-39
Net commission income	11	-35	-25	22	-2	16	-42	-9
Net profit on financial operations	125	68	22	27	-12	88	14	-6
Other income	2,888	3,857	697	711	739	741	755	874
Total income	3,138	3,830	730	758	807	843	702	820
Staff costs	-1,438	-1,368	-272	-323	-395	-448	-344	-395
IT expenses	-762	-957	-181	-190	-191	-200	-240	-233
Other expenses	-1,019	-1,035	-218	-260	-249	-292	-185	-237
Depreciation/amortization	-269	-305	-64	-63	-72	-70	-80	-72
Total expenses	-3,488	-3,665	-735	-836	-907	-1,010	-849	-937
Profit/loss before loan losses	-350	165	-5	-78	-100	-167	-147	-117
Loan losses	14	196	-3	13	4	0	33	47
Reversal of write-off of financial fixed assets		55	0				32	23
Share of associated companies' profit/loss	6	32	0	2	6	-2	20	3
Operating profit/loss	-330	448	-8	-63	-90	-169	-62	-44
Appropriations		-19					28	3
Tax	215	-104	11	36	147	21	-60	-2
Minority interest	-14	-2	-6	-3	-2	-3	-5	1
Profit/loss for the period	-129	323	-3	-30	55	-151	-99	-42
Allocated equity	638	1,251	638	638	638	638	1,251	1,251
Return on allocated equity, %	neg.	25.8	neg.	neg.	34.5	neg.	neg.	neg.
Income items								
Income from external customers	573	1,049	168	62	187	156	124	151
Income from transactions with other segments	2,565	2,781	562	696	620	687	578	669
Business volumes, SEK billion								
Lending	0	0	0	0	0	1	0	1
Risk-weighted volume, SEK billion	4	6	4	5	6	7	6	6
Total assets, SEK billion	95	64	95	86	75	85	64	63
Total liabilities, SEK billion	94	63	94	85	74	84	63	62
Full-time employees	1,683	1,595	1,683	1,655	1,667	1,637	1,595	1,606

The business area reported an operating loss of SEK 330 M, a decrease of SEK 778 M compared with the previous year and an improvement of SEK 55 M compared with the previous quarter. The change year-to-year is mainly due to a capital gain of SEK 489 M on the sale of the shareholding in Erste Bank in 2003, a decrease of SEK 182 M in loan loss reversals, and organizational changes. In Treasury and central units, net interest income rose by SEK 174 M.

The increase in the number of full-time employees compared with the previous year is mainly due to internal organizational changes.

Eliminations

SEK M	Jan-Dec 2004	Jan-Dec 2003	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003
Net interest income	12	16	0	4	4	4	2	0
Net commission income	7	-1	11	-11	6	1	0	-1
Net profit on financial operations	3		3					
Other income	-2,966	-3,112	-710	-760	-744	-752	-715	-791
Total income	-2,944	-3,097	-696	-767	-734	-747	-713	-792
Staff costs	49	59	3	12	19	15	14	15
IT expenses	666	823	138	172	168	188	188	202
Other expenses	2,229	2,215	555	583	547	544	511	575
Total expenses	2,944	3,097	696	767	734	747	713	792
Business volumes, SEK billion								
Mutual funds & insurance	-191	-166	-191	-187	-186	-184	-166	-155
Other investment volume	-9	-8	-9	-8	-8	-9	-8	-7
Total assets, SEK billion	-218	-133	-218	-215	-190	-176	-133	-144
Total liabilities, SEK billion	-218	-133	-218	-215	-190	-176	-133	-144

Profit and loss account, the Group ¹⁾

SEK M	Jan-Dec 2004	Jan-Dec 2003	%	Q4 2004	Q4 2003	%
<i>Interest receivable</i>	42,434	47,701	-11	9,583	11,406	-16
<i>Interest payable</i>	-26,293	-31,615	-17	-5,691	-7,336	-22
Net interest income	16,141	16,086		3,892	4,070	-4
Dividends received	88	104	-15	1	4	-75
<i>Commissions receivable</i>	8,450	7,239	17	2,173	1,951	11
<i>Commissions payable</i>	-2,128	-1,820	17	-571	-482	18
Net commission income (Note 1)	6,322	5,419	17	1,602	1,469	9
Net profit on financial operations (Note 2)	1,030	776	33	409	250	64
Other operating income	2,350	1,591	48	284	267	6
Total income	25,931	23,976	8	6,188	6,060	2
General administrative expenses						
- Staff costs	-7,632	-6,937	10	-1,735	-1,822	-5
- Other	-5,433	-5,516	-2	-1,428	-1,537	-7
Total general administrative expenses	-13,065	-12,453	5	-3,163	-3,359	-6
Depreciation and write-off of tangible fixed assets	-547	-664	-18	-123	-157	-22
Amortization of goodwill	-589	-614	-4	-127	-154	-18
Total expenses	-14,201	-13,731	3	-3,413	-3,670	-7
Profit before loan losses	11,730	10,245	14	2,775	2,390	16
Loan losses (Note 3)	-495	-987	-50	-99	-155	-36
Reversal of write-off of financial fixed assets		55			32	
Share of profit/loss of associated companies	301	-116		20	75	-73
Operating profit in banking operations	11,536	9,197	25	2,696	2,342	15
Operating profit in insurance operations	376	367	2	63	125	-50
Profit before appropriations and tax	11,912	9,564	25	2,759	2,467	12
Appropriations		-19		0	28	
Tax	-2,564	-2,567		-693	-712	-3
Minority interest	-756	-635	19	-182	-159	14
Profit for the period	8,592	6,343	35	1,884	1,624	16
Earnings per share, SEK ²⁾	16.42	12.02	37	3.68	3.08	19
Earnings per share after dilution, SEK ²⁾	16.42	12.01	37	3.68	3.07	20

¹⁾ Prepared according to the instructions of the Financial Supervisory Authority

²⁾ See key ratios on page 12 for number of shares

Profit and loss account, the Bank

SEK M	Jan-Dec 2004	Jan-Dec 2003	%	Q4 2004	Q4 2003	%
<i>Interest receivable</i>	16,741	18,316	-9	4,220	4,218	0
<i>Interest payable</i>	-9,606	-11,216	-14	-2,429	-2,480	-2
Net interest income	7,135	7,100		1,791	1,738	3
Dividends received	7,896	5,515	43	5,357	5,194	3
<i>Commissions receivable</i>	5,402	4,764	13	1,377	1,279	8
<i>Commissions payable</i>	-1,153	-1,008	14	-306	-262	17
Net commission income (Note 1)	4,249	3,756	13	1,071	1,017	5
Net profit on financial operations (Note 2)	1,011	506		418	207	
Other operating income	1,901	1,528	24	324	276	17
Total income	22,192	18,405	21	8,961	8,432	6
General administrative expenses						
- Staff costs	-6,154	-5,466	13	-1,415	-1,410	0
- Other	-4,356	-4,324	1	-1,198	-1,172	2
Total general administrative expenses	-10,510	-9,790	7	-2,613	-2,582	1
Depreciation and write-off of tangible fixed assets	-339	-409	-17	-78	-97	-20
Amortization of goodwill	-119	-101	18	-43	-25	72
Total expenses	-10,968	-10,300	6	-2,734	-2,704	1
Profit before loan losses	11,224	8,105	38	6,227	5,728	9
Loan losses (Note 3)	-504	-820	-39	-129	-220	-41
Write-off of financial fixed assets	-21	-447	-95		-136	
Reversal of write-off of financial fixed assets	7	55			32	
Profit before appropriations and tax	10,706	6,893	55	6,098	5,404	13
Appropriations	4,857	-568		4,851	-521	
Tax	-3,322	-1,728		-3,040	-1,417	
Profit for the period	12,241	4,597		7,909	3,466	

Balance sheet

SEK M	Group		Bank	
	Dec 31 2004	Dec 31 2003	Dec 31 2004	Dec 31 2003
Loans to credit institutions (Note 4)	108,039	76,643	181,622	124,423
Loans to the public (Note 4)	726,701	749,752	221,069	212,055
Interest-bearing securities	79,007	77,174	92,462	81,908
- <i>Financial fixed assets</i>	904	1,233	944	802
- <i>Financial current assets</i>	78,103	75,941	91,518	81,106
Assets in insurance operations	43,366	38,199		
Other assets	63,346	60,566	78,819	77,983
Total assets	1,020,459	1,002,334	573,972	496,369
Amounts owed to credit institutions	101,924	95,441	137,125	115,756
Deposits and borrowings from the public	285,540	283,616	240,471	235,498
Debt securities in issue	433,830	442,103	71,507	42,471
Liabilities in the insurance operations	43,280	38,082		
Other liabilities	82,686	69,149	67,122	48,708
Subordinated liabilities	26,430	26,826	21,792	20,180
Minority interests	3,145	5,198		
Untaxed reserves			3,122	7,940
Shareholders' equity	43,624	41,919	32,833	25,816
Total liabilities, provisions and shareholders' equity	1,020,459	1,002,334	573,972	496,369
Assets pledged for own liabilities	100,921	97,730	59,076	60,290
Other assets pledged	17,583	11,988	17,529	11,984
Contingent liabilities	23,077	22,188	27,027	25,017
Commitments	4,083,592	3,283,527	3,857,216	2,973,326

Change in shareholders' equity

SEK M	Restricted equity	Group Non-restricted equity	Total shareholders' equity	Restricted equity	Bank Non-restricted equity	Total shareholders' equity
Opening balance Jan. 1, 2003	29,234	9,368	38,602	18,484	5,704	24,188
Transfers between restricted and non-restricted equity	903	-903		643	-643	
Dividend		-2,903	-2,903		-2,903	-2,903
Group contributions					-92	-92
Tax reduction due to Group contributions paid					26	26
Translation difference		-183	-183			
Exchange rate difference subsidiary and associated company financing		60	60			
Profit for the year		6,343	6,343		4,597	4,597
Closing balance December 31, 2003	30,137	11,782	41,919	19,127	6,689	25,816
Change of accounting principle according to RR 29, Employee benefits	-24	-1,539	-1,563			
Adjusted opening balance Jan. 1, 2004	30,113	10,243	40,356	19,127	6,689	25,816
Transfers between restricted and non-restricted equity	-3,440	3,440		-193	193	
Share repurchase		-2,218	-2,218		-2,218	-2,218
Dividend		-3,035	-3,035		-3,035	-3,035
Group contribution					-58	-58
Tax reduction due to Group contribution paid					16	16
Merger result, FSB Boländirekt Bank					71	71
Translation difference		-273	-273			
Exchange rate difference subsidiary and associated company financing		202	202			
Profit for the period		8,592	8,592		12,241	12,241
Closing balance Dec. 31, 2004	26,673	16,951	43,624	18,934	13,899	32,833

Statement of cash flows

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

Note 1. Specification of net commission income

SEK M	Group		Group	
	Jan – Dec 2004	Jan – Dec 2003	Q4 2004	Q4 2003
Payment processing commissions	3,366	2,930	880	761
Brokerage	407	303	108	94
Asset management	2,327	1,943	605	539
Other securities commissions	169	133	44	10
Other commissions receivable	2,181	1,930	536	547
Total commissions receivable	8,450	7,239	2,173	1,951
Payment processing commissions	-1,068	-993	-265	-262
Securities commissions	-208	-146	-69	-46
Other commissions payable	-852	-681	-237	-174
Total commissions payable	-2,128	-1,820	-571	-482
Total commissions, net	6,322	5,419	1,602	1,469

SEK M	Bank		Bank	
	Jan – Dec 2004	Jan – Dec 2003	Q4 2004	Q4 2003
Payment processing commissions	2,489	2,264	645	579
Brokerage	334	249	86	81
Asset management	1,256	1,065	324	303
Other securities commissions	168	125	44	10
Other commissions receivable	1,155	1,061	278	306
Total commissions receivable	5,402	4,764	1,377	1,279
Payment processing commissions	-884	-841	-219	-217
Securities commissions	-150	-103	-48	-34
Other commissions payable	-119	-64	-39	-11
Total commissions payable	-1,153	-1,008	-306	-262
Total commissions, net	4,249	3,756	1,071	1,017

Note 2. Specification of net profit on financial operations

SEK M	Group		Group	
	Jan – Dec 2004	Jan – Dec 2003	Q4 2004	Q4 2003
Capital gains/losses				
Shares and participating interests	286	123	185	69
Interest-bearing securities	3	401	20	-42
Other financial instruments	16	43	1	10
Total	305	567	206	37
Unrealized changes in value				
Shares and participating interests	-12	-69	-6	-60
Interest-bearing securities	303	-154	127	148
Other financial instruments	6	-55	-5	0
Total	297	-278	116	88
Change in exchange rates	428	487	87	125
Total	1,030	776	409	250

SEK M	Bank		Bank	
	Jan – Dec 2004	Jan – Dec 2003	Q4 2004	Q4 2003
Capital gains/losses				
Shares and participating interests	284	100	161	62
Interest-bearing securities	9	408	14	-43
Other financial instruments		1		0
Total	293	509	175	19
Unrealized changes in value				
Shares and participating interests	-15	-28	8	-31
Interest-bearing securities	282	-165	116	178
Other financial instruments		0		0
Total	267	-193	124	147
Change in exchange rates	451	190	119	41
Total	1,011	506	418	207

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

SEK M	Group		Group	
	Jan – Dec 2004	Jan – Dec 2003	Q4 2004	Q4 2003
<i>Specific provisions for claims assessed individually</i>				
The period's write-off for established loan losses	-988	-1,151	-229	-323
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	519	516	42	85
The period's provisions for anticipated loan losses	-554	-837	-52	-233
Recoveries from previous periods' established loan losses	448	471	105	128
Reversal of provisions for anticipated loan losses	280	270	34	51
The period's net expense	-295	-731	-100	-292
<i>Collective provisions for individually assessed claims</i>				
Allocations to collective provisions	-91	-144	23	152
<i>Collectively valued homogeneous groups of claims with limited value and similar credit risk</i>				
The period's write-off for established loan losses	-118	-115	-33	-35
Recoveries from previous years' established loan losses	13	10	6	3
Allocations/withdrawals from loan loss reserve	21	-7	-1	3
The period's net expense for collectively assessed homogeneous claims	-84	-112	-28	-29
<i>Contingent liabilities</i>				
The period's net expense for discharged guarantees and other contingent liabilities	-25	8	6	16
The period's net loan loss expense	-495	-979	-99	-153
Change in the value of property taken over	0	-8	0	-2
Total loan losses, net, and change in value of property taken over	-495	- 987	-99	-155
SEK M	Bank		Bank	
	Jan – Dec 2004	Jan – Dec 2003	Q4 2004	Q4 2003
<i>Specific provisions for claims assessed individually</i>				
The period's write-off for established loan losses	-608	-594	-143	-156
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	325	248	31	21
The period's provisions for anticipated loan losses	-250	-414	-64	-192
Recoveries from previous periods' established loan losses	103	124	18	33
Reversal of provisions for anticipated loan losses	92	61	12	11
The period's net expense	-338	-575	-146	-283
<i>Collective provisions for individually assessed claims</i>				
Allocations to collective provisions	-63	-150	60	83
<i>Collectively valued homogeneous groups of claims with limited value and similar credit risk</i>				
The period's write-off for established loan losses	-76	-80	-26	-23
Recoveries from previous years' established loan losses	1	2	0	0
Allocations/withdrawals from loan loss reserve	3	-6	6	7
The period's net expense for collectively assessed homogeneous claims	-72	-84	-20	-16
<i>Contingent liabilities</i>				
The period's net expense for discharged guarantees and other contingent liabilities	-31	-3	-23	-2
The period's net loan loss expense	-504	-812	-129	-218
Change in the value of property taken over	0	-8	0	-2
Total loan losses, net, and change in value of property taken over	-504	-820	-129	-220

Note 4. Claims

(Loans to credit institutions and loans to the public)

SEK M	Group		Bank	
	Dec 31 2004	Dec 31 2003	Dec 31 2004	Dec 31 2003
Accrued acquisition value (before accounting for provisions)	838,602	831,448	405,533	339,423
Specific provisions for individually assessed claims	-858	-1,341	-624	-787
Provisions for collectively valued homogeneous groups of claims with limited value and similar credit risk	-184	-211	-105	-108
Collective provisions for individually assessed claims	-2,820	-3,501	-2,113	-2,050
Total provisions	-3,862	-5,053	-2,842	-2,945
Book value	834,740	826,395	402,691	336,478
Book value of doubtful claims	1,537	2,304	743	1,015
Book value of unsettled claims not included in doubtful claims and for which accrued interest has been entered as income	271	396	77	124
Property taken over to protect claims:				
- Buildings and land	1	11	0	0
- Shares and participating interests	12	12	7	7
- Other	2	2	0	0
Total	15	25	7	7
Doubtful claims as % of total lending	0.18	0.28	0.18	0.30
Excl. FI-Holding		0.27		
Total provision ratio for doubtful claims, % *	150	131	193	154
Excl. FI-Holding		117		
Provision ratio for individually identified doubtful claims, %	40	40	50	47
Excl. FI-Holding		39		

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

Specification of claims

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

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 December 31, 2004 the price of the FöreningsSparbanken share was SEK 165.50 and the warrant SEK 2.10.

Derivatives in the Group on December 31, 2004

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.

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	23,559	21,488	11,358	10,560	1,542	1,542	12	11
Derivatives not reported on the balance sheet	44		17					

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	27,184	23,164	17,930	13,342	1,569	1,569	10	10
Derivatives not reported on the balance sheet			914					

Ratings, December 31, 2004

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

* Bank Financial Strength Rating

Financial information

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

FöreningsSparbanken will publish financial reports on the following dates:

- Interim report January–March 2005 on April 28, 2005
- Interim report January–June 2005 on August 18, 2005
- Interim report January–September 2005 on October 27, 2005

The annual report for 2004 is scheduled to be published around March 23, 2005. It will be made available to the public at FöreningsSparbanken's headquarters at Brunkebergstorg 8 in Stockholm and online at <http://www.fsb.se/ir>. The annual report will be sent to shareholders upon request.

The Annual General Meeting will be held in Stockholm on April 21, 2005.

Audit report

This year-end report has not been reviewed by the bank's auditors.

Stockholm, February 11, 2005

Jan Lidén

President and Chief Executive Officer

FöreningsSparbanken AB (publ)

Organization no. 502017-7753

Brunkebergstorg 8

SE-105 34 Stockholm, Sweden

Tel.: +46 8 5859 0000

www.fsb.se

info@fsb.se

For further information, please contact:

Jan Lidén, President and CEO

Phone + 46 8 585 922 27

Henrik Kolga, Head of Communications

Phone + 46 8 585 927 79, + 46 708 11 13 15

Jonas Blomberg, Head of Investor Relations

Phone + 46 8 585 933 22, + 46 702 650 133

Advisors to FöreningsSparbanken

Financial advisors:

Morgan Stanley

25 Cabot Square
Canary Wharf
London E14 4QA
Great Britain
Telephone: +44 20 7425 5000
Fax: +44 20 7425 5300

Swedbank Markets

105 34 Stockholm
Sweden
Telephone: +46 8 5859 1800
Fax: +46 8 5859 2997

International legal advisor:

Mannheimer Swartling Advokatbyrå

Box 1711
111 87 Stockholm
Sweden
Telephone: +46 8 5057 6500
Fax: +46 8 5057 6501

Estonian legal advisor:

Tark & Co

2 Roosikrantsi St.
Tallinn 10119
Estonia
Telephone: +372 611 0900
Fax: +372 611 0911

Estonian execution agent:

AS Hansapank

Liivalaia 8
Tallinn 15040
Estonia
Telephone: +372 631 0310
Fax: +372 631 0410

STATEMENT FROM FÖRENINGSSPARBANKEN AB

To the best of our knowledge all information provided in the Prospectus is correct and accurate and nothing of material importance has been omitted from the Prospectus that would affect the content or meaning of the information provided.

FöreningsSparbanken AB (publ)

Carl Eric Stålberg

Jan Lidén