

The limits for interest-rate exposures established by the Board of Directors are divided mainly between these portfolios.

The investment portfolio contains mainly listed Government and mortgage bonds and Treasury bills, but also such off-balance-sheet items as interest-rate swaps, futures and forward rate agreements (FRAs).

The investment portfolio consists of a "capital growth" portfolio with a basically medium-term horizon and a "liquidity portfolio" with a short- to medium-term investment horizon. As of December 31, 1996, the total holdings of securities in the *Parent Company's* investment portfolio amounted to SEK 26.8 billion. The average maturity of the investment portfolio was 2.4 years, with an average duration of 2.1 years. The direct yield (effective annual rate of interest) of securities in the investment portfolio was 7.70%. Excluding SEK 5.9 billion in bonds issued by subsidiaries, the investment portfolio at Group level totaled SEK 20.9 billion.

The marked decline in short- and long-term interest rates in Sweden in 1996 significantly increased the capital growth in Nordbanken's holdings of interest-bearing securities. At Group level, as of December 31, the growth in capital in the investment portfolio – excluding net interest income – was SEK 1,522 M (net income from financial operations). This substantial growth was achieved through a careful positioning of duration and risk exposure in both the capital-growth portfolio and the liquidity portfolio.

The yield on the investment portfolio was higher than the return according to the comparable Stockholm Stock Exchange bond index.

#### Interest-bearing securities

Group			
Dec. 31, SEK Bn	Amortized cost	Book value	Market value
<b>Current assets</b>			
Investment portfolios	19.8	20.9	20.9
Trading portfolio	7.8	7.8	7.8
Hedging portfolios	1.5	1.5	1.6
<b>Total current assets</b>	<b>29.1</b>	<b>30.2</b>	<b>30.3</b>
(December 31, 1995)	(47.5)	(47.9)	(48.2)
<b>Financial fixed assets</b>	<b>17.4</b>	<b>17.4</b>	<b>18.2</b>
(December 31, 1995)	(15.0)	(15.0)	(15.0)
<b>Total securities holdings</b>	<b>46.5</b>	<b>47.6</b>	<b>48.5</b>
(December 31, 1995)	(62.5)	(62.9)	(63.2)

Securities classified as current assets are reported at market value to the extent they are not included in hedge accounting. The change in unrealized results is reported in operating results under the item Net income from financial operations. Securities classified as financial fixed assets are reported at amortized cost. Valuation of interest-bearing derivative instruments is not included in the table above but is reported under Other assets and/or Other liabilities in the balance sheet.

#### Financial fixed assets

A new law containing substantial changes in accounting regulations governing the reporting of interest-bearing assets in financial institutions and securities firms became effective on January 1, 1996. The major innovations were that the law makes it possible to classify long-term holdings of securities – in principle,

by maturity – as financial fixed assets which are to be reported at amortized cost, while other holdings of securities become current assets that may be reported at market value with changes in unrealized gains/losses recorded in the income statement.

Nordbanken's "fixed assets" portfolio consists of long-term holdings of interest-bearing securities. It contains mainly Government bonds and mortgage bonds.

The financial fixed assets portfolio in the *Parent Company* consists of two parts: one containing bonds issued by subsidiaries and one containing other bonds. The average maturity of the portfolio was 1.9 years, with an average duration of 1.7 years. The yield (effective annual rate of interest) on the portfolio was 7.13%. As of December 31, 1996, the *Parent Company's* total securities holdings classified as financial fixed assets amounted to SEK 35.9 billion.

At the Group level, Nordbanken's securities holdings as fixed financial assets amounted to SEK 17.4 billion. The average maturity of the portfolio was 2.4 years, with an average duration of 2.0 years. The yield (effective annual rate of interest) on the portfolio was 8.07%.

At the Group level, the decline in both short- and long-term interest rates in Sweden in 1996 created a sustained high net interest income from the portfolio, as well as a surplus value amounting to SEK 845 M, comprising the difference between market value and amortized cost.

#### Other assets

Other assets totaled SEK 54.2 billion (52.8) and included positive value adjustments related to derivatives and accrued income as well as receivables from other banks, Livia, company buildings and those taken over for protection of claims. Assets in the form of shareholdings and equipment were small.

#### Other assets

Dec. 31, SEK Bn	1996	1995
Receivables from banks	15.9	18.4
Bank buildings and equipment	3.2	3.3
Stocks	0.4	0.4
Livia insurance company	7.2	5.3
Property taken over for protection of claims	1.4	1.0
Accrued income and prepaid expenses	5.2	5.9
Derivative instruments	14.8	13.9
Other assets	6.1	4.6
<b>Total</b>	<b>54.2</b>	<b>52.8</b>

## Liabilities and shareholders' equity

### *Deposits*

As of December 31, 1996, deposits, which constitute Nordbanken's most important source of financing, accounted for 46% of the Bank's liabilities. Of these deposits totaling SEK 161 billion, deposits amounting to SEK 156 billion (97%) were in Swedish kronor.

Since Nordbanken's main market consists of Sweden and Swedish-related companies outside the country, few of the Bank's customers have surpluses in foreign currencies. As a result, deposits in foreign currencies are of minor importance as a source for financing currency lending. At year-end 1996, deposits in foreign currencies amounted to SEK 4.6 billion.

Deposits in Swedish kronor rose 10% during the year, mainly as a result of increased deposits from companies.

#### **Deposits**

Dec 31, SEK Bn	1996	%	1995	%
Deposits in Swedish kronor				
– Private individuals	93.0	57.9	89.4	60.4
– Companies	56.7	35.2	46.0	31.1
– Public sector	6.4	4.0	6.8	4.6
<b>Total</b>	<b>156.1</b>	<b>97.1</b>	<b>142.3</b>	<b>96.1</b>
Deposits in foreign currencies	4.6	2.9	5.8	3.9
<b>Total</b>	<b>160.7</b>	<b>100.0</b>	<b>148.0</b>	<b>100.0</b>

### *Borrowing*

#### **Borrowing in Swedish kronor**

The borrowing in Swedish kronor that is required in addition to deposits and shareholders' equity occurs primarily in the form of loans from Swedish financial institutions and through issues of money market instruments, bonds and subordinated debenture loans.

Nordbanken's long-term borrowing is employed mainly to finance the operations of Nordbanken Hypotek and Industrikredit. Bonds outstanding at December 31, 1996, excluding retail bonds, amounted to SEK 40.3 billion, with an average time to maturity of 1.5 years.

At year-end, the Bank's fixed-term debenture loans with fixed interest rates amounted to SEK 2.0 billion and loans with floating rates amounted to SEK 0.5 billion. The total loans had an average time to maturity of 3.4 years.

#### **Borrowing in foreign currency**

Assets in foreign currencies are financed through borrowing in matching currencies and maturities. The borrowing occurs as loans from financial institutions and through issues in the international money and capital markets.

Nordbanken has five foreign loan programs: U.S. Commercial Paper, Euro Commercial Paper, Canadian Commercial Paper, Euro Medium Term Notes, and U.S. Medium Term Notes.

Bonds outstanding amounted to SEK 3.1 billion, with an average time to maturity of 1.6 years.

Outstanding subordinated debenture loans with fixed interest rates amounted to SEK 3.7 billion, and loans with floating interest rates amounted to SEK 0.7 billion with an average time to maturity of 8.2 years. In addition, the Bank had undated debenture loans totaling SEK 3.6 billion at year-end 1996.

#### **Borrowing**

Dec 31, SEK Bn	Swedish kronor		Foreign currency	
	1996	1995	1996	1995
Loans from financial institutions	17.9	23.6	27.8	31.9
Borrowing from the public	2.3	0.5	-	-
Certificates/Commercial papers	32.0	13.4	5.7	0.4
Bonds	49.3	56.7	3.1	6.4
Debenture loans	2.5	3.6	8.0	6.4
Other	1.9	1.2	-	-
<b>Total</b>	<b>105.9</b>	<b>98.9</b>	<b>44.6</b>	<b>45.1</b>

## Other liabilities

Other liabilities amounted to SEK 39.0 billion (41.1), of which SEK 14.0 billion in negative value adjustments related to derivative instruments. (Compare with "Other assets" on page 63.)

### Other liabilities

Dec 31, SEK Bn	1996	1995
Deferred tax liability	1.5	1.0
Livia insurance company	7.1	5.2
Accrued costs and prepaid income	4.8	5.8
Securities sold not owned	2.6	11.4
Derivative instruments	14.0	12.7
Other	9.0	5.0
<b>Total</b>	<b>39.0</b>	<b>41.1</b>

## Shareholders' equity

At January 1, 1996, the shareholders' equity in Nordbanken amounted to SEK 18.6 billion. Of this amount, SEK 1.6 billion was utilized for payment of the dividend approved at the Annual General Meeting in March 1996. At an Extraordinary General Meeting on October 23, 1996, a reduction of the equity capital in the amount of SEK 5 billion, to be effected through a redemption of shares, was approved. Net profit of SEK 5.4 billion for the year increased shareholders' equity to SEK 17.4 billion prior to the proposed dividend of SEK 1.7 billion on 1996 operations.

### Pension Fund

Nordbanken's pension commitments are mainly secured through allocations to the Nordbanken pension fund. Its wealth totaled SEK 5,601 M for covering pension commitments of SEK 4,050 M.

## Off-balance-sheet commitments

As part of its commercial operations, the Bank has substantial off-balance-sheet commitments. They pertain in part to such commercial products as guarantees, letters of credit, credit commitments and the like, and in part to financial commitments in the form of derivative instruments. The latter pertain primarily to contracts to exchange currencies at a future date (currency forwards), contracts to purchase and sell interest-bearing securities at a future date (interest-rate forwards), and contracts to exchange interest-rate payments (swaps, FRA's).

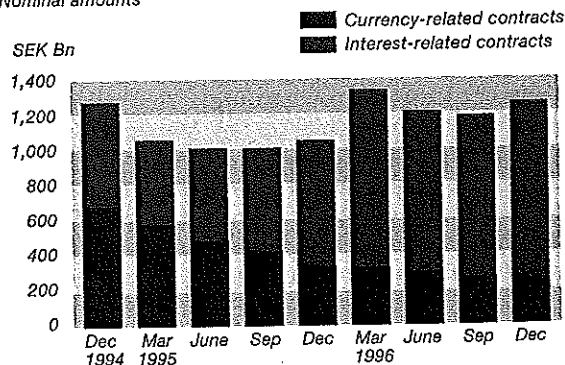
### Off-balance-sheet commitments

Dec. 31, SEK Bn	Nominal amounts		Exposure to counterparty risks	
	1996	1995	1996	1995
Guarantees	12	11	9	8
Letters of credit	3	3	0	0
Other contingent liabilities	0	0	-	-
Commercial paper programs	4	4	2	2
Long-term credit commitments	8	11	4	5
Unutilized overdraft facilities	39	39	-	-
Derivative instruments	1,263	1,053	18	20
<b>Total</b>	<b>1,329</b>	<b>1,121</b>	<b>33</b>	<b>35</b>

The table above shows the nominal amounts of the total off-balance-sheet commitments and their exposure to counterparty risks. The nominal amounts of the commitments are not comparable and do not in any way constitute a quantification of the credit or market risks associated with the Bank's off-balance-sheet commitments. At December 31, 1996, total exposure to counterparty risks, calculated in accordance with regulations applicable to capital adequacy, amounted to SEK 33 billion, of which SEK 18 billion pertained to derivative instruments.

### Derivative Instruments

Nominal amounts



## Derivative instruments

The greater part of the derivative volume are customer-related.

The most common derivative instrument is a forward contract on foreign exchange rates. This product is offered to a wide range of customers to hedge foreign exchange risks. Large corporate customers are also offered other derivative instruments.

Derivative instruments are also used to manage and limit interest-rate and foreign exchange risks in the balance sheet, as well as to manage Bank positions taken to realize price gains.

Interest-related contracts increased compared

## Counterparty risks

The credit risk in a derivative contract consists of the risk that the counterparty could default on its obligation on the contract date. The Bank then has to replace the contract with a comparable transaction in the open market. The credit risk exposure in a derivative contract is therefore measured as the contract's current market value (replacement value) plus a safety margin for price or interest-rate movements during the life of the contract. The total exposure for one and the same counterparty is measured as the sum of all contracts with a positive market value. Netting of contracts thus is not applied in calculating the Bank's exposure.

The risk that counterparties might default on their obligations is monitored continuously. To ensure high credit quality in the derivative portfolios, counterparties are investigated in accordance with the same procedures used in ordinary credit approvals. Counterparties must have good credit ratings and, when so required, collateral is obtained.

The Bank is exposed to counterparty risk in instruments that are traded "over the counter" (OTC) directly with a counterparty. In contrast, a clearing institution becomes the counterparty when instruments are traded via an exchange. The risk is managed and reduced in clearing institutions through various systems of ongoing settlements and provision of marginal collateral. In accordance with current capital adequacy regulations, such instruments do not require capital since the counterparty risk is considered to be negligible. Of the nominal volume of derivative contracts outstanding, cleared contracts account for SEK 570 billion, or 45%.

At year-end 1996 the Bank's exposure to counterparty risk in derivative instruments amounted to SEK 18 billion.

### Market value of derivative instruments

Dec. 31, 1996, SEK M	Shown in balance sheet		Other	
	Nominal amounts	Unrealized amounts	Nominal amounts	Unrealized amounts
<b>Interest-related contracts</b>				
Interest-rate swaps	177,143	200	6,254	- 1,101
FRAs	743,421	34	-	-
Interest-rate futures	67,668	3	-	-
Options held	2,353	27	-	-
Options written	4,667	- 28	-	-
<b>Total:</b>	<b>995,252</b>	<b>236</b>	<b>6,254</b>	<b>-1,101</b>
<b>(December 31, 1995)</b>	<b>(699,318)</b>	<b>(181)</b>	<b>(11,331)</b>	<b>(207)</b>
<b>Equity-related contracts</b>				
Options held	0	0	230	31
Options written	0	0	230	- 31
<b>Total:</b>	<b>0</b>	<b>0</b>	<b>460</b>	<b>0</b>
<b>(December 31, 1995)</b>	<b>(0)</b>	<b>(0)</b>	<b>(328)</b>	<b>(0)</b>
<b>Currency-related contracts</b>				
Currency interest-rate swaps	3,412	671	5,239	- 185
Currency forwards	252,455	62	0	- 7
Options held	6	0	0	0
Options written	3	0	0	0
<b>Total:</b>	<b>255,876</b>	<b>733</b>	<b>5,239</b>	<b>- 192</b>
<b>(December 31, 1995)</b>	<b>(333,991)</b>	<b>(1,073)</b>	<b>(7,818)</b>	<b>(68)</b>
<b>Total:</b>	<b>1,251,128</b>	<b>969</b>	<b>11,953</b>	<b>- 1,293</b>
<b>(December 31, 1995)</b>	<b>(1,033,309)</b>	<b>(1,254)</b>	<b>(19,477)</b>	<b>(275)</b>

with the preceding year-end as a result of the growth of FRA volume, while currency-related contracts declined.

Most of the derivative contracts outstanding are valued in the Bank's balance sheet and accordingly affect reported earnings.

Deferred hedge accounting is applied for all derivative instruments that are not valued in the balance sheet.

The value of financial derivative instruments is affected by exchange- and interest-rate movements in the financial markets. Accordingly, derivatives affect the Bank's exposure to market risk. Management of the Bank's market risks is carried out within limits established by the Bank's Board of Directors. Exposure for interest-rate and currency risks in the derivative area is managed and monitored continually as part of the Bank's overall management of these types of risks.

### Counterparty risk in derivative instruments

Dec. 31, 1996, SEK Bn	Nominal amounts	Exposure to counterparty risks
<b>Class A</b>		
Government, municipalities, etc.	8	-
<b>Class B</b>		
Banks, brokerage firms, etc.	574	15
<b>Class C</b>		
Swedish and foreign corporations	111	3
<b>Cleared instruments</b>	<b>570</b>	<b>-</b>
<b>Total</b>	<b>1,263</b>	<b>18</b>

## **Limitation and control of financial risks**

Nordbanken's objective in limiting and controlling its financial risks is to manage present and future liquidity, interest-rate and foreign exchange risks, and at the same time dimension assets and liabilities so that the Bank's return on equity increases within the framework of acceptable exposure to risk.

Nordbanken limits and controls exposure to fluctuations in interest rates, foreign exchange rates and access to financing by matching interest-rate, foreign exchange and maturity structures for assets and liabilities. The investment portfolio, which is largely a result of surplus liquidity generated in banking operations, is the only substantial exception to this matching rule.

Exposure to liquidity, interest-rate and foreign exchange risks is monitored by three risk management groups, one within each risk-taking unit. In addition, risk utilization is monitored by a financial risk control unit within Group Staff Treasury and is limited by restrictions established by Nordbanken's Board of Directors. These restrictions are established relative to the Bank's core capital and capital base.

### **Exposure to liquidity risk**

Nordbanken's cash management is designed to ensure that adequate funds are available to enable the Bank to fulfill its obligations to customers and counterparties with respect to demand for loans and the repayment of deposits, as well as to meet the Bank's liquidity needs in its ongoing operations.

Nordbanken has a number of sources of financing, of which deposits in Swedish kronor are the most important.

Nordbanken's high liquidity is largely due to the stable volume of deposits from private individuals and the weak market for loans in recent years. Other sources of financing include the money market and bond market, as well as the interbank market, which is used mainly for short-term borrowing from financial institutions in Sweden.

Nordbanken's foreign financing occurs mainly through borrowing from international credit institutions, via the Bank's commercial paper programs, and through long-term instruments in the international capital markets. Low liquidity risks are achieved through matching terms and conditions.

There are liquidity-risk limits for both Swedish kronor and other currencies.

### **Exposure to interest-rate risks**

Exposure to fluctuations in interest rates arises mainly when there is imbalance between the interest-rate structure of assets and liabilities and their off-balance-sheet equivalents.

Nordbanken limits, measures and monitors interest-rate exposure: the impact of interest-rate movements on the value of financial positions (price risk) and on net interest income (income risk). Interest-rate risks are evaluated mainly by means of a sensitivity analysis that shows the effects on income and changes in the value of certain balance sheet items – notably the investment portfolio – caused by a change of one percentage point in interest rates over the entire yield curve, and by using a so-called VaR (Value-at-Risk) model. This model, which is based on analysis of historical data, calculates the maximum interest-rate and price movements that may arise, with a 99% degree of probability, during a given period. The selected time period is the one considered required to eliminate the risk in the position or to liquidate it. A risk-limitation period of 10 days is applied for the trading and liquidity portfolio and longer periods are applied for the other portfolios. This model was used to measure risk exposure in 1996. During 1997, limits will be established based on VaR.

The advantages of the VaR model are that different types of risks (foreign exchange and interest-rate risks, for example) can be treated in the same manner. The model also recognizes the effects on a portfolio if such variations occur. The risk in a well-diversified portfolio is thus lower than in one that is not diversified. The new method of measurement is an adaptation to the standard used internationally by banks.

VaR does not mean that the level of risk assumed by the Group changes but that the risk assumed in various instruments and portfolios can be measured in a more reliable and consistent manner.

The table on page 68 shows interest-rate positions, with respect to fixed-rate periods, as of December 31, 1996. The table indicates the Group's position only as of that given day.

Except for transactions in the trading portfolio, the table is based on data related to contract terms and does not take into account the actual results of handling various balance sheet items.

The interest-rate structure can change due to market trends and other factors. Changes in the general level of interest rates do not affect all types of assets and liabilities in the same manner or at the same time. Moreover, as a practical matter, assets and liabilities whose fixed-interest-rate periods coincide contractually do not have to be replaced at the same time or to the same extent.

The reported interest positions show, in a standard form, that an increase of one percentage point in interest rates reduces net interest income in the following twelve months by about SEK 360 M (one percent of a cumulative exposure of SEK 35,606 M). Taking into account the above reasoning, however, the actual net interest risk can be calculated to almost zero.

### Exposure to foreign exchange risks

The exposure to risks in foreign exchange is limited by matching assets and liabilities in the same currency. In addition, the Bank takes short-term foreign exchange positions in its trading operations.

Foreign exchange risks are measured as the total potential risk of loss resulting from a five-percent swing in exchange rates, and also by application of the VaR model, described above. This model will constitute the base for establishing limits in 1997.

#### Fixed-interest-rate periods, December 31, 1996

Fixed-interest-rate period SEK M	Less than 3 mos.	3 to 6 mos.	6 to 12 mos.	1 to 2 year	2 to 5 years	More than 5 years	Non- repricing
<b>Assets</b>							
Swedish kronor							
Interest-bearing assets <sup>1)</sup>	122,703	16,809	21,914	39,533	67,274	10,083	-
Trading	4,937	-	-	-	-	-	-
Off-balance-sheet items <sup>2)</sup>	103,272	20,518	25,278	6,786	3,719	-	-
Noninterest-bearing assets	-	-	-	-	-	-	36,595
<b>Total</b>	<b>230,912</b>	<b>37,327</b>	<b>47,192</b>	<b>46,319</b>	<b>70,993</b>	<b>10,083</b>	<b>36,595</b>
Foreign currency							
Interest-bearing assets <sup>1)</sup>	18,763	16,175	2,583	480	2,251	712	-
Trading	2,787	-	-	-	-	-	-
Off-balance-sheet items <sup>2)</sup>	95,283	37,617	40,875	6,348	2,295	1,738	-
Noninterest-bearing assets	-	-	-	-	-	-	3,989
<b>Total</b>	<b>116,833</b>	<b>53,792</b>	<b>43,458</b>	<b>6,828</b>	<b>4,546</b>	<b>2,450</b>	<b>3,989</b>
<b>Total assets</b>	<b>347,745</b>	<b>91,119</b>	<b>90,650</b>	<b>53,147</b>	<b>75,539</b>	<b>12,533</b>	<b>40,584</b>
<b>Liabilities and shareholders' equity</b>							
Swedish kronor							
Interest-bearing liabilities <sup>1)</sup>	196,534	7,751	17,483	14,309	24,632	1,382	-
Off-balance-sheet items <sup>2)</sup>	71,656	23,463	28,940	13,442	22,086	1,681	-
Noninterest-bearing liabilities <sup>3)</sup>	-	-	-	-	-	-	54,794
<b>Total</b>	<b>268,190</b>	<b>31,214</b>	<b>46,423</b>	<b>27,751</b>	<b>46,718</b>	<b>3,063</b>	<b>54,794</b>
Foreign currency							
Interest-bearing liabilities	29,116	13,417	3,503	1	642	2,478	-
Off-balance-sheet items <sup>2)</sup>	94,604	39,374	39,279	6,370	2,266	568	-
Noninterest-bearing liabilities	-	-	-	-	-	-	1,546
<b>Total</b>	<b>123,720</b>	<b>52,791</b>	<b>42,782</b>	<b>6,371</b>	<b>2,908</b>	<b>3,046</b>	<b>1,546</b>
<b>Total liabilities</b>	<b>391,910</b>	<b>84,005</b>	<b>89,205</b>	<b>34,122</b>	<b>49,626</b>	<b>6,109</b>	<b>56,340</b>
<b>Exposure</b>	<b>- 44,165</b>	<b>7,114</b>	<b>1,445</b>	<b>19,025</b>	<b>25,913</b>	<b>6,424</b>	<b>- 15,756</b>
<b>Cumulative exposure</b>	<b>- 44,165</b>	<b>- 37,051</b>	<b>- 35,606</b>	<b>- 16,581</b>	<b>9,332</b>	<b>15,756</b>	<b>-</b>

<sup>1)</sup> The Group's nonperforming loans are included in the category "Non-repricing."

<sup>2)</sup> Off-balance-sheet items consist of derivative instruments that are used by the Group to hedge items in the balance sheet or to change them in a synthetic manner. Amounts do not include derivative instruments in the Bank's trading

portfolio. Derivative instruments traded between the Trading unit and Group Staff Treasury are treated as if they were external transactions. The purpose is to show the impact of these trades on the Group's overall interest-rate exposure.

<sup>3)</sup> Includes Group shareholders' equity amounting to SEK 17,409 M.

## Capital adequacy and rating

The ultimate purpose of capital adequacy rules is to safeguard the financial stability of the banking system by ensuring that shareholders' equity amounts to a certain level relative to the exposure to credit and market risks on the asset side. The rules constitute the core of the system of controls on banks developed by government agencies. By international agreement, the same rules apply in principle throughout the industrialized world.

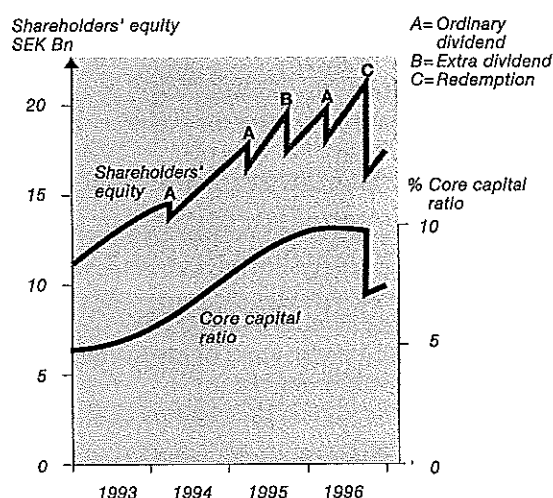
The common rules for capital adequacy became effective at the beginning of 1990. As of January 1, 1993, the minimum total capital ratio – the capital base as a percentage of risk-weighted total assets – was fixed at 8%. During 1996, the regulatory system was broadened resulting in an increased consideration of market risks.

Nordbanken's capital adequacy declined in 1996, due primarily to the redemption of shares amounting to SEK 5 billion. At year-end, the total capital ratio amounted to 11.8% (14.4) and the core capital ratio was 7.4% (9.7). A strong capital base is strategically important for Nordbanken. The diagram to the right provides a schematic development of equity and the core capital ratio during the past four years.

### Capital adequacy of Nordbanken

Dec. 31, SEK Bn	1996	1995
<b>Capital base</b>	<b>24.7</b>	<b>25.2</b>
Of which, core capital	15.6	17.0
<b>Risk-weighted total assets</b>	<b>210.0</b>	<b>175.2</b>
Total capital ratio, %	11.8	14.4
Core capital ratio, %	7.4	9.7

### Trend of Shareholders' equity and Core capital ratio



### Rating scales of major credit rating agencies

MOODY'S Short-term	MOODY'S Long-term	S & P Short-term	S & P Long-term	NIS Long-term	IBCA Short-term	IBCA Long-term	BANKWATCH Short-term	BANKWATCH Long-term
<b>P-1</b>	Aaa	A-1+	AAA	AAA	A1+	AAA	<b>TBW-1</b>	AAA
P-2	Aa1	<b>A-1</b> ↑	AA+	AA+	<b>A1</b>	AA+	TBW-2	AA+
P-3	Aa2	<b>A-2</b>	AA	<b>AA</b> ↑	A2	AA	TBW-3	AA
	Aa3	A-3	AA-	<b>AA-</b>	A3	AA-	TBW-4	<b>AA-</b>
	<b>A1</b> ↑		A+	A+		<b>A+</b>		A+
	<b>A2</b>		<b>A</b> ↑	A		A		A
	A3		<b>A-</b>	A-		A-		A-
	Baa1		BBB+	BBB+		BBB+		BBB+
	Baa2		BBB	BBB		BBB		BBB
	Baa3		BBB-	BBB-		BBB-		BBB-

  ↑   = Nordbanken's rating

   = Change in 1996

## *Legal Proceedings*

Nordbanken is the subject of a number of lawsuits and other disputes, involving claims for substantial amounts and involving complicated legal issues.

### **Dissolution of centralized treasury function accounts**

In 1993 the bankruptcy administrator of Capinova AB and some of its subsidiaries filed several suits against Nordbanken. These claims stem from centralized treasury function (CTF) accounts maintained by Nordbanken.

Capinova's suit and the suits filed by its subsidiaries are claiming a total of SEK 1.4 billion, plus interest. Nordbanken estimates that its net exposure, if the Bank should lose these suits, is less than 60% of the amount claimed because Nordbanken would become the major creditor of the Capinova Group.

In 1993, the bankruptcy estates of NPL Bygg AB and some of its subsidiaries filed suits against the Bank, seeking approximately SEK 690 M, plus interest. These suits also stem from the dissolution of CTF accounts. The Bank estimates its net exposure, if it should lose this suit, to be approximately SEK 570 M, plus interest.

In both the Capinova and NPL Bygg cases, the Bank is contesting liability and considers that its cases will probably be upheld. Decision in these cases in a court of first instance is expected in 1997.

### **Commercial Paper, Gota AB**

Claims have been made against Gota Bank (which was merged into Nordbanken in 1994) and Nordbanken by purchasers of commercial paper issued by Gota AB which, at the time of issue, was the owner of Gota Bank. Gota AB was declared bankrupt in 1992. The remaining suits pertain to four cases which, in the aggregate, involve sums not exceeding SEK 200 M, plus interest.

The current cases are in various stages of legal proceedings.

### **Takeover of shares**

In 1994 Yggdrasil AB filed suit against Nordbanken, claiming SEK 3.4 billion plus interest as additional compensation for shares in Nobel Industrier AB which the Bank took over from Yggdrasil, a Nordbanken subsidiary at the time of the acquisition. The Bank's acquisition of the Nobel shares was part of the financial reconstruction of Nobel in the autumn of 1991. Prior to reconstruction, Yggdrasil was a major shareholder in Nobel. The Bank contests liability and believes that Yggdrasil's claim lacks merit. There may be a decision in a court of first instance in 1997.

### **Advice**

In 1995, Nordbanken was sued for SEK 327 M plus interest by a former customer who alleged that he received poor advice in connection with his purchase of Byggnads AB Constructa in 1990, which was listed on the Stockholm Stock Exchange at the time. Prior to the purchase, the customer was one of Constructa's main shareholders. The Bank considers that the claim lacks merit and contests liability. There may be a decision in a court of first instance in 1997.

### **Other legal proceedings**

In addition to the proceedings noted above, Nordbanken is the subject of a number of claims in lawsuits and other legal disputes in the course of its normal business activities, most of which involve comparatively small amounts and relatively uncomplicated legal issues. Nordbanken believes that none of these disputes will have an adverse material effect on the Bank or its financial position. ■ ■ ■





*The NB Cash Card test was launched during November in Halmstad and Uppsala as well as pilot-scale trials in Stockholm. More than 20,000 cash cards were distributed during the first two months.*

## *Income Statements*

SEK M	Note	GROUP		PARENT COMPANY	
		1996	1995	1996	1995
<b>Operating income</b>					
Interest income	1	26,805	29,731	18,472	21,450
Leasing income	1	1,061	1,065	-	-
Interest expense	1	- 16,470	- 18,613	- 10,101	- 12,150
Dividends received	2	92	72	242	1,145
Commission income	3	2,722	2,555	2,429	2,321
Commission expense	4	- 534	- 459	- 456	- 438
Net income from financial operations	5	1,427	678	2,188	865
Other operating income	6	473	560	131	231
Total operating income		15,576	15,589	12,905	13,424
<b>Operating costs</b>					
General administrative costs					
Personnel costs	7	- 2,846	- 2,947	- 2,597	- 2,729
Other administrative costs	8	- 3,570	- 3,616	- 3,461	- 3,600
Depreciation and write-down of tangible fixed assets	9	- 1,077	- 1,011	- 279	- 256
Total operating costs		- 7,493	- 7,574	- 6,337	- 6,585
<b>Profit before loan losses</b>		<b>8,083</b>	<b>8,015</b>	<b>6,568</b>	<b>6,839</b>
Loan losses, net	10	- 650	- 1,251	- 596	- 1,093
Change in value of property taken over for protection of claims	11	- 1	- 18	- 9	- 2
<b>OPERATING PROFIT</b>		<b>7,432</b>	<b>6,746</b>	<b>5,963</b>	<b>5,744</b>
Appropriations	12	- 172	- 186	- 490	- 596
Tax on profit for the year	13	- 1,885	- 1,691	- 1,410	- 1,023
<b>NET PROFIT FOR THE YEAR</b>		<b>5,375</b>	<b>4,869</b>	<b>4,063</b>	<b>4,125</b>
Net interest income	1	10,655	11,481	8,371	9,300
Net commission income	3,4	2,188	2,096	1,973	1,883

## Balance Sheets

SEK M, December 31	Note	GROUP		PARENT COMPANY	
		1996	1995	1996	1995
<b>Assets</b>					
Cash and balances in central banks	14	2,186	2,189	2,185	2,165
Treasury bills and other eligible bills	15	19,315	34,875	19,116	34,517
Loans to financial institutions	16	19,760	28,769	53,954	42,577
Loans to the public	17	256,527	221,579	126,964	122,874
Bonds and other interest-bearing securities	20	28,244	28,091	53,291	44,270
Shares and participations	22	442	415	320	414
Shares and participations in associated companies	23	9	5	9	4
Shares and participations in Group companies	24			10,361	7,426
Tangible assets	25	10,001	8,505	509	565
Other assets	26	18,713	16,323	18,301	16,367
Prepaid expenses and accrued income	27	5,238	5,862	4,693	5,472
Livförsäkrings AB Livia	28	7,158	5,286	-	-
<b>Total assets</b>		<b>367,593</b>	<b>351,899</b>	<b>289,703</b>	<b>276,651</b>
Assets pledged for own liabilities	29	5,221	1,628	4,199	1,132
Other assets pledged	29	418	393	418	393
<b>Liabilities and shareholders' equity</b>					
Due to financial institutions	30	45,740	55,506	51,653	57,180
Deposits from the public	31	160,740	148,049	161,213	148,230
Borrowing from the public	32	2,298	462	6,458	637
Debt instruments outstanding	33	91,812	77,993	14,115	8,617
Other liabilities	34	25,055	28,495	24,313	28,414
Accrued expenses and prepaid income	35	4,793	5,841	2,189	3,093
Provisions	36	2,006	1,523	924	693
Subordinated debt	37	10,662	10,174	10,276	10,061
Livförsäkrings AB Livia	28	7,078	5,206	-	-
<b>Total liabilities</b>		<b>350,184</b>	<b>333,249</b>	<b>271,141</b>	<b>256,925</b>
Untaxed reserves	38			3,380	1,995
Shareholders' equity	39				
Share capital		5,482	5,375	5,482	5,375
Legal reserve		7,508	5,777	4,186	4,293
Reserve for unrealized gains				467	-
Retained earnings		- 956	2,629	984	3,938
Net profit for the year		5,375	4,869	4,063	4,125
<b>Total shareholders' equity</b>		<b>17,409</b>	<b>18,650</b>	<b>15,182</b>	<b>17,731</b>
<b>Total liabilities and shareholders' equity</b>		<b>367,593</b>	<b>351,899</b>	<b>289,703</b>	<b>276,651</b>
Contingent liabilities	40	15,161	14,333	25,230	19,971
Commitments	41	1,313,051	1,106,112	1,320,194	1,116,771
<b>Common notes</b>					
Nonperforming loans and problem loans	18				
Property taken over for protection of claims	19				
Total holdings of interest-bearing securities	21				
Capital adequacy	42				
Derivative instruments	43				
Assets and liabilities at fair value	44				
Assets and liabilities in foreign currencies	45				
Geographical distribution of operating income	46				
Net profit and shareholders' equity under U.S. GAAP	47				

# Accounting Principles

*This Annual Report has been prepared in accordance with the Swedish Annual Report Act for Financial Institutions and Securities Companies "the Annual Report Act," with application of the guidelines and general recommendations of the Swedish Financial Supervisory Authority.*

## Changes in accounting principles

New accounting principles for financial institutions were required to be adopted as of January 1, 1996, when the Annual Report Act became effective.

The following is a brief description of the changes in Nordbanken's accounting principles as a result of the new regulatory system. In accordance with international practice, the immediate recognition in net profit of gains/losses arising from extinguishment of debt has also been adopted.

## Valuation rules

In accordance with prior accounting principles, the Bank's holdings of interest-bearing securities and related derivatives were classified into an investment portfolio which was primarily for long-term holdings or a trading portfolio which was primarily for short-term holdings. Both portfolios were carried at the lower of cost or fair value for reporting purposes. This accounting results in the changes in unrealized losses being recorded in net profit, while changes in unrealized gains are excluded. Changes in the unrealized losses were reported as a component of net interest income for the trading portfolio and had a direct effect on the earnings while the corresponding change to the investment portfolio was reported as an appropriation.

In accordance with the new accounting principles, securities which the Bank intends to hold to maturity are classified as a financial fixed asset which is reported at amortized cost in the balance sheet (adjusted for amortization of premiums or accretion of discounts). Other securities and derivatives are classified as financial current assets with the option to value such securities at fair value or at the lower of amortized cost or fair value. Unrealized gains and losses are included in current earnings. Unrealized gains cannot be used to pay dividends and accordingly are reported as restricted reserves.

Valuation at fair values provides the most equitable accounting for actively managed portfolios. Nordbanken has adopted this method for all interest-bearing financial current assets.

Approximately one-third of the former investment portfolio was classified as a financial fixed asset. This classification conforms with those used in the presentation of net profit and shareholders' equity in accordance with U.S. GAAP.

## Income statement

The format for the income statement is specified in the Annual Report Act. The following are the most important changes in the presentation of the income statement.

## Interest income/interest expense

The presentation of interest items has been changed and is not comparable with amounts reported previously. Realized and unrealized changes related to the former trading portfolios are no longer included in net interest income/expense but are reported in a new heading called "Net income from financial operations." Interest income and interest expense pertaining to interest-rate swaps that are not accounted for as hedges have also been included in this classification.

Net income from financial operations includes three main components:

- Realized gains and losses on financial current assets
- Unrealized changes in value of financial current assets
- Foreign exchange gains/losses

The first two components were previously reported as net interest income (items pertaining to the trading portfolio) or as other income (items pertaining to other interest-bearing items as well as shares and share-related derivatives). Foreign exchange gains/losses were previously included in commission income.

## Changed cost concept

The content of the cost concept is slightly changed. Depreciation according to plan for equipment leased to customers has been reclassified from net interest income to costs. Costs for services related to commissions (transaction charges, deposit and brokerage commissions) are included in commission expense which is reported as a separate income item.

## Balance sheet

The format of the balance sheet is also specified in the Annual Report Act. The presentation differs in a number of respects from the practice followed previously. Total assets and liabilities are increased since the fair value of derivative instruments is now reported gross in the balance sheet, divided into positive and negative values, instead of being reported net. In addition, trade date accounting is applied instead of settlement date accounting in the case of spot transactions in interest-bearing financial instruments and foreign exchange trading.

## Immediate profit/loss recognition in connection with early debt extinguishment

In accordance with international accounting practice and effective for 1996, Nordbanken recognizes gains and losses on the early extinguishment of own debt at

the time the debt is extinguished. These realized gains and losses are the difference between the purchase price and the net book value of the debt at the time of extinguishment and reflect the market valuation of the securities. These amounts are reported as a component of "Net income from financial operations."

Debt extinguishment is reported only in the consolidated accounts and applies to transactions which do not qualify as hedges. A typical example is the case where the Parent Company acquires debt securities previously issued by a subsidiary. An eventual resale of the security is treated as a new issue. The immediate recognition eliminates the future amortization of the difference between the nominal value and the book value of the related assets and liabilities.

#### Restatement of prior periods

In accordance with recommendations from the Swedish Financial Accounting Standards Council, comparative amounts for prior periods have been restated in accordance with the new accounting principles. The net effect of the changes to shareholders' equity and the effects on operating profit, by quarter in 1995 are presented below.

#### Consolidated accounts

The consolidated balance sheet is presented in accordance with recommendations from the Swedish Financial Accounting Standards Council.

The Nordbanken Group includes the parent company, Nordbanken AB (publ), and those companies in which the Bank has more than 50% of the voting rights (for a list of these, see the specification to Note 24). Companies taken over for protection of claims are not included in the consolidated accounts. The accounts of Livförsäkringsbolaget Livia are included in the consolidated accounts in a condensed presentation. Livia operates as a mutual insurance company. The entire

surplus from the life insurance operations accrues to the policyholders as bonuses and accordingly cannot be appropriated by the parent company. See Note 28 for specific information about Livia.

Shares in subsidiaries have been eliminated using the purchase method.

The earnings of acquired companies are only included in the consolidated income statement for the portion of the year each respective company belonged to the Group. The earnings of divested companies are excluded in the consolidated income statement.

AB Industrikredit was acquired in its entirety on March 1, 1996. Since the company's net result at that time was negligible, its income statement was consolidated from January 1, 1996. The negative Group goodwill arising from the acquisition, SEK 290 M, is accreted into earnings over three years according to plan.

Nordbanken uses the current method when translating the financial statements of foreign subsidiaries into Swedish kronor. This means that the assets and liabilities of foreign subsidiaries have been translated at the year-end exchange rate, while income statements are translated at the average exchange rate for the year. Translation differences are charged or credited directly to the shareholders' equity of the Group.

#### Reporting of business transactions

Business transactions are reported at the time that risks and rights are transferred between parties. This means that trade date accounting is applied for transactions in the money and bond market, stock market and currency market.

Deposit and lending transactions, including repurchase agreements, are reported on the settlement date.

Assets and liabilities are reported separately in most cases. The netting of assets and liabilities is, however, used if a statutory right to offset the commitments exists and settlement occurs simultaneously.

Receivables and payables arising from the sale and purchase of securities are also reported net in those cases where the transaction is settled through a clearing house.

#### Repurchase agreements

A repurchase agreement transaction is defined as an agreement covering both the sale of assets, normally an interest-bearing security, and a subsequent repurchase of corresponding assets at an agreed price. These agree-

	SEK M
Shareholders' equity as previously reported December 31, 1994	16,508
Cumulative effect of changes in accounting principles	274
Adjusted balance, January 1, 1995	16,782
Shareholders' equity as previously reported December 31, 1995	18,643
Cumulative effect of changes in accounting principles	7
Adjusted balance, January 1, 1996	18,650

SEK M	Full year 1995	1995 4th Q.	3rd Q.	2nd Q.	1st Q.
Operating profit as previously reported.	5,904	1,350	1,437	1,901	1,216
Adjustment items					
Market valuation of financial current assets <sup>1)</sup>	500	220	356	27	- 103
Debt extinguishment					
– Net interest income	414	111	111	97	95
– Net income from financial operations	- 72	- 26	- 24	- 11	- 11
Total debt extinguishment	342	85	87	86	84
Operating profit in accordance with new accounting principles	6,746	1,655	1,880	2,014	1,197

<sup>1)</sup> Included in net income from financial operations.

ments are reported as loan transactions with no effect on securities holdings. The assets are reported in the balance sheet of the transferring party and the purchase price received is reflected as a liability. The receiving party reports the payment as a receivable due from the transferring party. The difference between the spot price and the subsequent future price is considered interest and amortized over the term of the agreement.

Assets transferred in repurchase transactions are reported under "Assets pledged for own liabilities."

#### **Financial fixed assets/current assets**

Loan receivables and securities holdings for which there is an intent and ability to hold until maturity are financial fixed assets. The Bank's loan receivables are reported as such. These are reported in the balance sheet at unpaid principal balance after deduction for incurred and possible loan losses and provision for LDC risks. See the section on problem loans and loan losses.

Securities which are classified as financial fixed assets include shares held for strategic business purposes as well as certain interest-bearing securities which are managed in a separate portfolio and which are classified as such from the date of acquisition. These securities are carried at acquisition value/amortized cost after consideration for any permanent declines in fair value. Reclassification of securities between financial fixed assets and current financial assets is allowed only under limited circumstances. The effect on the earnings must be disclosed in the notes to the financial statements if any reclassifications are made.

Other securities are reported as financial current assets. All securities which are actively managed are valued at fair value with the exception of financial instruments which have been accounted for as a hedge. (See hedge accounting below). This classification includes all interest-bearing securities as well as equity securities included in the trading operations.

Capital investment shares held pursuant to the regulations in the Banking Business Act, Chap. 2 § 15a are reported at the lower of cost or fair value.

#### **Hedge accounting**

Holdings of financial instruments which are used to hedge are not valued at fair value in the accounts and the related unrealized gains and losses are deferred.

No effect of changes in the fair values of a hedging instrument is reported if the related unrealized gains and losses are of substantially equal amounts. A net unrealized loss is, however, reported in current earnings.

Hedge accounting with deferral of unrealized gains and losses is not used to cover the exchange risk when the hedged asset or liability and related hedge instrument are denominated in a foreign currency.

#### **Assets and liabilities in foreign currencies**

Assets and liabilities in foreign currencies are translated using the average of the buy and sell rate for the respective currency at year-end. Holdings of foreign currencies are also translated using this rate.

Forward positions in foreign currencies are valued

at the current rate for forward contracts with the equivalent remaining maturity.

When currency-related derivative instruments are used for hedging purposes, the hedging instrument and the related hedged asset or liability are translated using the year-end rate.

#### **Reporting of problem loans and property taken over for protection of claims**

Notes 18 and 19 provide an overview of "problem loans," that is, loans with interest deferments and non-performing loans as well as assets acquired for the protection of claims. The following paragraphs define these concepts and describe the accounting principles applied in each case.

Loans with interest deferments refer to those cases where interest rates have been lowered after renegotiation to enable borrowers with temporary payment difficulties to improve their situation. Concessions are normally granted on the condition that the borrower will repay the deferred amount at a later date. The reported volumes refer to loans of at least SEK 1 M on which the interest rate has been lowered to less than market level, which in this context means equal to or lower than the prevailing cost of financing. Loans with negotiated interest deferments are not reported as non-performing.

A receivable is reported as nonperforming if the interest, principal or overdrawn balance is more than 60 days past due or if other circumstances give reason for uncertainty as to repayment of the receivable and the value of the collateral does not cover the amount of the principal and accrued interest by a comfortable margin.

When a receivable is classified as nonperforming it is transferred to cash-based interest accounting. Accrued interest income is thus no longer included in earnings and amounts related to earlier accruals are reversed. Accrued interest carried over from the previous year is reported as a loan loss.

Nordbanken may take over pledged property to protect claims or may receive property as payment for claims. This property must be divested as soon as possible, and not later than the date when this can take place without loss to the Bank.

Property taken over is specified in the balance sheet under the headings real estate, shares and other assets. These assets are valued at the lower of cost or fair value of the property. In the case of real estate that has been taken over, the fair value consists of a conservatively appraised market value less selling costs.

#### **Loan losses**

Receivables are reported in the balance sheet after subtracting incurred losses and write-downs for possible losses.

Incurred losses (charge-offs) are those losses whose amount is regarded as finally established or highly probable because a bankruptcy administrator has provided an estimate of the percentage of assets to be distributed, creditors have accepted a composition proposal, or claims have otherwise been modified.

Write-down for a possible loan loss is made if the

value of the collateral does not cover the loan amount on a nonperforming receivable and the repayment capacity of the borrower is not expected to improve sufficiently within two years. The receivable is written down to the amount that the bank is expected to recover, after considering the value of the collateral. If the collateral is an asset with a market quotation, valuation is based on the quoted value, otherwise on the estimated market value. If the collateral consists of property mortgages, the underlying property value is appraised using the same methods as with properties taken over for the protection of claims.

For most consumer loans, the necessary loss provision is calculated after a collective valuation based on historical loss trends for various categories of loans (home mortgage loans, other secured loans, salary account loans and other unsecured loans).

Provisions for LDC loan losses are made based on estimated market value.

Provisions for loss risks on loan guarantees outstanding is reported under "Provisions" in the balance sheet. In estimating the costs to redeem extended guarantees, the value of existing recourse rights are taken into account.

### **Depreciation**

#### *Furniture, fixtures and equipment*

Furniture, fixtures and equipment are depreciated by 20% annually on a straight-line historical cost basis, with the exception of PC-equipment for which the depreciation rate is 33%.

#### **Equipment leased to customers**

Equipment leased to customers is depreciated based on the terms of the individual lease agreements. The depreciation is calculated using a conservative estimate of

the residual value at the end of the lease. Additional write-downs of equipment leased to customers which are required due to the leasee's inability to pay are also reported as depreciation of leased equipment.

### **Buildings**

Buildings are depreciated at the maximum amount allowed for tax purposes which corresponds to the estimated useful life of the buildings. Depreciation of excess values of buildings resulting from the use of purchase accounting is calculated at varying rates based on the remaining depreciation period for tax purposes.

### **Pension costs**

The operating profit includes pension costs which are comprised of actuarial-based pension costs, including a special wage tax on obligations which are guaranteed by the Bank's pension fund as well as pension premiums paid to third parties. The actuarial pension costs on obligations guaranteed by the Bank are offset in the pension adjustment which is reported under appropriations. Pension benefits paid, special wage tax on pensions and contributions received from or contributions made to the pension fund are also included in the amount reported under appropriations.

### **Net profit and shareholders' equity under U.S. GAAP**

The consolidated financial statements of the Bank have been prepared in accordance with generally accepted accounting principles in Sweden (Swedish GAAP) which differ in certain significant respects to generally accepted accounting principles in the United States (U.S. GAAP).

See Note 47 for a summary of the effects on consolidated net profit and shareholders' equity as a result of applying these principles. ■ ■ ■

# Notes to the financial statements

## Note 1 Interest income, leasing income and interest expenses

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<b>Interest income</b>				
Loans to financial institutions	1,129	1,473	2,479	1,759
Loans to the public	22,392	23,353	10,666	13,076
Interest-bearing securities				
Current assets	2,133	4,135	2,934	4,737
Financial fixed assets	1,007	770	2,286	1,878
Other assets	144	0	107	0
<b>A. Total interest income</b>	<b>26,805</b>	<b>29,731</b>	<b>18,472 <sup>1)</sup></b>	<b>21,450 <sup>1)</sup></b>
<sup>1)</sup> Of which, Group companies SEK M 4,285 (SEK M 3,715)				
<b>Leasing income</b>				
Leasing income	1,061	1,065	-	-
Depreciation according to plan on equipment leased to customers <sup>2)</sup>	- 741	- 702	-	-
<b>B. Net leasing</b>	<b>320</b>	<b>363</b>	<b>-</b>	<b>-</b>
<sup>2)</sup> Included in the item "Depreciation and write-down of tangible fixed assets"				
<b>Interest expenses</b>				
Due to financial institutions	- 2,678	- 2,611	- 2,892	- 2,608
Deposits from the public	- 5,824	- 7,887	- 5,838	- 7,812
Debt instruments outstanding	- 7,040	- 6,763	- 524	- 619
Subordinated debt	- 675	- 832	- 641	- 816
Other liabilities	- 253	- 520	- 206	- 295
<b>C. Interest expenses</b>	<b>- 16,470</b>	<b>- 18,613</b>	<b>- 10,101 <sup>3)</sup></b>	<b>- 12,150 <sup>3)</sup></b>
<sup>3)</sup> Of which, Group companies SEK 310 M (264)				
<b>Net interest (Total A+B+C)</b>	<b>10,655</b>	<b>11,481</b>	<b>8,371</b>	<b>9,300</b>
<b>Average interest rate on loans/deposits</b>				
<b>Loans to the public</b>				
Average volume, SEK M	238,598	214,744	123,705	139,241
Average interest, %	9.38	10.87	8.62	9.80
<b>Deposits from the public</b>				
Average volume, SEK M	153,440	149,954	151,134	153,557
Average interest, %	3.90	5.26	3.87	5.16



Average balance, Group	1996		1995	
	Average balance SEK M	Interest %	Average balance SEK M	Interest %
<b>ASSETS</b>				
Loans to financial institutions	21,299	5.30	21,039	7.00
In Swedish kronor	12,989	6.21	11,208	10.03
In foreign currencies	8,310	3.89	9,831	3.55
Loans to the public	238,598	9.38	214,744	10.87
In Swedish kronor	208,692	9.83	182,272	11.56
In foreign currencies	29,906	6.26	32,472	7.05
Interest-bearing securities	57,904	5.42	62,864	7.80
Other interest-bearing assets	39,229	1.18	43,938	0.83
<b>Total assets</b>	<b>357,030</b>	<b>7.60</b>	<b>342,585</b>	<b>8.78</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Due to financial institutions	50,323	5.56	44,534	5.86
In Swedish kronor	19,464	7.07	11,622	8.36
In foreign currencies	30,859	4.60	32,912	4.98
Deposits from the public	153,440	3.90	149,954	5.26
In Swedish kronor	147,401	3.81	141,679	5.27
In foreign currencies	6,039	5.96	8,275	5.06
Debt instruments outstanding	87,033	7.77	74,947	9.02
In Swedish kronor	80,712	8.02	65,546	9.67
In foreign currencies	6,321	4.68	9,401	4.52
Subordinated debt	9,794	6.89	11,931	6.97
In Swedish kronor	3,099	10.42	4,119	11.19
In foreign currencies	6,695	5.26	7,812	4.75
Other liabilities	37,122	0.68	43,086	1.21
<b>Total liabilities</b>	<b>337,712</b>	<b>4.88</b>	<b>324,452</b>	<b>5.74</b>
Shareholders' equity	19,318		18,133	
<b>Total liabilities and shareholders' equity</b>	<b>357,030</b>	<b>4.61</b>	<b>342,585</b>	<b>5.43</b>
Overall interest margin, %		2.99		3.35
Interest margin, %		2.72		3.04

Note "public" is defined as private individuals, non-financial corporations and public sector.

#### Dividends received

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Shares and participations	75	63	75	63
Shares and participations in associated companies	17	9	17	9
Shares and participations in Group companies	-	-	150	1,073
<b>Total</b>	<b>92</b>	<b>72</b>	<b>242</b>	<b>1,145</b>

Note 2

#### Commission income

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Payment transfers	343	341	343	341
Lending	484	549	455	450
Deposits	414	293	414	357
Guarantees	71	99	71	99
Securities	1,083	939	879	786
Other commission income	327	334	267	288
<b>Total</b>	<b>2,722</b>	<b>2,555</b>	<b>2,429</b>	<b>2,321</b>

Note 3

#### Commission expenses

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Payment transfers	- 441	- 387	- 441	- 387
Securities	- 32	- 16	- 15	- 16
Other commission expenses	- 61	- 56	-	- 35
<b>Total</b>	<b>- 534</b>	<b>- 459</b>	<b>- 456</b>	<b>- 438</b>

Note 4

**Note 5 Net income from financial operations**

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<b>Realized gains/losses</b>				
Interest-bearing securities and other interest-related instruments	858	- 284	893	- 262
Debt extinguishment	- 595	- 51	-	-
	263	- 335	893	- 262
<b>Unrealized gains/losses</b>				
Interest-bearing securities and other interest-related instruments	882	856	1,011	971
	882	856	1,011	971
<b>Foreign exchange gains/losses</b>				
	282	157	284	156
<b>Total</b>	<b>1,427</b>	<b>678</b>	<b>2,188</b>	<b>865</b>

**Note 6 Other operating income**

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Divestment/write-down of other shares	0	145	0	145
Divestment of shares and participations, group companies	4	-	20	-
Divestment of properties	137	129	2	0
Operating net income from properties taken over for protection of claims	65	44	-	-
Income from property	112	112	0	0
Insurance compensation	72	-	72	-
Other	83	130	37	86
<b>Total</b>	<b>473</b>	<b>560</b>	<b>131</b>	<b>231</b>

**Note 7 Personnel costs**

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Salaries and fees (specification below)	- 1,872	- 1,780	- 1,706	- 1,641
Pension costs (specification below)	- 123	- 102	- 109	- 91
Social insurance contributions	- 661	- 628	- 604	- 578
Allocation to profit-sharing foundation	- 101	- 100	- 92	- 94
Other personnel costs	- 89	- 337	- 86	- 325
<b>Total</b>	<b>- 2,846</b>	<b>- 2,947</b>	<b>- 2,597</b>	<b>- 2,729</b>
<b>Salaries and fees:</b>				
To Boards of Directors and senior executives	- 40	- 35	- 31	- 25
To other employees in Sweden	- 1,830	- 1,738	- 1,673	- 1,611
To other employees outside Sweden	- 2	- 7	- 2	- 5
	- 1,872	- 1,780	- 1,706	- 1,641
<b>Pension costs:</b>				
Actuarial pension costs	- 108	- 94	- 97	- 85
Pension premiums	- 15	- 8	- 12	- 6
	- 123	- 102	- 109	- 91

Actuarial pension costs include an increment for special wage tax. Actual tax paid is reported among appropriations, under the item "Pension adjustment."

The total pension costs for the year with regard to Board members, presidents and vice presidents, amounts to SEK 19.6 M (of which, Parent Company SEK 13.7 M). The corresponding cost for pensions for former Board members, presidents and vice presidents amounts to SEK 12.5 M (of which, Parent Company SEK 10.8 M).

The Group's total pension obligations regarding the above amount to SEK 276.8 M, of which SEK 211.8 M pertains to former executives. The corresponding obligations for the Parent Company amount to SEK 244.8 M and SEK 195.9 M (see also Note 36).

**Remuneration to Board of Directors**

The Chairman of the Board received a fixed fee of SEK 875,000. When Jacob Palmstierna joined the Board of Nordbanken, his pension payments from Skandinaviska Enskilda Banken were reduced. Compensation for this is paid to April 1999. During 1996 SEK 820,992 was paid by Nordbanken.

The Vice Chairman received a fee of SEK 360,000. Other Board members not employed by Nordbanken each received SEK 85,000 and remuneration for Board meetings. These Board members also received remuneration for participation in committee meetings. Total remuneration to Board members was SEK 3,456,520 in 1996.

There are no commitments for severance pay, pensions or similar compensation to the members of the Board, who are not employed by Nordbanken, including the Chairman and the Vice Chairman.

**Remuneration to Group Management**

The salary terms for Group Management are developed by the compensation committee and approved by the Board of Directors.

The President was paid a salary of SEK 3,748,756 during 1996. Nordbanken also provided a residence and a company car. Salaries totaling SEK 19.4 M were paid to the 12 Executive Vice Presidents who belonged to Group Management during 1996. These executives were also entitled to a company car and in one case a residence was provided.

For the variable portion of salaries, SEK 4.1 M was allocated in 1996, of which SEK 780,000 for the President. Distribution is based on an earnings-related compensation and an individual goal-related remuneration. The earnings related remuneration can amount to a maximum of 12% of the basic salary. The goal-related remuneration can amount to a maximum of 12% for the President and 8% for others.

In accordance with the employment contracts of these senior executives, salary during the notice period before termination and with regard to severance pay may not total more than 24 months' salary and must be reduced by the salary amount that the executive receives as a result of any other employment during the period of payment.

The President is entitled to retire with a pension at age 57 and Executive Vice Presidents at age 60. Up to 65 a pension equal to 75% of the pension-entitled salary is paid and, thereafter, a maximum of 60%. The calculated old-age pension for the President in accordance with the Bank's occupational pension schemes, including the ATP and AFP supplementary pension schemes, amounts to 33% of the salary. For Executive Vice Presidents, the corresponding amount is a maximum of 50%.

#### Loans to senior executives

At year-end 1996, loans totalling SEK 7.7 M were outstanding to senior executives, of which SEK 0 to the President and SEK 0.2 to the Executive Vice President and Deputy CEO and SEK 7.5 M to other central board members.

#### Average number of employees in Group

Recalculated to full-time equivalents	1996	1995
Nordbanken	6,580	6,619
Nordbanken Fastigheter	63	39
Nordbanken Finans	221	216
Nordbanken Företagskredit	—	6
Nordbanken Hypotek	91	81
Industrikredit	65	—
Nordbanken Kapitalförvaltning	78	75
Nordbanken Kredit	—	19
Other companies	26	69
	7,124	7,124
Of whom, women	4,016	3,955
men	3,108	3,169
Of which, outside Sweden	23	21

The information on distribution of personnel and salaries by country stipulated in the Act on Annual Reports in Financial Institutions and Securities Companies is not included in this printed Annual Report. It can be obtained upon request from Group Accounting and Control Staff.

#### Other administrative costs

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Compensation to Sweden Post	- 906	- 1,200	- 906	- 1,200
Computer costs <sup>1)</sup>	- 549	- 524	- 541	- 519
Rents and other costs of premises	- 390	- 392	- 606	- 595
Postage and telephone	- 381	- 389	- 368	- 379
Marketing costs	- 237	- 183	- 206	- 162
Property costs	- 172	- 111	0	0
Other costs	- 935 <sup>2)</sup>	- 817	- 834 <sup>2)</sup>	- 745
<b>Total</b>	<b>- 3,570</b>	<b>- 3,616</b>	<b>- 3,461</b>	<b>- 3,600</b>

1) Refers to computer operations, servicing, maintenance and consultants.

2) Includes a provision for EMU costs of SEK 120 M

#### Depreciation and write-down of tangible fixed assets

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Furniture, fixtures and equipment	- 291	- 265	- 279	- 254
Equipment leased to customers <sup>1)</sup>	- 741	- 702	—	—
Buildings	- 45	- 44	0	- 2
<b>Total</b>	<b>- 1,077</b>	<b>- 1,011</b>	<b>- 279</b>	<b>- 256</b>

<sup>1)</sup> Of which, write-downs (loan losses) SEK + 1 M (- 1).

Note 6

Note 1

**Note 10** *Loan losses, net*

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Loans to the public				
Write-downs	- 1,860	- 2,408	- 1,871	- 2,180
Recoveries	1,210	1,157	1,075	1,087
<b>Total</b>	<b>- 650</b>	<b>- 1,251</b>	<b>- 596</b>	<b>- 1,093</b>
<b>Specifications</b>				
<i>Individually appraised receivables</i>				
Losses incurred during the year	- 2,128	- 2,727	- 1,865	- 2,560
Amount of previous provisions used during the year	1,848	2,486	1,622	2,345
The year's write-down for possible loan losses	- 1,219	- 1,730	- 1,105	- 1,625
Recovery of previous incurred losses	167	139	133	123
Reversal of previous provisions to reserves	982	965	895	927
Year's costs for individually appraised receivables, net	- 350	- 867	- 320	- 790
<i>Receivables appraised by category</i>				
Write-downs on losses incurred	- 315	- 418	- 231	- 321
Recovery on previous incurred losses	62	51	47	37
Reversal/provision to reserves for possible loan losses	- 45	2	- 66	0
Year's costs for receivables appraised by category, net	- 298	- 365	- 250	- 284
<i>LDC loan risks</i>				
Net cost for the year	0	0	0	0
<i>Contingent liabilities</i>				
The year's net cost for redemption of guarantees and other contingent liabilities	- 2	- 19	- 26	- 19
<b>Total</b>	<b>- 650</b>	<b>- 1,251</b>	<b>- 596</b>	<b>- 1,093</b>

**Note 11** *Change in value of property taken over for protection of claims*

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<b>Realized change in value</b>				
Real estate taken over	5	3	- 1	- 2
Other property taken over	- 8	-	- 8	-
	- 3	3	- 9	- 2
<b>Unrealized change in value</b>				
Real estate taken over	- 9	- 21	-	-
Other property taken over	11	-	-	-
	2	- 21	-	-
<b>Total</b>	<b>- 1</b>	<b>- 18</b>	<b>- 9</b>	<b>- 2</b>

**Note 12** *Appropriations*

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<b>Appropriations</b>				
Change in depreciation in excess of plan, equipment			2	- 8
Shareholder contribution			- 30	-
Allocation to profit equalization reserve			- 1,387	- 1,723
Group contributions received			1,494	1,601
Group contributions provided			- 394	- 281
			- 315	- 411
<b>Other allocations</b>				
Pension adjustment				
Actuarial pension costs	108	94	97	85
Pension benefits paid	- 226	- 223	- 223	- 223
Allocations/compensation	-	-	7	-
Special wage tax	- 52	- 51	- 50	- 51
Miscellaneous	- 2	- 6	- 6	4
	- 172	- 186	- 175	- 185
<b>Total</b>	<b>- 172</b>	<b>- 186</b>	<b>- 490</b>	<b>- 596</b>

### Tax on profit for the year

Note 13

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Income tax	- 1,118	- 1,441	- 1,127	- 1,429
Deferred tax	- 767	- 250	- 283	406
<b>Total</b>	<b>- 1,885</b>	<b>- 1,691</b>	<b>- 1,410</b>	<b>- 1,023</b>

Income tax pertaining to prior years SEK 25 M, Group, and SEK 13 M (- 1), Parent Company

### Cash and balances with central banks

Note 14

	GROUP		PARENT COMPANY	
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#### Current assets

This item includes cash and funds available on demand with the Central Bank of Sweden.

### Treasury bills and other eligible bills

Note 15

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<b>Current assets</b>				
Eligible government securities	14,059	32,141	13,860	31,783
Other eligible securities	0	0	0	0
	14,059	32,141	13,860	31,783
<b>Financial fixed assets</b>				
Eligible government securities	5,256	2,734	5,256	2,734
Other eligible securities	0	0	0	0
	5,256	2,734	5,256	2,734
<b>Total</b>	<b>19,315</b>	<b>34,875</b>	<b>19,116</b>	<b>34,517</b>

#### Maturity information

##### Remaining maturity (book value)

Maximum 1 year	2,786		2,587	
1 - 5 years	13,721		13,721	
5 - 10 years	2,684		2,684	
More than 10 years	124		124	
<b>Total</b>	<b>19,315</b>		<b>19,116</b>	

Average remaining maturity period, years

3.3

3.3

Information about issuer category, is provided in Note 21

### Loans to financial institutions

Note 16

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<b>Financial fixed assets</b>				
Central Bank of Sweden	-	94	-	94
Other Swedish banks	6,224	6,338	6,028	6,320
Foreign banks	9,699	11,915	9,649	11,841
Other financial institutions	3,837	10,422	38,277	24,322
<b>Total</b>	<b>19,760</b>	<b>28,769</b>	<b>53,954</b>	<b>42,577</b>

Of which Group companies, subordinated  
other

-  
34,422

-  
14,383

#### Maturity information

##### Remaining maturity (book value)

Payable on demand	3,615		3,360	
Maximum 3 months	11,277		20,318	
3 months - 1 year	4,868		6,525	
1 year - 5 years	-		23,307	
More than 5 years	-		444	
<b>Total</b>	<b>19,760</b>		<b>53,954</b>	

Average remaining maturity period, years

0.4

1.6

**Note 17 Loans to the public**

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<i>Financial fixed assets</i>				
<b>Total</b>	<b>256,527</b>	<b>221,579</b>	<b>126,964</b>	<b>122,874</b>
Group companies, subordinated other			-	-
			3,487	2,847
<b>Maturity information</b>				
<i>Remaining maturity (book value)</i>				
Payable on demand	251		251	
Maximum 3 months	66,354		46,142	
3 months - 1 year	108,894		79,024	
1 year - 5 years	79,591		1,547	
More than 5 years	1,437		-	
<b>Total</b>	<b>256,527</b>		<b>126,964</b>	
Average remaining period, years	1.2		0.6	

**Note 18 Nonperforming loans and problem loans**

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Nonperforming loans with interest reported on accrual basis <sup>1)</sup>	91	189	-	-
Nonperforming loans with interest reported on cash basis	7,359	9,444	5,909	8,016
Less reserve for possible loan losses	- 5,128	- 6,290	- 4,635	- 5,894
<b>Net nonperforming loans</b>	<b>2,231</b>	<b>3,154</b>	<b>1,274</b>	<b>2,122</b>
Loans with interest deferments	889	711	559	705
Total problem loans	3,120	3,865	1,833	2,827
Return on problem loans				
Amount booked, SEK M	236	293	101	190
As a percentage of volume (annual averages)	5.7	7.0	4.1	5.0
Return on SEK loans, %	9.8	11.5	9.7	11.7
<b>Reserve for LDC risks changes</b>	<b>634</b>	<b>760</b>	<b>634</b>	<b>760</b>
Receivables included in LDC reserve	2,131	1,912	2,131	1,912
Less reserve for LDC risks	- 498	- 619	- 498	- 619
Net	1,633	1,293	1,633	1,293
LDC reserve related to guarantees reported as provisions (Note 36)	136	141	136	141

<sup>1)</sup> Refers to nonperforming loans on which the value of collateral covers the receivable principal and accrued interest by a comfortable margin.

**Note 19 Property taken over for protection of claims**

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<i>Current assets</i>				
<b>Book value</b>				
Buildings and land (specified below)	1,355	1,017	5	3
Shares and participations	122	18	0	18
Other	0	0	0	0
<b>Total</b>	<b>1,477</b>	<b>1,035</b>	<b>5</b>	<b>21</b>
<b>Net return</b>				
Buildings and land				
Rental income	159	102		
Operating costs	- 94	- 58		
Operating net income	65	44		
<b>Total</b>	<b>65</b>	<b>44</b>		
<b>As a percentage of average book value</b>				
Buildings and land	4.7	6.5		
Shares and participations	-	-		
Other property taken over	-	-		
<b>Total</b>	<b>4.3</b>	<b>6.4</b>		

**Specification of real estate taken over for protection of claims**

SEK M	GROUP			
	Book value		Fair value	
	1996	1995	1996	1995
Property in Sweden	1,030	697	1,047	721
Property outside Sweden	325	320	325	320
<b>Total</b>	<b>1,355</b>	<b>1,017</b>	<b>1,372</b>	<b>1,041</b>
<b>Specification by category</b>				
Apartment buildings				
Stockholm, Göteborg and Malmö regions	258	282	263	288
Rest of Sweden	137	59	144	65
Office and business properties				
Stockholm, Göteborg and Malmö regions	279	180	288	186
Rest of Sweden	146	29	131	29
Outside Sweden	320	320	320	320
Industrial and warehouse properties				
Stockholm, Göteborg and Malmö regions	111	64	119	66
Rest of Sweden	75	80	76	84
Other properties				
Stockholm, Göteborg and Malmö regions	24	–	26	–
Rest of Sweden	–	3	–	3
Outside Sweden	5	–	5	–
<b>Total</b>	<b>1,355</b>	<b>1,017</b>	<b>1,372</b>	<b>1,041</b>
<b>Key ratios, Dec. 31, 1996</b>				
	Book value	No. of properties	Book value SEK/m <sup>2</sup> *	Direct return, %
Apartment buildings	395	92	5,063	6.1
Office and business properties	745	34	5,997	5.1
Industrial and warehouse properties	186	52	2,907	6.1
Other properties	29	9	1,521	–
<b>Total</b>	<b>1,355</b>	<b>187</b>	<b>4,748</b>	<b>5.3</b>

\* Rentable floor space

Property holdings are appraised by the Group's specialized property appraisal organization or other appraisers working on its behalf. A location price analysis is applied in valuation, with use of the net capitalization method and/or area method, supplemented by the return method, with analysis and valuation of the payment flows the property holdings are expected to generate during a five-year period. The market value of the properties amounted to SEK 1,372 M. Write-downs of SEK 9 M (21) were made on properties.

During the year, 45 properties were acquired, of which 15 through acquisition of shares and convertibles in real estate companies in a total amount of SEK 596 M. A total of 32 properties were sold for SEK 92 M, with a capital gain of SEK 5 M.

**Note 20 Bonds and other interest-bearing securities**

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<i>Current assets</i>				
Issued by other lenders	16,130	15,794	22,671	20,851
	16,130	15,794	22,671	20,851
<i>Financial fixed assets</i>				
Issued by other lenders	12,114	12,297	30,620	23,419
	12,114	12,297	30,620	23,419
<b>Total book value</b>	<b>28,244</b>	<b>28,091</b>	<b>53,291</b>	<b>44,270</b>
Of which, listed securities	28,244	28,091	53,291	44,270
Of which, Group companies, subordinated other			980	980
			24,568	21,046
<b>Maturity information</b>				
<i>Remaining maturity (book value)</i>				
Maximum 1 year	22,080		22,016	
1- 5 years	6,068		31,202	
5-10 years	90		67	
More than 10 years	6		6	
<b>Total</b>	<b>28,244</b>		<b>53,291</b>	
Average remaining maturity period, years	1.7		1.6	

**Note 21 Total holdings of interest-bearing securities, Notes 15 and 20**

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<i>Current assets</i>				
Eligible government securities, etc.	14,059	32,141	13,860	31,783
Bonds and other eligible securities	16,130	15,794	22,671	20,851
<b>Total</b>	<b>30,189</b>	<b>47,935</b>	<b>36,531</b>	<b>52,634</b>
<i>Financial fixed assets</i>				
Eligible government securities, etc.	5,256	2,734	5,256	2,734
Bonds and other eligible securities	12,114	12,297	30,620	23,419
<b>Total</b>	<b>17,370</b>	<b>15,031</b>	<b>35,876</b>	<b>26,153</b>
<b>Total book value</b>	<b>47,559</b>	<b>62,966</b>	<b>72,407</b>	<b>78,787</b>
Total face value*	44,972		68,590	
Difference between book and face value:				
Higher book value	2,851		4,113	
Lower book value	- 264		- 296	
<b>Net</b>	<b>2,587</b>		<b>3,817</b>	
* Face value is the settlement amount on the maturity date.				
<b>Maturity information</b>				
<i>Remaining fixed-interest period (book value)</i>				
Maximum 1 year	24,866		24,602	
1- 5 years	19,789		44,923	
5-10 years	2,774		2,752	
More than 10 years	130		130	
<b>Total</b>	<b>47,559</b>		<b>72,407</b>	
Average remaining fixed-interest period, years	2.4		2.1	



SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<b>ISSUER CATEGORIES</b>				
<i>Current assets</i>				
<b>Book value</b>				
Swedish Government	13,614	31,451	13,415	31,093
Swedish municipalities	445	690	445	690
Swedish mortgage institutes	12,286	13,603	18,396	15,560
Other Swedish issuers				
Nonfinancial companies	595	—	595	—
Financial companies	1,998	1,121	2,447	4,221
Foreign governments	251	392	251	392
Other foreign issuers	1,062	678	982	678
Total	30,189	47,935	36,531	52,634
<b>Fair value</b>				
Swedish Government	13,615	31,451	13,415	31,093
Swedish municipalities	444	690	445	690
Swedish mortgage institutes	12,290	13,866	18,446	15,560
Other Swedish issuers				
Nonfinancial companies	601	—	601	—
Financial companies	1,998	1,121	2,512	4,221
Foreign governments	251	392	251	392
Other foreign issuers	1,089	678	1,009	678
Total	30,288	48,198	36,679	52,634
<b>Amortized cost</b>				
Swedish Government	12,906	31,118	12,707	30,764
Swedish municipalities	440	689	440	689
Swedish mortgage institutes	11,947	13,725	17,818	15,584
Other Swedish issuers				
Nonfinancial companies	877	—	877	—
Financial companies	1,627	899	2,133	4,020
Foreign governments	250	392	250	392
Other foreign issuers	1,062	678	982	678
Total	29,109	47,501	35,207	52,127
<i>Financial fixed assets</i>				
<b>Book value/amortized cost</b>				
Swedish Government	5,201	2,676	5,201	2,676
Swedish municipalities	55	58	55	58
Swedish mortgage institutes	11,837	12,278	30,175	22,400
Other Swedish issuers				
Nonfinancial companies	216	19	216	19
Financial companies	61	—	229	—
Total	17,370	15,031	35,876	26,153
Of which, subordinated (debentures)	—	—	980	980
<b>Fair value</b>				
Swedish Government	5,405	2,719	5,405	2,719
Swedish municipalities	57	56	57	56
Swedish mortgage institutes	12,456	12,243	31,319	23,171
Other Swedish issuers				
Nonfinancial companies	233	19	233	19
Financial companies	64	—	239	—
Total	18,215	15,037	37,253	25,965
Of which, subordinated (debentures)	—	—	1,069	1,009

**Note 22**    **Shares and participations**

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<i>Current assets</i>				
Shares inventory in brokerage business	2	1	2	1
Shares taken over for protection of claims	122	18	0	18
Other shares	123	123	123	123
	247	142	125	142
<i>Fixed assets</i>				
Other shares and participations <sup>1)</sup>	195	273	195	272
<b>Total</b>	<b>442</b>	<b>415</b>	<b>320</b>	<b>414</b>
Of which, listed securities	121	121	121	121
unlisted securities	321	294	199	293
Total	442	415	320	414

<sup>1)</sup> For specification, see page 101.

**Note 23**    **Shares and participations in associated companies**

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<i>Fixed assets</i>				
Other	9	5	9	4
<b>Total</b>	<b>9</b>	<b>5</b>	<b>9</b>	<b>4</b>
Of which, unlisted securities	9	5	9	4

For specification, see page 101.

**Note 24**    **Shares and participations in Group companies**

SEK M	PARENT COMPANY	
	1996	1995
<i>Fixed assets</i>		
Shares, financial institutions	9,168	6,214
Other	1,193	1,212
<b>Total</b>	<b>10,361</b>	<b>7,426</b>
Of which, unlisted securities	10,361	7,426

For specification, see page 102.

### Tangible assets

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Current assets	1,355	1,017	5	3
Fixed assets	8,646	7,488	504	562
<b>Total</b>	<b>10,001</b>	<b>8,505</b>	<b>509</b>	<b>565</b>
<i>Current assets</i>				
<b>Buildings and land, taken over for protection of claims<sup>1)</sup></b>	<b>1,355</b>	<b>1,017</b>	<b>5</b>	<b>3</b>
<i>Fixed assets</i>				
<b>Equipment</b>				
Acquisition value, January 1	1,561	1,393	1,470	1,316
Purchases during the year	267	380	251	363
Divestments/disposals	- 176	- 212	- 166	- 209
Deprecation according to plan for the year	- 291	- 265	- 279	- 254
Accumulated depreciation during the year				
divested/disposed equipment	153	188	140	186
Accumulated depreciation according to plan in prior years	- 981	- 904	- 914	- 846
<b>Planned residual value</b>	<b>533</b>	<b>580</b>	<b>502</b>	<b>556</b>
Excess depreciation during the year			2	- 8
Accumulated excess depreciation in prior years			- 8	-
<b>Book value, net</b>	<b>533</b>	<b>580</b>	<b>496</b>	<b>548</b>
<i>Equipment leased to customers</i>				
Acquisition value, January 1	6,053	5,966		
Purchases during the year	2,513	1,496		
Divestments/disposals	- 1,458	- 1,407		
Deprecation according to plan for the year	- 742	- 702		
Accumulated depreciation during the year				
divested/disposed leasing items	914	971		
Accumulated depreciation according to plan in prior years	- 1,884	- 2,153		
Write-downs/recoveries for possible loan losses	2	1		
Accumulated write-downs for possible loan losses in prior years	- 4	- 5		
<b>Residual value after depreciation according to plan and write-downs<sup>2)</sup></b>	<b>5,394</b>	<b>4,167</b>		
<i>Buildings and land, own premises</i>				
Acquisition value, January 1	2,986	2,346	9	12
Purchases during the year	235	784	-	-
Divestments during the year	- 233	- 144	- 5	- 3
Deprecation according to plan for the year	- 45	- 44	0	- 2
Accumulated depreciation in excess of plan				
during the year on buildings sold	21	11	1	-
Accumulated depreciation in excess of plan in prior years	- 245	- 212	- 3	- 1
<b>Planned residual value/book value</b>	<b>2,719</b>	<b>2,741</b>	<b>2</b>	<b>6</b>
Tax value	2,435	2,074	2	4

<sup>1)</sup> For specification and information on fair value, key figures, etc., see Note 19 "Property taken over for protection of claims"

<sup>2)</sup> Of which, repossessed leasing equipment, SEK 8 M (9).

### Other assets

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Derivative instruments				
Interest-related	7,236	3,190	7,236	3,187
currency-related	4,597	10,699	4,702	11,038
Accrued interest on derivative instruments <sup>1)</sup>	2,924	-	3,293	-
Claims on securities settlement proceeds <sup>1)</sup>	351	398	351	369
Other	3,605	2,036	2,719	1,773
<b>Total</b>	<b>18,713</b>	<b>16,323</b>	<b>18,301</b>	<b>16,367</b>
<i>Fund liquidity charges, gross</i>	<i>2,059</i>	<i>3,720</i>	<i>2,059</i>	<i>3,691</i>

<sup>1)</sup> Fund liquidity charges, gross

<sup>2)</sup> Reported as accrued interest income/expense in 1995.

### Prepaid expenses and accrued income

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Accrued interest income <sup>1)</sup>	4,969	5,593	4,554	4,787
Other accrued income	126	128	47	618
Prepaid expenses	143	141	92	67
<b>Total</b>	<b>5,238</b>	<b>5,862</b>	<b>4,693</b>	<b>5,472</b>

<sup>1)</sup> Of which, interest receivables due, not paid

Note 2

Note

Note

**Note 28 Livförsäkrings AB Livia**

SEK M	1996	1995
<b>Income statement</b>		
Premiums earned	900	794
Capital return, income	600	548
Unrealized gains on investment assets	555	74
Claims incurred	- 102	- 77
Change in other technical reserves		
Profit before ceded reinsurance	- 905	- 799
Operating expenses	- 42	- 31
Capital return, expenses	- 8	- 9
Income from life insurance operation	998	500
Other revenues	0	0
Profit before appropriations and taxes	998	500
Appropriations	- 3	- 3
Profit before tax	995	497
Tax	- 83	- 59
<b>Net profit for the year</b>	<b>912</b>	<b>438</b>
<b>Balance sheet</b>		
<b>ASSETS</b>		
Investment assets		
Building and land	39	37
Other financial investment assets		
Shares and participations	2,587	1,095
Bonds, other interest-bearing securities	4,041	3,805
Receivables		
Receivables related to reinsurance	-	-
Other receivables	36	32
Other assets		
Tangible assets	2	1
Cash, bank balances	237	93
Other assets	0	0
Prepaid expenses and accrued income	216	223
<b>Total assets</b>	<b>7,158</b>	<b>5,286</b>
<b>POLICYHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</b>		
Policyholders' equity		
Share capital	80	80
Untaxed reserves	7	4
Bonus funds	1,939	1,046
(of which, year's surplus)	912	438
Technical reserves (before reinsurance ceded)		
Life insurance reserve	5,016	4,112
Unsettled claims reserve	10	9
	31	7
Liabilities		
Liabilities related to reinsurance	1	1
Due to financial institutions	0	0
Other liabilities	54	10
Accrued expenses and prepaid income	20	17
<b>Total policyholders' equity, provisions and liabilities</b>	<b>7,158</b>	<b>5,286</b>
Average number of employees	21	20

**Notes:** The financial statements have been prepared in conformity with the Swedish Insurance Operations Act and application guidelines issued by the Financial Supervisory Authority.

Livia operates as a mutual insurance company. In accordance with the Insurance Operations Act, profits may not be distributed to the shareholders in a life insurance company. The earnings which arise must be distributed entirely to the policyholders in the form of bonus funds. Technical reserves comprise premium reserves and claims reserves and shall correspond to the nominal commitments in accordance with the insurance policies. The life insurance reserve (formerly the premium reserve) is the difference between the anticipated capital value of the company's future payments for insurances in force and anticipated capital value of the additional premiums the company may receive for these policies. Provision for the unsettled claims reserve (formerly the compensation reserve and the claims reserve) shall correspond to the nominal commitments according to the insurance policy.

### Assets pledged

	GROUP		PARENT COMPANY	
SEK M	1996	1995	1996	1995
<b>Assets pledged for own liabilities</b>				
Property mortgages	101	106	-	-
Leasing contracts	921	390	-	-
Securities, etc.	4,199	1,132	4,199	1,132
<b>Total</b>	<b>5,221</b>	<b>1,628</b>	<b>4,199</b>	<b>1,132</b>
<i>The above pledges pertain to the following liability items</i>				
Liabilities to financial institutions	4,520	487	3,573	-
Deposits from the public	620	1,132	620	1,132
<b>Total</b>	<b>5,140</b>	<b>1,619</b>	<b>4,193</b>	<b>1,132</b>
<b>Other pledged assets</b>	<b>418</b>	<b>393</b>	<b>418</b>	<b>393</b>

Note 29

### Due to financial institutions

	GROUP		PARENT COMPANY	
SEK M	1996	1995	1996	1995
Central Bank of Sweden	-	2	-	2
Other Swedish banks	11,134	17,063	11,121	17,063
Foreign banks	32,546	35,861	31,520	35,365
Other financial institutions	2,060	2,580	9,012	4,750
<b>Total</b>	<b>45,740</b>	<b>55,506</b>	<b>51,653</b>	<b>57,180</b>
Of which, Group companies			6,767	2,234
<b>Maturity information</b>				
<i>Remaining maturity (book value)</i>				
Payable on demand	3,687		4,314	
Maximum 3 months	28,838		31,298	
3 months - 1 year	10,868		13,758	
1 year - 5 years	150		1,033	
More than 5 years	2,197		1,250	
<b>Total</b>	<b>45,740</b>		<b>51,653</b>	
Average remaining maturity period, years	0.6		0.4	

Note 30

### Deposits from the public

	GROUP		PARENT COMPANY	
SEK M	1996	1995	1996	1995
<b>Total</b>	<b>160,740</b>	<b>148,049</b>	<b>161,213</b>	<b>148,230</b>
Of which, Group companies			477	182

Deposits from the public is defined as funds in deposit accounts covered by the government deposit guarantee but also including amounts in excess of the individual amount limits. The funds are payable on demand. Individual pension savings (IPS) is also included.

Note 31

### Borrowing from the public

	GROUP		PARENT COMPANY	
SEK M	1996	1995	1996	1995
<b>Total</b>	<b>2,298</b>	<b>462</b>	<b>6,458</b>	<b>637</b>
Of which, Group companies			5,838	389
<b>Maturity information</b>				
<i>Remaining maturity (Book value)</i>				
Payable on demand			6,257	
Maximum 3 months	852		201	
3 months - 1 year	454		-	
1 year - 5 years	992		-	
More than 5 years	-		-	
<b>Total</b>	<b>2,298</b>		<b>6,458</b>	
Average remaining maturity period, years	1.3		0.1	

Note 32

ote 33

### Debt instruments outstanding

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<b>Debt instruments outstanding</b>				
Certificates of deposit	31,995	13,402	9,085	-
Commercial papers	5,667	392	0	3
Retail bonds	8,955	7,598	249	-
Other bonds	43,434	55,486	3,104	7,499
	90,091	76,878	12,438	7,502
<b>Other</b>				
Cashier's checks	1,721	1,115	1,677	1,115
<b>Total</b>	<b>91,812</b>	<b>77,993</b>	<b>14,115</b>	<b>8,617</b>
<b>Maturity information debt instruments outstanding</b>				
Remaining maturity (book value)				
Maximum 1 year	68,314		10,471	
1 - 5 years	21,443		1,908	
5 - 10 years	334		59	
More than 10 years	-		-	
Total	90,091		12,438	
Average remaining maturity period, years	1.2		0.6	

ote 34

### Other liabilities

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Derivative Instruments				
Interest-related	7,000	3,009	7,000	3,009
Currency-related	3,864	9,626	3,864	9,626
Equity-related <sup>2)</sup>	3,124	-	3,234	-
Liabilities on securities settlement proceeds <sup>1)</sup>	1,561	539	1,390	539
Sold, not held, securities	2,600	11,407	2,600	11,407
Customer withholding taxes	879	1,212	879	1,212
Postal and bank giro	1,583	1,040	1,583	1,040
Accounts payable	649	168	311	167
Tax liabilities	398	673	352	648
Other	3,397	821	3,100	766
<b>Total</b>	<b>25,055</b>	<b>28,495</b>	<b>24,313</b>	<b>28,414</b>
<sup>1)</sup> Liabilities on securities settlement proceeds, gross	3,269	3,849	3,098	3,849
<sup>2)</sup> Reported as accrued interest income/expense in 1995.				

ote 35

### Accrued expenses and prepaid income

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Accrued interest expenses	2,872	4,261	851	2,200
Other accrued expenses	1,260	1,206	1,184	723
Prepaid income	661	374	154	170
<b>Total</b>	<b>4,793</b>	<b>5,841</b>	<b>2,189</b>	<b>3,093</b>

ote 36

### Provisions

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Deferred taxes	1,534	1,006	464	181
Reserve for restructuring expenses	204	371	204	371
Reserve for EMU preparations	120	-	120	-
LDC-risks, guarantees	136	141	136	141
Pensions	12	5	-	-
<b>Total</b>	<b>2,006</b>	<b>1,523</b>	<b>924</b>	<b>693</b>

The pension liabilities of the Bank are mainly covered by allocations to the pension fund. A small percentage is covered by insurance policies. A small number of older pension commitments in subsidiaries are recorded as liabilities in the balance sheet.

	Fund assets fair value		Pension liabilities	
	1996	1995	1996	1995
Nordbanken Pension Fund	5,601	4,480	4,050	3,905
Of which, related to the Parent Company	5,384	4,318	3,892	3,764

### Subordinated debt

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Dated subordinated debenture loans	6,803	7,493	6,634	7,493
Undated subordinated debenture loans	3,642	2,568	3,642	2,568
Other subordinated debenture loans	217	113	-	-
<b>Total</b>	<b>10,662</b>	<b>10,174</b>	<b>10,276</b>	<b>10,061</b>

See page 103 for specifications.

These debenture loans are subordinated to other liabilities. Dated debenture loans entitle the lender to payment before undated debenture loans. Within each respective category, the loans entitle lenders to equal payment rights. During 1996 the interest cost for subordinated debenture loans totaled SEK 675 M (832) in the Group and SEK 641 M (816) in the Parent Company.

### Untaxed reserves

SEK M	PARENT COMPANY	
	1996	1995
Accumulated excess depreciation	6	8
Equipment	3,374	1,987
Profit equalization reserve	3,380	1,995
<b>Total</b>	<b>3,380</b>	<b>1,995</b>

### Shareholders' equity

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<b>Restricted</b>				
Capital stock (182,741,935 shares with par value of SEK 30 each) <sup>1)</sup>	5,482	5,375	5,482	5,375
Restricted reserves/Legal reserve	7,508	5,777	4,186	4,293
Reserve for unrealized gains <sup>2)</sup>			467	-
	12,990	11,152	10,135	9,668
<b>Unrestricted</b>				
Unrestricted reserves/Retained earnings	- 956	2,629	984	3,938
Net profit for the year	5,375	4,869	4,063	4,125
	4,419	7,498	5,047	8,063
<b>Total</b>	<b>17,409</b>	<b>18,650</b>	<b>15,182</b>	<b>17,731</b>

<sup>1)</sup> Preceding year, 215,000,000 shares, par value SEK 25 each.

<sup>2)</sup> Of which, pertaining to

Chargeable government debt instruments, etc.	713	329	713	329
Bonds and other interest-bearing securities	360	64	603	178
Other assets or liabilities (derivatives)	370	141	370	141
Other liabilities (securities sold not owned)	- 28	-	- 28	-
Allocations (deferred tax)	- 396	- 149	- 464	- 181
<b>Total</b>	<b>1,019</b>	<b>385</b>	<b>1,194</b>	<b>467</b>

Required allocation to restricted reserves/reserve for unrealized gains

	634	385	727	467
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### CHANGE IN SHAREHOLDERS' EQUITY, 1996

CHANGE IN SHAREHOLDERS' EQUITY, 1996

GROUP	Capital stock	Legal reserve	Retained earnings	Net profit for the year	Total
Balance at beginning of the year as previously stated	5,375	5,777	7,491		18,643
Effect of change in accounting principles			7		7
Balance at beginning of the year as adjusted	5,375	5,777	7,498		18,650
Change in reserve for unrealized gains		385	- 385		
Redemption	-807		-4,193		-5,000
Bonus issue	914	-107	-807		
Dividend			-1,613		-1,613
Sub-total	5,482	6,055	500		12,037
Transfers between restricted and unrestricted reserves		1,456	- 1,456		-
Translation difference		- 3			- 3
Net profit for the year				5,375	5,375
Balance at year-end	5,482	7,508	- 956	5,375	17,409

PARENT COMPANY	Capital stock	Legal reserve	Reserve for unrealized gains	Retained earnings	Net profit for the year	Total
Balance at beginning of the year as previously stated	5,375	4,293		7,596		17,264
Effect of change in accounting principles				468		468
Balance at beginning of the year in accordance with new accounting principles	5,375	4,293		8,064		17,732
Change in reserve for unrealized gains			467	- 467		
Redemption	-807			-4,193		-5,000
Bonus issue	914	-107		-807		-1,613
Dividend				-1,613		-1,613
Net profit for the year					4,063	4,063
Balance at year-end	5,482	4,186	467	984	4,063	15,182

Note 37

Note 38

Note 39

**Note 40** **Contingent liabilities**

	GROUP		PARENT COMPANY	
SEK M (nominal amounts)	1996	1995	1996	1995
<b>Guarantees</b>				
Loan guarantees	2,301	2,274	4,198	3,499
Other guarantees	9,172	8,072	17,295	12,485
Own acceptances	196	397	196	397
Subscription guarantees	-	49	49	49
	11,669	10,792	21,738	16,430
<b>Documentary credit facilities</b>				
Unutilized irrevocable import letters of credit and confirmed export letters of credit	2,893	2,892	2,893	2,892
<b>Other contingent liabilities</b>	599	649	599	649
<b>Total</b>	<b>15,161</b>	<b>14,333</b>	<b>25,230</b>	<b>19,971</b>
Of which, associated companies	-	49	-	49
Group companies			10,124 <sup>1)</sup>	5,953 <sup>1)</sup>
<sup>1)</sup> Of which, utilized			1,910	1,232

**Note 41** **Commitments**

	GROUP		PARENT COMPANY	
SEK M (nominal amounts)	1996	1995	1996	1995
<b>Obligations for future payment</b>				
Forward contracts	254	-	254	-
Other	4,196	3,678	4,196	3,678
	4,450	3,678	4,450	3,678
<b>Other interest-, equity- and currency-related contracts</b>	1,262,242	1,052,786	1,272,582	1,066,619
<b>Other commitments</b>				
Unutilized portion of approved overdraft facilities	38,700	38,754	38,700	38,754
Other commitments	7,659	10,894	4,462	7,720
	46,359	49,648	43,162	46,474
<b>Total</b>	<b>1,313,051</b>	<b>1,106,112</b>	<b>1,320,194</b>	<b>1,116,771</b>



**Capital adequacy**

SEK M	GROUP		PARENT COMPANY	
	1996	1995	1996	1995
<b>Capital base, after proposed distribution of earnings</b>				
Core capital	15,637	16,999	15,876	17,089
Supplementary capital	9,176	8,388	9,006	8,388
Less unconsolidated shareholdings and subordinated debenture holdings in other financial institutions	- 91	- 191	- 91	- 191
<b>Total capital base</b>	<b>24,722</b>	<b>25,196</b>	<b>24,791</b>	<b>25,286</b>
<b>Risk-weighted amount for credit and market risks</b>				
Credit risks as specified below	203,309	175,209 <sup>1)</sup>	132,154	122,652 <sup>1)</sup>
Market risks as specified below	6,708		6,708	
<b>Total risk-weighted amount</b>	<b>210,017</b>	<b>175,209</b>	<b>138,862</b>	<b>122,652</b>
<b>Core capital ratio, %</b>	<b>7.4</b>	<b>9.7</b>	<b>11.4</b>	<b>13.9</b>
<b>Total capital ratio, %</b>	<b>11.8</b>	<b>14.4</b>	<b>17.9</b>	<b>20.6</b>

<sup>1)</sup> Not fully comparable with preceding year. The calculation of market risks stipulated as of 1996 covers a lower portion of the credit risks reported earlier

**SPECIFICATION OF RISK-WEIGHTED AMOUNTS, CREDIT RISKS, 1996**

**GROUP**

Risk-weighting, by category <sup>1)</sup>	Items in balance sheet		Off-balance-sheet items			Total risk- weighted
	Reported	Risk-weighted	Nominal	Adjusted	Risk-weighted	
A 0 %	70,682	0	5,072	2,664	0	0
B 20 %	42,818	8,564	25,138	3,491	698	9,262
C 50 %	81,421	40,710	1,852	352	176	40,886
D 100 %	142,230	142,230	19,514	10,931	10,931	153,161
<b>Total</b>	<b>337,151</b>	<b>191,504</b>	<b>51,576</b>	<b>17,438</b>	<b>11,805</b>	<b>203,309</b>

**PARENT COMPANY**

Risk-weighting, by category <sup>1)</sup>	Items in balance sheet		Off-balance-sheet items			Total risk- weighted
	Reported	Risk-weighted	Nominal	Adjusted	Risk-weighted	
A 0 %	105,834	0	18,661	2,436	0	0
B 20 %	41,026	8,205	25,138	3,491	698	8,903
C 50 %	13,793	6,897	1,749	300	150	7,047
D 100 %	106,093	106,093	17,837	10,111	10,111	116,204
<b>Total</b>	<b>266,746</b>	<b>121,195</b>	<b>63,385</b>	<b>16,338</b>	<b>10,959</b>	<b>132,154</b>

<sup>1)</sup> The risk categories include:

A Claim on, or guarantee by, a government/central bank within the OECD or a Swedish local government.

B A claim on, or guarantee by, local governments or bank/financial institutions within the OECD, as well as short-term receivables from other banks/financial institutions.

C A claim backed by mortgages on residential property.

D Other assets.

Class C is the highest risk class for interest- and currency-related derivatives.

**SPECIFICATION AV RISK-WEIGHTED AMOUNTS, MARKET RISKS, 1996**

	GROUP	PARENT COMPANY
Interest-rate risks		
Specific risk	839	839
General risk	2,000	2,000
Share-price risks	2	2
Settlement risks	1	1
Counter-party risks	3,866	3,866
Exchange-rate risks	0	0
<b>Total</b>	<b>6,708</b>	<b>6,708</b>

**Note 43**

**Derivative instruments**

SEK M

SEK M		Reported in balance sheet			Not reported in balance sheet		
		Book value Positive	Negative	Nominal amount	Market value Positive	Negative	Nominal amount
<b>GROUP</b>							
<b>Interest-related contracts</b>							
Interest-rate swaps		6,951	- 6,751	177,143	548	- 1,649	6,254
FRA		235	- 201	743,421	-	-	-
Interest-rate futures		9	- 6	67,668	-	-	-
Options written		9	- 37	4,667	-	-	-
Options acquired		32	- 5	2,353	-	-	-
Total 1996		7,236	- 7,000	995,252	548	- 1,649	6,254
1995		3,190	- 3,009	699,318	262	- 55	11,331
Of which, cleared contracts 1996				570,031			
<b>Equity-related contracts</b>							
Options written		0	0	0	31	- 31	230
Options acquired		0	0	0	-	-	230
Total 1996		0	0	0	31	- 31	460
1995		0	0	0	18	- 18	328
<b>Currency-related contracts</b>							
Exchange-rate swaps		1,025	- 354	3,412	96	- 281	5,239
Forward exchange-rate contracts		3,578	- 3,510	252,455	9	- 16	0
Options written		0	0	6			
Options acquired		0	0	3			
Total 1996		4,603	- 3,864	255,876	105	- 297	5,239
1995		10,659	- 9,586	333,991	270	- 202	7,818
<b>Total instruments</b>	<b>1996</b>	11,839	- 10,864	1,251,128	684	- 1,977	11,953
	<b>1995</b>	13,849	- 12,595	1,033,309	550	- 275	19,477

Reported in balance sheet				Not reported in balance sheet			
		Book value		Nominal amount	Market value		Nominal amount
		Positive	Negative		Positive	Negative	
<b>PARENT COMPANY</b>							
<b>Interest-related contracts</b>							
Interest-rate swaps		6,951	- 6,751	185,404	337	- 1,322	3,714
FRA		235	- 201	744,621	4	- 12	0
Interest-rate futures		9	- 6	67,668	-	-	-
Options written		9	-37	4,827	-	-	-
Options acquired		32	- 5	2,352	-	-	-
Total 1996		7,236	- 7,000	1,004,872	341	- 1,334	3,714
1995		3,190	- 3,009	708,949	236	- 23	8,674
Of which, cleared contracts				570,031			
<b>Equity-related contracts</b>							
Options written		-	-	-	-	- 31	164
Options acquired		-	-	-	31	-	164
Total 1996		-	-	-	31	- 31	328
1995		-	-	-	11	- 11	197
<b>Currency-related contracts</b>							
Exchange-rate swaps		1,152	- 354	4,295	96	- 103	5,239
Forward exchange-rate contracts		3,550	- 3,510	254,964	-	-	-
Options written		-	-	6	-	-	-
Options acquired		-	-	3	-	-	-
Total 1996		4,702	- 3,864	259,268	96	- 103	5,239
1995		10,998	9,586	341,575	268	- 195	7,224
<b>Total instruments</b>	<b>1996</b>	11,938	- 10,864	1,264,140	468	- 1,468	9,281
	<b>1995</b>	14,188	- 12,595	1,050,524	515	- 229	16,095

The majority of the Group's holdings of derivatives are reported in the balance sheet and adjusted to fair value with positive fair value adjustments being reported as other assets and negative fair value adjustments as other liabilities. Gains and losses are deferred for derivative instruments which are used as hedges. The deferred gains and losses for those derivatives not reported in the balance sheet have offsetting differences between the fair value and the book value for the respective items which are recorded in the balance sheet.

**Assets and liabilities at fair value**

SEK M Dec. 31, 1996	Book value	For adjustment to fair value
<b>GROUP</b>		
<b>Assets</b>		
Lending to financial institutions, fixed assets		
Fixed interest rate	18,268	1
Other	1,492	-
Lending to the public, fixed assets		
Fixed interest rate	158,439	6,486
Other	98,088	-
Interest-bearing securities		
Current assets	30,189	100
Fixed assets	17,370	845
Shares and participations		
Current assets	247	426
Fixed assets	204	856
Tangible assets		
Current assets	1,355	-
Fixed assets	8,646	1,527
Other assets, current assets		
Derivatives	11,839	-
Other	14,298	-
Livförsäkrings AB Livla	7,158	-
<b>Total assets</b>	<b>367,593</b>	<b>10,241</b>
<b>Liabilities</b>		
Due to financial institutions	45,740	19
Deposits from the public	160,740	10
Borrowing from the public	2,298	113
Debt instruments outstanding	91,812	3,084
Subordinated debt	10,662	715
Other liabilities		
Derivatives	10,864	-
Other	20,990	-
Livförsäkrings AB Livla	7,078	-
<b>Total liabilities</b>	<b>350,184</b>	<b>(-) 3,941</b>
<b>Hedging derivatives</b>		
Positive values		688
Negative values		- 1,992
<b>Net adjustment to fair value</b>		<b>4,996</b>

In Nordbanken's balance sheet, financial positions are valued at fair value, with three exceptions: securities classified as financial fixed assets, instruments included in hedge accounting and capital investment shares.

The summary above shows the book value and adjusted fair value at December 31, 1996. In revaluation of lending, deposits and borrowing, adjustment is made for the value of the fixed-interest term, that is the change in value as a result of changes in the market interest rate. The discount rates used are based on the market rate for each term.

Securities are revalued at the current market price or estimated market value. Properties are valued at estimated market price.

By applying the above valuation method, the gross effects of applying hedging accounting, and revaluation of financial fixed assets, is shown. In summary, the positive net adjustment can be related to the following items:

Interest-bearing securities, fixed asset portfolio	845
Property holdings	1,398
Shareholdings	1,282
Matching differences	129
Fixed-interest lending	1,342
<b>Surplus value, net</b>	<b>4,996</b>

The reported surplus value, net SEK 5.0 billion, does not include the surplus value in Nordbanken's pension fund. It should also be noted that the calculation is not a market valuation of Nordbanken as a company.

**Note 45 Assets and liabilities in foreign currencies**

Dec. 31, 1996, Amounts translated to SEK M	DEM	JPY	GBP	USD	Others	Total
<b>GROUP</b>						
<b>Assets</b>						
Loans to financial institutions	811	582	460	4,793	2,475	9,121
Loans to the public	3,879	324	1,720	14,137	7,913	27,973
Interest-bearing securities	1,359	941	290	1,465	247	4,302
Other assets	630	33	73	1,747	566	3,049
<b>Total assets</b>	<b>6,679</b>	<b>1,880</b>	<b>2,543</b>	<b>22,142</b>	<b>11,201</b>	<b>44,445</b>
<b>Liabilities</b>						
Due to financial institutions	4,101	18	1,203	14,950	7,511	27,783
Deposits/borrowing from the public	521	232	932	2,154	794	4,633
Interest-bearing securities	111	2,420	—	11,562	2,661	16,754
Other liabilities	120	35	74	1,104	423	1,756
<b>Total liabilities</b>	<b>4,853</b>	<b>2,705</b>	<b>2,209</b>	<b>29,770</b>	<b>11,389</b>	<b>50,926</b>
<b>Positions not reported in balance sheet</b>	<b>- 1,874</b>	<b>831</b>	<b>- 333</b>	<b>7,560</b>	<b>408</b>	<b>6,592</b>
<b>Net position, foreign currencies</b>	<b>- 48</b>	<b>6</b>	<b>1</b>	<b>- 68</b>	<b>220</b>	<b>111</b>
<b>PARENT COMPANY</b>						
<b>Assets</b>						
Loans to financial institutions	1,165	582	459	9,468	2,528	14,202
Loans to the public	3,940	324	1,720	13,788	7,926	27,698
Interest-bearing securities	1,359	941	290	1,463	235	4,288
Other assets	135	33	71	623	346	1,208
<b>Total assets</b>	<b>6,599</b>	<b>1,880</b>	<b>2,540</b>	<b>25,342</b>	<b>11,035</b>	<b>47,396</b>
<b>Liabilities</b>						
Due to financial institutions	4,032	18	1,203	14,840	7,499	27,592
Deposits/borrowing from the public	521	232	932	7,993	779	10,457
Interest-bearing securities	111	2,420	—	5,895	2,661	11,087
Other liabilities	119	35	73	809	404	1,440
<b>Total liabilities</b>	<b>4,783</b>	<b>2,705</b>	<b>2,208</b>	<b>29,537</b>	<b>11,343</b>	<b>50,576</b>
<b>Positions not reported in balance sheet</b>	<b>- 1,876</b>	<b>831</b>	<b>- 333</b>	<b>4,283</b>	<b>421</b>	<b>3,326</b>
<b>Net position, foreign currencies</b>	<b>- 60</b>	<b>6</b>	<b>- 1</b>	<b>88</b>	<b>113</b>	<b>146</b>

**Note 46 Geographical distribution of operating income**

Nordbanken's operations focus heavily on the Swedish market and the operating income in its entirety are attributed to it. Foreign operations, which are entirely focused on providing service to domestic customers, are conducted through representatives offices, agents and a network of correspondent banks.

## **Net profit and shareholders' equity under U.S. GAAP**

**Note 47**

The consolidated financial statements of the Group are prepared in accordance with Swedish GAAP and differ in certain respects from U.S. GAAP. Changes in accounting principles and the related restatements of prior years are discussed in "Accounting Principles." Differences which have a significant effect on net profit and shareholders' equity are presented below.

### **Debt and marketable equity securities**

#### **Accounting**

Swedish accounting principles related to interest-bearing securities and shares and derivative financial instruments were changed and more closely conform with U.S. GAAP. Interest-bearing securities classified as held-to-maturity securities are recorded at amortized cost, while available for sale and trading securities are reported at fair value with the unrealized gains and losses recorded in net profit. Marketable equity securities not included in trading operations are carried at lower of cost or fair value.

U.S. GAAP requires that all debt and marketable equity securities be classified within one of the three following categories: "held-to-maturity", "trading" or "available for sale". Debt securities for which management has the positive intent and ability to hold to maturity are classified as held-to-maturity and reported at amortized cost. These securities are subject to certain restrictions in which any sale or transfer could call into question such classification and require such security to be recorded at fair value. Securities bought and held principally for the purpose of selling them in the near future are classified as trading securities and measured at fair value with the unrealized gains and losses included in net profit. Debt and marketable equity securities not classified as either held-to-maturity or trading are classified as available for sale and recorded at fair value with the unrealized gains and losses excluded from net profit and reported, net of applicable income taxes, as a separate component of shareholders' equity.

#### **Wash sales**

Under Swedish GAAP, securities sales are recorded as such, along with any related realized gains or losses, even if the same, or substantially the same, security is repurchased shortly after the sale.

Under U.S. GAAP, the sale of a security accompanied by repurchase shortly thereafter would be deemed a wash sale and no accounting recognition would be given to either the sale or repurchase. In order to recognize a sale as such in these circumstances, the repurchase would have to occur only after a period of time sufficient to subject the seller to risk of meaningful market value changes, usually several days and, for some investments, as long as thirty days.

### **Extinguishment of debt**

The Group's accounting principles related to extinguishment of debt were changed and more closely conform with U.S. GAAP. Under such new accounting principles, the outstanding debt securities repurchased not qualifying for hedge accounting under Swedish GAAP are considered to be extinguished.

Under U.S. GAAP, all debt shall be considered to be extinguished for financial reporting purposes, if the debtor pays the creditor and is relieved of all its obligations with respect to the debt. This includes the debtor's reacquisitions of its (or affiliates') outstanding debt securities in the public securities market, regardless of whether the securities are cancelled or held as so called treasury bonds.

The difference between the reacquisition price and the net carrying amount of the extinguished debt shall be recognized currently in income of the period of extinguishment as a gain or loss. Gains and losses shall not be amortized to future periods and there are no further accounting effects from the instruments after the reacquisition. Any resale of a debt security previously acquired and accounted for as an extinguishment is considered an issuance of new debt.

### **Loans -- prepayment penalties**

Under Swedish GAAP, prepayment penalties received in conjunction with early repayment of an outstanding loan balance are deferred and amortized on a straight line basis over the remaining contractual period of the loan.

Under U.S. GAAP, an amount received as a penalty from a borrower for early repayment of loan is recognized in the period in which it is received.

### **Restructuring and other cost provisions**

Costs in connection with the Bank's preparations for the effects of a European Monetary Union have been accrued in the 1996 accounts. The costs relate primarily to computer systems and may be accrued upon initiation of the project under Swedish GAAP. The personnel costs for 1995 include a cost provision for the personnel dimensioning program, "New Start", which was initiated in 1995.

U.S. GAAP requires that certain other conditions be met before the recognition of a liability for restructuring costs.

### **Pension Costs**

Swedish GAAP and U.S. GAAP have a similar overall objective on accounting for pension costs. That is, ensuring that the cost of providing pension benefits is recognized on a systematic and rationale basis over the employees' approximate service period. There are, however, significant differences in the application of such principles. U.S. GAAP only allows the use of the projected unit credit method to value the pension obligation which differs from the actuarial method used in Sweden. The assumptions used also differ and in particular Swedish GAAP does not provide for future salary increases. The accounting for return on plan assets is also prescribed in U.S. GAAP and is included as a component of pension costs. Under Swedish GAAP, return on plan assets is only included in the pension cost under certain circumstances.

### **Income taxes**

Under U.S. GAAP, deferred taxes are accounted for under the asset and liability method. Deferred assets and liabilities are recognized for all future tax consequences attributable to differences between book value of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards; a valuation allowance is then established to reduce that deferred tax asset if it is more likely than not that the related tax benefits will not be realized. Swedish GAAP has not fully conformed to this practice.

*The estimated effects on net profit and shareholders' equity under U.S. GAAP are shown below.*

<b>Net profit,</b>		
<b>Group, SEK M, except estimated net profit per share</b>	<b>1996</b>	<b>1995</b>
Net profit under Swedish GAAP, as previously reported		5,137
Change in accounting principles		- 268
Net profit under Swedish GAAP, as adjusted	5,375	4,869
<b>Estimated U.S. GAAP adjustments</b>		
Debt and marketable equity securities	- 647	- 398
Extinguishment of debt	62	- 9
Loans - prepayment penalties	108	50
Restructuring and other cost provisions	- 95	215
Pension costs	143	127
Income taxes	-	- 91
Income tax effects of estimated adjustments	120	4
Estimated net profit under U.S. GAAP	5,066	4,767
Estimated net profit per share under U.S. GAAP, SEK	27.72	22.17
<b>Shareholders' equity</b>		
<b>Group, SEK M</b>	<b>1996</b>	<b>1995</b>
Shareholders' equity under Swedish GAAP, as previously reported		18,643
Change in accounting principles		7
Shareholders' equity under Swedish GAAP, as adjusted	17,409	18,650
<b>Estimated U.S. GAAP adjustments</b>		
Debt and marketable equity securities	461	160
Extinguishment of debt	104	42
Loans - prepayment penalties	197	89
Restructuring and other cost provisions	120	215
Pension costs	952	809
Income tax effects of estimated adjustments	- 514	- 369
Estimated shareholders' equity adjusted to conform with U.S. GAAP	18,729	19,596
<b>Reconciliation of the changes in shareholders' equity under U.S. GAAP</b>		
<b>Group, SEK M</b>	<b>1996</b>	<b>1995</b>
Shareholders' equity at beginning of the year	19,596	17,441
Net profit	5,066	4,767
Dividends/redemption	- 6,613	- 3,000
Fair value adjustment for securities available for sale, net of income tax effect	683	390
Changes in translation difference account	- 3	- 2
Shareholders' equity at end of year	18,729	19,596

# Specifications

## Specification to Note 22. Shares and participations

Dec. 31, 1996, SEK M

	Number of shares	Par value	Book value	Market value	Voting power of holding, %
<b>Current assets</b>					
<b>Other shares</b>					
HOLDINGS OF THE PARENT COMPANY					
Atle AB	6,673,545	SEK 66.7	116.2	513.9	12.3
Investment AB Bure	334,553	SEK 3.3	3.3	27.1	0.6
FylkInvest AB	1,000	SEK 1.0	2.0	..	..
Gunnebo AB	99,750	SEK 1.0	1.9	6.6	0.9
Ven Cap AB	16,419	SEK 0.2	0.3	0.8	0.2
Trygg-Hansa AB	59	SEK 0.0	0.0	0.0	..
<b>Total</b>			<b>123.7</b>	<b>548.4</b>	
SUBSIDIARY HOLDINGS					
Trygg Hansa AB	6,771	SEK 0.0	0.0	0.9	..
<b>Total Group</b>			<b>123.7</b>	<b>549.3</b>	

## Fixed assets

### Other shares and participations

#### HOLDINGS OF THE PARENT COMPANY

Nordisk Renting AB	259,160	SEK 25.9	76.0	..	20.0 (5.0)
AB Svensk Exportkredit	74,620	SEK 74.6	75.5	..	10.7
Bancofond andelar	15,358	SEK	17.1	..	..
Tenant rights		SEK	14.9	..	..
Kopparkraft Intressenter AB	50,000	SEK 5.0	5.0	..	5.0
Stockholm Fondbörs AB	102,372	SEK 1.7	2.1	..	6.8
Banque Transatlantique S.A.	21,876	FRF 1.1	1.9	..	4.3
Penningmarknadsinformation PMI AB	150	SEK 0.8	0.9	..	18.8
Värdepapperscentralen AB	33,500	SEK 0.5	0.4	..	16.3
SWIFT Brussels	386	BEF 1.9	0.1	..	..
Adela Investment Co S.A. Luxembourg	1,092	USD 0.1	0.0	..	0.18
Inedal HB		SEK 1.2	0.0	..	16.0
Sambox Öst HB		SEK 0.0	0.0	..	16.7
Other companies			0.8	..	..
<b>Total</b>			<b>194.7</b>		

\*) Any variation in share of capital is shown in parantheses

## Specification to Note 23, Shares and participations in associated companies

Dec. 31, 1996, SEK M

	Number of shares	Nominal value	Book value	Voting power of holding, %
<b>Fixed assets</b>				
Posten och Nordbanken i samarbete AB	5,000	SEK 0.5	5.0	50.0
Bankgirocentralen BGC AB	1,365	SEK 1.4	1.4	27.3
Sambox i Skåne HB		SEK 0.8	0.8	50.0
Privatgirot AB	290	SEK 0.3	0.4	22.0
Bankomatcentralen AB	2,400	SEK 0.2	0.3	48.0
Upplysningscentralen UC AB	2,609	SEK 0.3	0.3	26.1
Sambox Väst AB	167	SEK 0.2	0.2	33.4
Centralen för elektroniska korttransaktioner CEKAB	390	SEK 0.2	0.2	39.0
Backup Centralen AB	5,000	SEK 0.1	0.0	20.3
Samservicebox i Örebro HB		SEK 0.2	0.0	20.7
<b>Total</b>			<b>8.6</b>	

**Specification to Note 24. Shares and participations in Group companies**

Dec. 31, 1996, SEK M

	Number of shares	Nominal value, millions, resp. currency	Book value, SEK M	Voting power of holding, %
<b>Fixed assets</b>				
<b>Shares, financial institutions</b>				
<i>Swedish financial institutions</i>				
Nordbanken Hypotek AB	25,000	SEK 25.0	4,758.6	100.0
AB Industrikredit	160,000	SEK 160.0	1,703.0	100.0
Nordbanken Företagskredit AB	1,300,000	SEK 1,170.0	1,571.8	100.0
Nordbanken Finans AB	1,000,000	SEK 100.0	1,024.1	100.0
Nordbanken Kommunlån AB	10,000	SEK 10.0	107.2	100.0
<b>Total</b>			<b>9,164.7</b>	
<i>Foreign financial institutions</i>				
PK Finance Int'l Corp, Seattle, (in liquidation)	1,000	USD 0.0	1.8	100.0
PK Properties Int'l Corp	100,000	USD 0.2	1.7	100.0
PK Nominees Ltd, Singapore, (in liquidation)	25,000	SGD 0.0	0.2	100.0
Nordbanken North America Inc	20	USD 0.0	0.0	100.0
Nordbanken S/C Ltd, Sao Paulo	300	BRR 0.0	0.0	100.0
Nordbanken South East Asia Ltd (in liquidation)	25,000	SGD 25.0	0.0	100.0
<b>Total</b>			<b>3.7</b>	
<b>Total, financial institutions</b>			<b>9,168.4</b>	
<b>Other shares</b>				
Nordbanken Fastigheter AB	3,380,000	SEK 338.0	897.2	100.0
Fastighets AB Stämjärnet	1,000,000	SEK 100.0	100.1	100.0
AB Dormitator	1,000	SEK 1.0	1.0	100.0
Nordbanken Kapitalförvaltning AB	10,000	SEK 1.0	78.9	100.0
Norra Nordbanken VBO AB	20,000	SEK 20.0	19.7	100.0
Nordbanken Inkasso AB	5,000	SEK 0.5	2.2	100.0
Norra Nordbanken Administration AB	1,000	SEK 1.0	1.2	100.0
Atog AB	2,400	SEK 0.6	0.7	100.0
Nordbanken Reklam AB	5,000	SEK 0.5	0.6	100.0
AB Företagskredit	200	SEK 0.2	0.2	100.0
Livförsäkrings AB Livla	800	SEK 80.0	80.0	100.0
Nordbanken Reinsurance S.A., Luxembourg	60,000	BEF 60.0	11.0	100.0
AB Götiga	500	SEK 0.0	0.0	100.0
<b>Total, other shares</b>			<b>1,192.8</b>	

Statutory information about registration number, location of registered office and shareholders' equity is available on request from Group Staff, Accounting and Control.



**Specification to Note 37. Subordinated debt**

Dec. 31, 1996

Dec. 31, 1996	Issued amount in millions of resp. currency <sup>1)</sup>		Interest rate, % <sup>1)</sup>	Amount outstanding, SEK M
Maturity				
<b>Issued by the parent company</b>				
<b>Dated subordinated debenture loans</b>				
1988/98	SEK	1,000	Floating	260
1989/99	SEK	1,371	Floating	27
1989/99	SEK	20	12.15	20
1990/01	SEK	40	14.27	40
1991/97	SEK	100	12.95	100
1991/97	SEK	251	12.50	218
1991/98	SEK	600	0.00	465
1991/01	SEK	1,000	0.00	574
1992/99	SEK	155	10.75	148
1992/01	SEK	285	0.00	174
1992/07	SEK	150	11.68	100
1993/03	SEK	22	9.00	17
1994/09	SEK	467	0.00	107
1995/05	SEK	94	0.00	44
Total				2,294
1988/03	JPY	5,000	7.600	296
1988/03	JPY	5,000	7.550	296
1990/05	CHF	100	7.125	207
1990/05	AUD	150	6.000	822
1990/05	CAD	200	6.000	1,004
1992/00	LUF	1,000	9.250	215
1992/00	LUF	600	9.000	129
1994/04	USD	100	Floating	684
1996/06	USD	100	7.250	687
Total				4,340
Total dated subordinated debenture loans				6,634
<b>Undated subordinated debenture loans</b>				
<b>Issue year</b>				
1990	USD	90	Floating	584
1993	JPY	20,000	Floating	1,146
1993	DEM	25	Floating	111
1993	JPY	1,000	Floating	59
1993	JPY	3,500	Floating	206
1996	USD	125	Floating	854
1996	USD	100	Floating	682
Total undated subordinated debenture loans				3,642
<b>Total, Parent Company</b>				<b>10,276</b>
<b>Issued by Subsidiaries</b>				
<b>Dated subordinated debenture loans</b>				
1986/06	SEK	140	10.40	140
1985/05	SEK	100	10.85	29
Total dated subordinated debenture loans, subsidiaries				169
Other subordinated debt				217
<b>Total Group</b>				<b>10,662</b>

<sup>1)</sup> Refers to original issue. The currency exposure and interest rate on certain loans have been changed by using currency and interest-rate swaps.

## *Proposed Distribution of Earnings*

According to the balance sheet of Nordbanken, the following amount is at the disposal of the Annual General Meeting of shareholders:

	Mkr
Profit carried forward	984
Net profit for the year, Parent Company	4,063
Allocation to reserve for unrealized gains	- 727
<b>Total</b>	<b>4,320</b>

The Board of Directors proposes that these earnings be distributed as follows:

	Mkr
Dividend paid to the shareholders, SEK 9.50 per share	1,736
To be carried forward	2,584
<b>Total</b>	<b>4,320</b>

The unrestricted reserves and net profit for the year of the Nordbanken Group total SEK 4,419 M. Of this, SEK 732 M is required for allocations to restricted reserves. After proposed distribution, the unrestricted portion of shareholders' equity amounts to SEK 1,951 M.

Stockholm, February 18, 1997

*Jacob Palmstierna,  
Chairman*

*Patric Fredell*

*Bernt Magnusson*

*Rune Brandinger,  
Vice Chairman*

*Leif Gustafsson*

*Brita Nilsson*

*Dan Andersson*

*Inga-Lisa Johansson*

*Margot Wikström*

*Bertel Finskas*

*Christina Liffner*

*Hans Dalborg, President*

# *Auditors' Report for Nordbanken (publ)*

We have examined the Annual Report, the consolidated financial statements, the accounting records and the administration of the Board of Directors for 1996. The examination was conducted in accordance with generally accepted auditing standards in Sweden.

## Parent Company

The accounting records have been examined on an ongoing basis by the Bank's internal audit department which has also issued reports to us.

The Annual Report been prepared in accordance with the Swedish Annual Report Act for Financial Institutions and Securities Companies (1995:1559).

We recommend

- that the income statement and balance sheet be adopted,
- that the unappropriated earnings be distributed in accordance with the proposal in the Report of the Directors and
- that the members of the Board be discharged from liability for the financial year.

## Group

The consolidated financial statements have been prepared in accordance with the Swedish Annual Report Act for Financial Institutions and Securities Companies (1995:1559).

We recommend

- that the consolidated income statement and balance sheet be adopted.

Stockholm, February 18, 1997

Caj Nackstad  
Authorized Public Accountant  
Chairman

Per-Olof Akteus  
Authorized Public Accountant

Ulf Järlebro  
Authorized Public Accountant

Stephan Tolstoy  
Authorized Public Accountant  
Appointed by the Financial  
Supervisory Authority

# Board of Directors

## Board Members

### Elected at the Annual General Meeting

#### Jacob Palmstierna

Kristianstad, born 1934. Hon. Ph.D. Chairman since 1992, member since 1991. Board Chairman of AB Catena and Siemens Elema AB. Board member of NCC AB, Nordstjernan AB, Avesta Sheffield AB and ICB Shipping AB. Shareholding: 3,200.

#### Rune Brandinger

Ramnäs, born 1931. Former president of Södra Skogsägarna. Vice Chairman, member since 1992. Board Chairman of Scandiaconsult AB, Vasakronan AB, Elektronikgruppen AB, Cepro AB and the Swedish Sawmill Association. Board member of AssiDomän Skog & Trä AB, Atle Karolin Verkstads AB, Hasselfors AB, AB Svenska Miljöstyrningsrådet, Swebus AB and the Federation of Swedish Industries. Shareholding: 1,200.

#### Hans Dalborg

Stockholm, born 1941. Ph.D. President and CEO of Nordbanken. Member since 1991. Board Chairman of Kungliga Teatern AB (the Opera), Board member of the Stockholm Concert Hall Foundation, the East Economics Institute and Svenska Spel AB. Member of IVA. Shareholding: 5,100, incl. immediate family.

#### Dan Andersson

Stockholm, born 1948. Economist, Swedish Trade Union Confederation. Member since 1995. Board Member of 4th AP Fund and the Fund Council of the National Social Insurance Board. Shareholding: 0.

#### Patric Fredell

Stockholm, born 1939. President, Siljans Sägverks AB. Member since 1994. Board Chairman of Arvid Nordqvist H.A.B. Board member of the Federation of Swedish Industries, E. Öhman J:r AB, Södra Timber AB, Jöns Timber AB, Stockholms Trävaru AB, AB Svenska Kaukas and Guillemette & Cie S.A. Shareholding: 500, incl. immediate family.

#### Leif Gustafsson

Stockholm, born 1940. President, SSAB Svenskt Stål AB. Member since 1992. Board member of SSAB, Vattenfall AB, AB Custos and the Federation of Swedish Industries. Shareholding: 200.

#### Inga-Lisa Johansson

Töreboda, born 1945. President of Daloc AB. Member since 1996. Board member of the Industrial Development Center in Mariestad. Shareholding: 1,000, incl. immediate family.

#### Christina Liffner

Västerås, born 1950. Executive Vice President, AssiDomän AB. Member since 1995. Shareholding: 300, incl. immediate family.

#### Bernt Magnusson

Stockholm, born 1941. Board Chairman, NCC AB. Member since 1991. Board Chairman of Swedish Match AB. Vice Chairman of Avesta Sheffield AB. Board member of Burmah Castrol plc, Silja Oy Ab, Höganäs AB, ICB Shipping AB, Nordstjernan AB, the Federation of Swedish Industries and the Stockholm Chamber of Commerce. Advisor to European Bank of Reconstruction and Development. Shareholding: 200.

#### Margot Wikström

Umeå, born 1936. Chairman of Swedish Association of Local Authorities. Member since 1991. Board Chairman of Förenade kommunföretag AB. Shareholding: 400.

### Appointed by the employees

#### Bertel Finskas

Stockholm, born 1948. Bank officer. Member since 1991. Shareholding: 200.

#### Brita Nilsson

Västerås, born 1941. Bank officer. Member since 1996. Shareholding: 200.

## Deputy members

### Elected at the Annual General Meeting

#### Lars G Nordström

Uppsala, born 1943, employed since 1993, Executive Vice President and deputy CEO of Nordbanken. Board member of Atle AB. Shareholding: 1,000.

### Appointed by the employees

#### Tanja Beckman

Stockholm, born 1942. Bank officer. Deputy member since 1995. Shareholding: 400, incl. immediate family.

## Board of Directors, work methods

The Board of Directors meets regularly once each month except in July to deal with matters related to operations and to decide on loan applications which are not delegated. Deputy members may attend but may only vote as a replacement for an absent ordinary member.

The **Presiding Committee** consists of the Board Chairman, the Vice Chairman and the President. The Committee follows operations of the Company more closely and frequently and decides which matters should be handled by the Board.

The **Treasury Committee** consists of four Board members, the President, two

members of Executive Management and the Manager of Group Staff Finance. The Manager of Group Staff Accounting & Control, the Manager of the Trading Department and Nordbanken's Chief Economist are permanent adjunct members. The Treasury Committee handles major financial matters, or those involving policy, including financial market risks, through its own decisions or by preparing material for decisions by the Board.

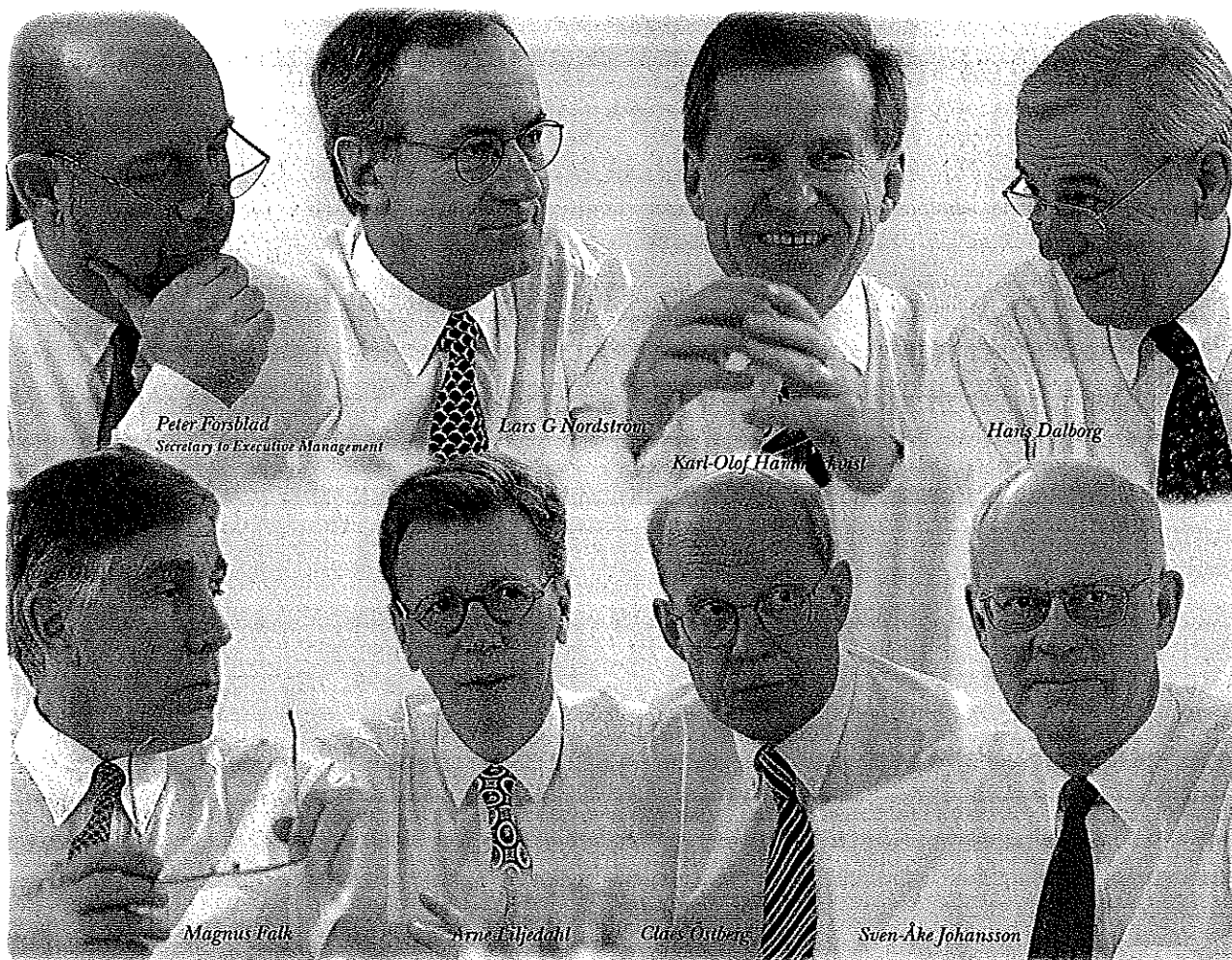
The **Credit Committee** always comprises more than half of the total number of Board members and includes the Board Chairman, the Board Vice Chair-

man and the President, plus additional Board members who are appointed by the Board. It also includes an employee representative and the Manager of the Group Staff Credit. The Credit Committee acts on credit matters within its area of authority and prepares material on major matters for decision by the Board of Directors.

The **Compensation Committee** comprises the Board Chairman, the Vice Chairman and another Board member. The Committee handles matters dealing with compensation to management. The President's compensation is determined by the Board of Directors.



## Executive Management



**Hans Dalborg,**  
born in 1941, Ph.D., employed since 1991. President and CEO. Shareholding: 5,100, incl. immediate family.

**Magnus Falk,**  
born in 1942, employed since 1986. Executive Vice President and manager of Central Sweden Regional Bank. Shareholding: 700, incl. immediate family.

**Peter Forsblad,**  
born in 1946, Ph.D., employed since 1992. Senior Vice President, Head of Group Information and Secretary to Executive Management, overall responsibility for Economic Research, Information, Investor Relations, Legal, Taxes, Personnel, Personnel staff function Central staff units, Security and Supply. Shareholding: 300, incl. immediate family.

**Karl-Olof Hammarkvist,**  
born in 1945, Ph.D., Professor, employed since 1991. Executive Vice President and responsible for the Savings product area. President of Nordbanken Kapitalförvaltning AB. Shareholding: 300, incl. immediate family.

**Sven-Åke Johansson,**  
born in 1939, D.Tech., employed since 1991. Executive Vice President, with overall responsibilities for financial issues, and Product and Service Companies. Supervises the daily operations of the Corporate Group within Executive Management. Shareholding: 1,000, through companies.

**Arne Liljedahl**  
born in 1950, employed since 1983. Executive Vice President, Head of Accounting & Control. Shareholding: 400, incl. immediate family.

**Lars G Nordström,**  
born in 1943, employed since 1993. Executive Vice President and deputy CEO with overall responsibility for the Bank's product areas, Nordbanken Post, Market Support, Computer Systems and International. Supervises the regional banks within Executive Management. Shareholding: 1,000.

**Claes Östberg,**  
born in 1944, employed since 1977. Executive Vice President, Head of Credit. Shareholding: 1,100, incl. immediate family.



## Group Management

*Consists of members of the executive management plus:*

**Tord Arnerup**,  
born in 1945, employed since 1984.  
Head of Legal Department. Shareholding: 0.

**Arne Bernroth**,  
born 1947, employed 1994. Executive  
Vice President and manager of Southern Sweden Regional Bank. Shareholding: 0.

**Anders Biström**,  
born 1949, employed since 1991. Head  
of Financing product area. Shareholding: 300, incl. immediate family.

**Björn Carlsson**,  
born 1952, employed since 1983. Head  
of Corporate Group. Shareholding: 1,000, incl. immediate family.

**Bengt-Åke Eriksson**,  
born in 1945, employed since 1977.  
Head of Computer Systems. Shareholding: 700, incl. immediate family.

**Jakob Grinbaum**,  
born in 1949, employed since 1976.  
Head of Treasury. Shareholding: 200.

**Göran Karlsson**,  
born in 1942, employed since 1982. Executive Vice President and manager of Northern Sweden Regional Bank. Shareholding: 300, incl. immediate family.

**Sven Karlsson**,  
born in 1943, employed since 1990.  
Head of Personnel. Shareholding: 200.

**Roland Larsson**,  
born 1941, employed since 1992. Executive Vice President and manager of Stockholm Regional Bank. Shareholding: 200.

**Sten Lindblad**,  
born in 1947, employed since 1983. Executive Vice President and manager of Western Sweden Regional Bank. Shareholding: 300, incl. immediate family.

**KG Lindvall**,  
born in 1943, employed 1982. Head of International. Shareholding: 200.

**Anders Nyrén**,  
born in 1954, employed in 1996. Overall responsibility for Trading, Securities Administration, Corporate Finance and EMU issues. Shareholding: 0.

**Roland Olsson**,  
born in 1943, employed since 1986. Executive Vice President and Head of Payments product area. Shareholding: 200, incl. immediate family.

**Christer Serenhov**,  
born 1958, employed since 1982. Head of Trading, effective March 1, 1997. Shareholding: 200.

**Göran Sundström**,  
born in 1939, employed since 1979. Executive Vice President. Shareholding: 200, incl. immediate family.

**Björn Westberg**,  
born 1944, employed since 1995. Head of Investor Relations. Shareholding: 400.



*Tord Arnerup*



*Jakob Grinbaum*



*Sven Karlsson*



*Göran Sundström*



*Björn Westberg*

## Other senior staff and service unit managers

*as shown on the organization chart on page 19*

**Olle Djerf**  
Economic Research  
**Sven Gustafsson**  
Information

**Margareta Leijonhufvud**  
Taxes  
**Leif Larsson**  
Security  
**Kjell Oldén**  
Supply Service

**Jan Sjörin**  
Internal Audits  
**Maj Stjernfeldt**  
Market Support

# Auditors

*The Bank's auditors are elected at the Annual General Meeting or appointed by the Financial Supervisory Authority.*

## **Elected at the 1996 Annual General Meeting**

## **Appointed by the Financial Supervisory Authority**

### **Deputy auditors**

Caj Nackstad,  
Chairman, Stockholm, born in 1945.  
Authorized Public Accountant, KPMG  
Bohlins AB.

Per-Olof Akteus,  
Vallentuna, born in 1940. Authorized  
Public Accountant, KPMG Bohlins AB.

Ulf Järlebro,  
Stockholm, born in 1947. Authorized  
Public Accountant, Deloitte & Touche.

Carl Lindgren,  
Stockholm, born in 1958. Authorized  
Public Accountant, KPMG Bohlins AB.

Anders Ivdal,  
Partille, born in 1951. Authorized Pub-  
lic Accountant, KPMG Bohlins AB.

Svante Forsberg,  
Sundbyberg, born in 1952. Authorized  
Public Accountant, Deloitte & Touche.

Stefan Tolstoy,  
Stockholm, born in 1940. Authorized  
Public Accountant, Öhrlings Coopers &  
Lybrand AB.



## Nordbanken in Sweden

### Head Office

**Nordbanken AB (publ)**  
S-105 71 Stockholm  
Main switchboard: +46 8-614 70 00  
Fax: +46 8-20 08 46  
Management extension:  
+46 8-614 78 00  
Fax: +46 8-10 50 69  
Street address: Hamngatan 10  
Swedish corporate reg.no  
502010-5523

### Regional Banks

**Northern Sweden Regional Bank**  
S-851 92 Sundsvall  
Street address: Kyrkogatan 15  
Tel: +46 60-18 82 50  
Fax: +46 60-18 82 67

**Central Sweden Regional Bank**  
P.O. Box 276, S-751 05 Uppsala  
Street address: Stora Torget 7  
Tel: +46 18-65 25 00  
Fax: +46 18-65 25 05

**Stockholm Regional Bank**  
S-105 71 Stockholm  
Street address:  
Malmskillnadsgatan 23  
Tel: +46 8-614 70 00  
Fax: +46 8-614 75 60

**Western Sweden Regional Bank**  
S-405 09 Gothenburg  
Street address:  
Östra Hamngatan 16  
Tel: +46 31-771 60 00  
Fax: +46 31-771 62 04

**Southern Sweden Regional Bank**  
P.O. Box 24, S-201 20 Malmö  
Street address: Södergatan 5  
Tel: +46 40-24 72 00  
Fax: +46 40-24 70 40

### Subsidiaries

**Nordbanken Finans AB (publ)**  
P.O. Box 7455,  
S-103 92 Stockholm  
Street address: Regeringsgatan 29  
Tel: +46 8-787 65 00  
Fax: +46 8-21 75 06  
President: Stefan Källström

**Nordbanken Hypotek AB (publ)**  
S-105 71 Stockholm  
Street address: Smålandsgatan 17  
Tel: +46 8-463 70 00  
Fax: +46 8-24 15 17  
President: Eva Andersson

**Nordbanken Kommunlån AB (publ)**  
S-105 71 Stockholm  
Street address:  
Smålandsgatan 17, 4 tr  
Tel: +46 8-614 71 60  
Fax: +46 8-614 80 20  
President: Torgny Wistedt

**AB Industrikredit**  
P.O. Box 1646,  
S-111 86 Stockholm  
Street address: Sergels Torg 12  
Tel: +46 08-613 98 00  
Fax: +46 8-790 55 12  
President: Rolf Melin

**Nordbanken Kapitalförvaltning AB (publ)**  
S-105 71 Stockholm  
Street address:  
Regeringsgatan 42, 4 tr  
Tel: +46 8-787 66 00  
Fax: +46 8-20 14 35  
President:  
Karl-Olof Hammarkvist

**Livförsäkringsaktiebolaget LIVIA (publ)**  
P.O. Box 5902,  
114 89 Stockholm  
Street address:  
Birger Jarlsgratan 64  
Tel: +46 8-14 42 35  
Fax: +46 8-21 51 80  
President:  
Gunnar Andersson

**Nordbanken Fastigheter AB**  
S-105 71 Stockholm  
Street address:  
Drottninggatan 56, 3 tr  
Tel: +46 8-676 95 00  
Fax: +46 8-791 86 36  
President: Maj-Charlotte Wallin

**Fastighets AB Stämjärnet**  
S-105 71 Stockholm  
Street address:  
Drottninggatan 56, 3 tr  
Tel: +46 8-676 95 00  
Fax: +46 8-791 86 36  
President: Maj-Charlotte Wallin

**Nordbanken Inkasso AB (publ)**  
S-412 91 Gothenburg  
Street address:  
Mölnadalsvägen 91  
Tel: +46 31-83 02 00  
Fax: +46 31-35 87 20  
President: Nils Wiberg

## Nordbanken abroad

### Representative offices and agents

**Australia**  
Nordbanken  
Representative Office  
c/o Swedish Trade Council  
25th Floor, 44 Market Street  
Sydney, NSW 2000  
Tel: +61 2 9262 1077  
Fax: +61 2 9290 3907  
Carin Sköld, representative

**Brazil**  
Nordbanken  
Representative Office  
Rua Oscar Freire, 379 cj. 122  
CEP-01426-001 São Paulo  
Tel: +55 11 881 9499  
Fax: +55 11 881 9368  
Marie Sjö Dahl, representative

**China**  
Nordbanken  
Representative Office  
Towercrest Plaza Room 819  
No. 3 Mai Zi Dian West Road  
Chao Yang District  
1000 16 Beijing  
Tel: +86 10 6467 2218  
Fax: +86 10 6467 1819  
G.M Wang, representative  
Alice Geng, representative

**Egypt**  
Nordbanken Agent in Egypt  
17, Kasr El Nil St.  
6th Floor, Apt. 36  
Cairo  
Tel: +20 2 393 7978  
Fax: +20 2 393 0526  
Sameh F Makram-Ebeid, agent

**Finland**  
Nordbanken  
Representative Office  
Skillnadsgatan 5A, 4 tr  
P.O. Box 50  
FI-00130 Helsinki  
Tel: +358 9 170411  
Fax: +358 9 653316  
Hannu Thorén, representative

**France**  
Nordbanken  
Representative Office  
c/o Crédit du Nord  
"Europe du Nord"  
59, Boulevard Haussmann  
FR-75008 Paris  
Tel: +33 1 4022 2293  
Fax: +33 1 4022 5045  
Vacant

**Germany**  
Nordbanken  
Representative Office  
Alter Wall 22  
DE-20457 Hamburg  
Tel: +49 40 3692 3135  
Fax: +49 40 3692 2555  
Lars Hansson, representative

**Hong Kong**  
Nordbanken  
Representative Office  
Suite 1502, Two Exchange Square  
8 Connaught Place, Central  
Hong Kong  
Tel: +852 2801 6211  
Fax: +852 2802 8682  
Peter Ostwald, representative

**India**  
Nordbanken Agent in India  
Anand-Kanan  
31 Pandita Ramabai Road  
Mumbai 400 007  
Tel: +91 22 364 3529  
Fax: +91 22 364 3529  
Sujata Dabholkar, agent

**Iran**  
Nordbanken  
Representative for Iran  
The Inter-Alpha Group of Banks  
Joint Representative Office  
in Tehran  
14, Fourth Alley, 2nd Floor  
Shahid Ahmad Ghasir Ave  
(ex Bukharest Ave)  
Tehran 15146  
Tel: +98 21 873 3562/3564  
Fax: +98 21 873 3539  
Telex: 212832 iagh ir  
Rasoul Azizzadeh, representative

**Russia**  
Nordbanken  
Representative Office  
Molochnyi pereulok 9/14, str. 3  
Moscow 119034  
Tel: +7 503 956 6035  
Fax: +7 095 200 1289  
Angelica von Adamski,  
representative

**South Africa**  
Nordbanken  
Representative Office  
P O Box 578  
Witkoppen 2068  
Tel: +27 11 469 1242  
Fax: +27 11 469 1242  
Ewa Biegalski-Söderholm,  
representative

**United Kingdom**  
Nordbanken  
Representative Office  
Pountney Hill House  
6 Laurence Pountney Hill  
London EC4R 0BL  
Tel: +44 171 626 7133  
Fax: +44 171 626 7134  
Leif Haglund, representative

**USA**  
Nordbanken  
Representative Office  
450 Park Avenue  
Suite 1401 - 14th Floor  
New York, NY 10022  
Tel: +1 212 755 3800  
Fax: +1 212 755 1304  
Anders Ingmarsson, representative

## *Nordbanken's branch offices and managers*

Branch	Branch manager
Alingsås	Hans Bogeskär
Alnö	Britt Norlin
Alunda	Siv Moberg
Alvesta	Hans Nilsson
Anderstorp	Kjell Garmer
Arjeplog	Lars Bergman
Arvika	Jan Lindblad
Askersund	Frans Bergö
Avesta	Lennart Nyqvist
Bankeryd	Jan Björnsund
Bengtstors	Ove Jansson
Bodafors	Peter Boman
Boden	Per Kroon
Bollnäs	Urban Bryngelsson
Borlänge	Karl Persson
Borås	Bengt Gustavsson
Bottaryd	Jan Björnsund
Bredaryd	Åke Bengtsson
Brunflo	Christer Bokström
Bålsta	Thomas Sundling
Charlottenberg	Tage Eklund
Dala-Järna	Kerstin Högosta-Eriksson
Danderyd	Tomas Lindstrand
Degerfors	Siv Eriksson
Edsbyn	Bo König
Eksjö	Peter Sundström
Emmaboda	Jan Bernfalk
Enköping	Göran Redebring
Eskilstuna	Per Löfvig
Eslöv	Ulf Mauritzson
Falkenberg	Jan Skärsäter
Falköping	Morgan Kjellman
Falun	Håkan Wandebäck
Filipstad	Knut Karlsson
Forshaga	Kjell-Arne Ehreftjord
Gislaved	Pär Andersson
Gnosjö	Kenneth Nilsson
Grebbestad	Anders Eklind
Grums	Björn Rådman
Grästorp	Sven-Åke Svensson
Gullspång	Björn Dahlén
Gällivare	Pär Nyström
Gävle	Hans Södergren
Gothenburg Angered	Ulf Essén
Gothenburg Askim-Sisjön	Richard Lorentz
Gothenburg Frölunda Torg	Roger Kajbrink
Gothenburg Guldheden	Inger Ohlsson
Gothenburg Järntorgsgatan	Johan Svanteson
Gothenburg Kungssportsavenyn	Lennarth Björk
Gothenburg Linnégatan	Petra Eklund
Gothenburg Marieholm	Bengt Svensson
Gothenburg Redbergsvägen	Lennart Johansson
Gothenburg Stora Företag	Thommy Karlsson
Gothenburg Södra vägen	Susanne Johnsson
Gothenburg Tingstad	Britt-Inger Ottosson
Gothenburg Torslanda	Ann-Kristin Billme
Gothenburg Wieselgrensplatsen	Thomas Nilsson
Gothenburg Västra Hamngatan	Roger Glennborn
Gothenburg Älvsborg	Ove Sävinger
Gothenburg Östra Hamngatan	Ulf Hedenström
Götene	Per-Arne Sandström
Hagfors	Hans Söderberg
Hallstahammar	Arne Sällström
Halmstad	Peter Moberger
Halmstad-Söndrum	Peter Moberger
Haninge	Lars Karlsson
Haparanda	Tomas Björnfot

Branch	Branch manager
Helsingborg Berga	Bo Thorén
Helsingborg City	Bo Hallonqvist
Helsingborg Statten	Bodil Wiberg
Helsingborg Södergatan	Henry Janrud
Hestra	Dan Blixt
Hjo	Staffan Lindholm
Hova	Björn Dahlén
Huddinge	Börje Bojstedt
Hudiksvall	Lars Franck
Huskvarna	Birgit Östh
Hyltebruk	Peter Moberger
Härnösand	Dan Johansson
Hälsleholm	Bo Ljungberg
Ingatorp	Sören Andersson
Järfälla	Lars-Åke Dahl
Jönköping S	Ingemar Elmquist
Jönköping City	Lennart Sköld
Kalix	Annette Norman
Kalmar	Lars Nylén
Karlsborg	Thore Fhyr
Karlshamn	Henrik Kördel
Karlskoga	Jan Rydén
Karlskrona	Håkan Hansson
Karlstad Norrstrand	Anders Olsson
Karlstad Torget	Calle Sundberg
Karlstad Örsholmen	Calle Sundberg
Katrineholm	Kjell Bodemyr
Kil	Lars Danielsson
Kinna	Rolf Pettersson
Kiruna	Bo Henriksson
Knivsta	Bo Eriksson
Kramfors	Arne Åström
Kristianstad	Håkan Nilsson
Kristinehamn	Kjell Larsson
Kungsbacka	Hans Olander
Kungsängen	Sverker Akselsson
Kungälv	Ulla Andersson
Kvissleby	Ivar Wikström
Kvänum	Klas Lindholm
Köping	Peter Sundkvist
Laholm	Jörgen Winge
Landskrona	Börje Nilsson
Laxå	Erik Reinholdz
Leksand	Michael Landgård
Lerum	Gunnar Karlsson
Lidingö	Michael Skytt
Lidköping	Thomas Karlberg
Lindesberg	Johan Dahl
Linköping	Åke Ahnqvist
Ljungby	Bengt Nilsson
Ljungkile	Anders Eklind
Ljusdal	Kjell Jonsson
Ludvika	Lennart Hansson
Luleå	Lars Sundberg
Lund	Björn Magnusson
Lycksele	Lars Hagfors
Lysekil	Alf Andersson
Malmö Fosie	Alf Gustafsson
Malmö Kronprinsen	Lars Sjöström
Malmö Lantmannagatan	Helene Tindberg
Malmö Limhamn	Lars Sjöström
Malmö S Förestadsgatan	Folke Englund
Malmö City	Björn Svanström
Malmö Stora Företag	Sven-Ingvar Göransson
Malmö Värnhem	Ulla Tuvehjelm
Malung	Jan O. Halvarsson
Mariestad	Gunno Quist

Branch	Branch manager
Mora	Lars Vikström
Motala	Roland Olausson
Märsta	Hillevi Kämpeskog
Mölnådal	Gert Fransson
Mölnlycke	Ewa Hansson
Nacka	Olle Thyni
Norberg	Gullvi Backman
Norrahammar	Lars-Göran Wikman
Norrköping	Björn Larsson
Norråhlje	Bernt Fors
Nossebro	Klas Lindholm
Nyköping	Bengt Kindblom
Nässjö	Björn Schedin
Olofström	Henrik Kördel
Oskarshamn	Magnus Liljeborg
Partille	Bo Robertsson
Piteå	Bo Hedström
Reftele	Klas-Göran Park
Rimbo	Ingmar Hedberg
Ronneby	Olle Olsson
Rättvik	Marie Bergström
Sala	Sören Lingblom
Sandviken	Kerstin Nyström Hedvall
Sigtuna	Katharina Lindström
Simrishamn	Arne Hall
Skara	Thomas Fhyr
Skellefteå	Jerry Berggren
Skene	Lennart Nygren
Skillingaryd	Ulf Sandberg
Skoghäll	Ulf Svensson
Skärhamn	Karl-Erik Brorsson
Skövde Norrmalm	Kenneth Odéus
Skövde Rådhusgatan	Kenneth Odéus
Smedjebacken	Ewa Brander Eriksson
Smålandsstenar	Ragnar Nilsson
Sollefteå	Jan Björklund
Sollentuna	Roger Bergstedt
Solna	Per G Waldén
Stenstorp	Morgan Kjellman
Stenungsund	Ulla Andersson
Stockholm Bromma	Rose-Marie Rosenberg
Stockholm Drottninggatan	Ulf Heumann
Stockholm Drottningholmsvägen	Björn Hökby
Stockholm Farsta	Johnie Anderson
Stockholm Folkungagatan	Sven Svensson
Stockholm Globen	Lars Nyström
Stockholm Götgatan	Kenneth Nilsson
Stockholm Hamngatan	Ann-Charlotte Olding
Stockholm Hantverkargatan	P-O Göransson
Stockholm Humlegårdsgatan	Göran Taxén
Stockholm Hässelby	Claes Hagerström
Stockholm Karlavägen	Anita Nygren
Stockholm Katarina Bangata	Kjell Lennhag
Stockholm Kista	Lars Eriksson
Stockholm Kungsgatan	Tomas Björklund
Stockholm Liljeholmen	Ulf Boström
Stockholm Långholmsgatan	Gerd Sandström
Stockholm Norrlandsgatan	Johan Kull
Stockholm Odengatan 22	Sölweij Ullholm
Stockholm Odengatan 54	Amelie Philippsthal
Stockholm Oxenstiernsgatan	Barbro Sandberg
Stockholm Regeringsgatan	Anders Grath
Stockholm St Eriksgatan	Claes Zetterqvist
Stockholm Skärholmen	Mikael Widercrantz
Stockholm Spånga	Siw Ragnar
Stockholm Stora Företag	Marianne Lagerfeldt
Stockholm Stureplan	Barbro Bergman
Stockholm Sveavägen 14	Anders Gullejö
Stockholm Sveavägen 68	Hans Asplén
Stockholm Torkel Knutssonsg	Bengt Dahlgren
Stockholm Torsgatan	Anders Hall
Stockholm Vällingby	Annica Persson

Branch	Branch manager
Stockholm Västberga	Torsten Allqvist
Stockholm Årsta	Urban Ljungblom
Stora Levene	Klas Lindholm
Storuman	Lars-Åke Larsson
Strängnäs	Per Löfving
Strömstad	Per-Olof Hansson
Stöllet	Inge Ryen
Sundbyberg	Urban Strömqvist
Sundsvall Vångåvan	Hans Jacobson
Sundsvall Skönsberg	Andor Höglund
Sundsvall Sjukhuset	Ingall Kjörrman
Sunne	Leif Westlund
Sysslebäck	Inge Ryen
Säffle	Micael Carlsson
Sälen	Jan O. Halvarsson
Sävedalen	Göran Hansson
Söderhamn	Olle Wiklander
Södertälje	Eleonore Selander
Tibro	Herbert Jansson
Tidholm	Tommy Forsberg
Tidan	Kenneth Odéus
Tierp	Anne Ågren
Timmersdala	Kenneth Odéus
Timrå	Jorma Sandelin
Torsby	Sven Norell
Tranås	Gunnar Brolin
Trelleborg	Bengt Jonasson
Trollhättan	Leif Jonsson
Tumba	Ronny Rickmer
Tyresö	Annelie Andersson
Täby	Thomas Andersson
Töreboda	Jan Silverstrand
Uddevalla	Anders Eklind
Umeå	Christer Henriksson
Upplands-Väsby	Leif Blomstedt
Upplands Väsby Infra City	Johan Brinkeborn
Uppsala Artillerigatan	Ulla Högberg
Uppsala Bolandsgatan	Jan Åhberg
Uppsala Skolgatan	Åke Carlberg
Uppsala Stora Torget	Stefan Blom
Uppsala Vaksala Torg	Ingvor Larsson
Valbo	Sven Gunnarsson
Vallentuna	Karl-Eric Hedman
Vara	Klas Lindholm
Varberg	Thomas Nilsson
Vedum	Klas Lindholm
Vedlanda	Mikael Richardsson
Vilhelmina	Lars Adamsson
Vimmerby	Ulf Thorstensson
Vindeln	Mats Öberg
Visby	Jan Svedjer
Vänersborg	Bo Eklund
Värnamo	Lennart Oliw
Västansfors	Gullvi Backman
Västervik	Thomas Nyman
Västerås Centrallasarettet	Tommy Johansson
Västerås Stora gatan	Tommy Johansson
Växjö	Claes Fransson
Ystad	Bengt Bäckdahl
Åkersberga	Lars Lindén
Åmål	Håkan Nordblad
Ånge	Eva Kristiansson
Årjäng	Jan-Åke Skoog
Älvdalen	Peter Nordkvist
Ängelholm	Robert Nilsson-Liljewall
Örebro Aspholmen	Karin Lindberg
Örebro City	Lars Olof Björklund
Örebro Storgatan	Lars Petersson
Öregrund	Gunnar Mellerstam
Örnsköldsvik	Anders Granström
Östersund	Jörgen Andersson
Östhammar	Gunnar Mellerstam