

Q1, 2005

Interim report

January – March 2005



Spintab

Spintab

JANUARY-MARCH 2005 IN SUMMARY

- Operating profit rose to SEK 1,177 million (1,062)
- Net interest income increased to SEK 1,344 million (1,195)
- Loan Losses remained unchanged at SEK 0 million (0)

The Spintab Group, "Spintab," comprises the Parent Company, AB Spintab (publ), and the wholly owned subsidiary FöreningsSparbanken Jordbrukskredit AB. The company that manages the synthetic securitization Spintab issued in 2001, FARMS Securitisation Ltd, is consolidated in the Group's consolidated accounts in accordance with IAS 27 on consolidated financial statements.

The Spintab Group is a wholly owned subsidiary of FöreningsSparbanken AB (publ) (Swedbank).

Spintab provides long-term financing for housing, municipal investments, and agricultural and forestry properties.

Introduction of IFRS

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

New valuation rules for financial instruments also apply from 2005. Adjusted shareholders' equity, SEK 18,840 million, is reduced by SEK 1,130 million due to the new valuation rules for financial instruments. As a result, the opening equity balance for 2005 is SEK 17,710 million.

Reported amounts may change when the comparative periods for 2004 are restated according to the principles that will apply as of year-end 2005.

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

The EU did not approve IAS 39 as issued by IASB and made a significant

change in the autumn of 2004 when the recommendation was introduced in EU legislation. The so-called fair value option was eliminated with respect to the valuation of liabilities, whereby liabilities, with the exception of those categorized as trading and liabilities reported as hedges, will be valued at accrued acquisition value. The option of valuating financial liabilities at fair value is important if Spintab is going to accurately report the results from operations involving fixed-rate financial instruments. If it is unable to value lending, matching funding and related derivatives at fair value, there will be situations where reported results may be more volatile than economic conditions would imply.

Because interest rates on March 31, 2005 did not differ significantly from year-end 2004, the impact of IAS 39 on the Group's income during the first quarter was marginal. Net interest income rose by SEK 55 million due to the effects of IAS 39, while net gains and losses on items at fair value were negatively affected by SEK 17 million. In previous monthly financial statements during the first quarter, however, the impact on income was significant.

It is nevertheless critical to Spintab that IAS 39 is fully approved by the EU. Until this happens, there is a risk, as mentioned above, that reported profit will be more volatile than economic conditions would imply. If the EU approves IAS 39 including the opportunity to value financial liabilities at fair value, the effects on reported profit and financial position in 2005 may change.

Profit

Operating profit amounted to SEK 1,177

million (1,062), of which SEK 38 million are explained by new accounting rules. The return on equity was 18.4 percent (16.9). Net interest income was higher than the corresponding period of 2004 and amounted to SEK 1,344 million (1,195). The higher Net interest income is mainly a result of a higher lending volume and changed accounting rules. The operating profit for the corresponding period of 2004 is not affected by the new accounting principles.

Commissions payable

Commissions payable have increased by SEK 8 million or 6 percent.

Net profit on financial items at fair value

Net profit on financial items at fair value are affected with SEK -17 million due to new accounting rules and amounted to SEK -20 million (0).

Operating expenses

Operating expenses amounted to SEK 18 million (16).

Loan losses

Loan losses amounted to SEK 0 million (0). Provisions for anticipated loan losses totaling SEK 175 million (312) as of March 31, 2005. Specifications of loan losses and claims are shown in Notes 2 and 3.

Lending

Spintab's loan to the public rose by a net of SEK 33,481 million (25,343) during the last four quarters, amounting to SEK 434,411 million (400,930) as of March 31, 2005.

Loans for private homes rose by SEK 28,902 million and agricultural loans by

SEK 2,651 million. Loans for commercial properties increased by SEK 1,928 million.

After some changes in the basis of the official statistics, Spintab's total market share was approximately 30 percent as of February 28, 2005.

Funding

51 percent of the total funding has been raised from foreign money and capital markets.

Capital adequacy

As of March 31, 2005 the capital adequacy ratio was 10.4 percent (10.7), of which the primary capital ratio was 8.4 percent (8.4).

Primary capital has not been significantly affected by the accounting changes resulting from the introduction of the new international accounting standards, IFRS.

With the support of current regulation and the approval of the Financial Supervisory Authority, a neutrality adjustment in primary capital for economically effective hedging conditions fully compensates for the negative effect on equity due to IAS 39.

Interest rate risk

An increase in market interest rates of one percent as of March 31, 2005

would have reduced the value of Spintab's interest-bearing assets and liabilities, including derivatives, by approximately SEK 380 million (357).

A one-percent increase in market interest rates would have increased net profit on financial items at fair value by SEK 1 million (1).

Accounting change

For the first time the interim report for the Group has been prepared according to the International Financial Reporting Standards (IFRS) adopted by the EU. The standards are issued by the International Accounting Standards Board (IASB) and become mandatory for listed companies as they are approved by the EU.

To achieve uniform reporting in the FöreningsSparbanken Group, Spintab applies IFRS as of 2005 in its consolidated accounts. IFRS is applied only in the consolidated accounts. Reporting by the Parent Company follows the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL) and the regulations of the Swedish Financial Supervisory Authority (2002:22).

Spintab's operations comprise in large part financial instruments reported according to IAS 39. IAS 39 is the-

refore the standard with the greatest impact on reported values compared with the reporting according to previous principles.

Spintab utilizes the opportunity in IFRS 1 that permits voluntary exemptions from the presentation of one year's comparative information for financial instruments comprised by IAS 32 and IAS 39. As a result, the company's financial position, profits and key ratios are not directly comparable between 2004 and 2005. The changes in accounting rules, together with the differences in amounts, are described in detail on page 11. The effects of the changes in accounting rules on shareholders' equity are indicated in the note Shareholders' equity.

The interim report for the Group has been prepared according to IAS 34 "Interim Financial Reporting", due to which the report follows the same accounting principles as the most recent annual report with the exception of the changes described in the report.

Financial reporting

Spintab's interim report for the first three months of 2005 will be released on August 18, 2005.

Spintab Group – Key financial highlights 2001–2005

	2005*	2004***	2004**	2003***	2002***	2001***
Lending						
Loans to the public, SEK m.	434,411	400,930	428,628	398,752	367,645	340,997
Doubtful, restructured and non-performing loans, net SEK m.	386	413	375	457	656	631
Profitability						
Operating profit, SEK m.	1,177	1,062	4,602	4,255	3,839	3,487
Interest margin, %	0.99	0.95	0.96	1.01	1.01	1.02
Investment margin, %	1.12	1.09	1.11	1.17	1.22	1.22
Expense ratio, %	0.02	0.02	0.02	0.04	0.04	0.05
Income/expense ratio before loan losses	0.01	0.01	0.01	0.03	0.04	0.04
Income/expense ratio after loan losses	0.01	0.01	0.00	0.04	0.07	0.09
Return on equity, %	18.4	16.9	17.0	16.5	15.9	14.5
Earnings per share, SEK	36.83	33.26	144.04	133.17	120.18	109.17
Capital						
Capital base, SEK m.	24,381	22,504	23,673	22,723	20,048	21,879
Equity, SEK m.	18,557	18,419	18,840	17,654	16,251	16,245
Number of shares at beginning/end of period, million	23	23	23	23	23	23
Equity per share, SEK	806.83	800.83	819.13	767.57	706.59	706.30
Capital adequacy ratio, %	10.4	10.7	10.3	11.0	10.8	13.1
Primary capital, %	8.4	8.4	8.2	8.5	8.8	9.7
Credit quality						
Loan losses, SEK m.	0	0	- 46	18	129	194
Loan loss level, %	0	0	- 0.01	0.005	0.04	0.06
Provision ratio for doubtful claims, %	79.3	78.8	73.3	70.2	73.4	77.4
Share of doubtful claims, according to loans to the public, %	0.03	0.05	0.04	0.04	0.04	0.04

* as of March 31

** The operating profit for 2004 according to previous accounting principles corresponds to the operating profit for 2004 according to IFRS.

*** According to previous accounting principles

Profit and loss account

SEK million	Note	GROUP			AB SPINTAB		
		March 31 2005	March 31 2004	Change %	March 31 2005	March 31 2004	Change %
Interest receivable		4,994	5,352	- 7	4,986	5,261	- 5
Interest payable		- 3,650	- 4,157	- 12	- 3,800	- 4,162	- 9
NET INTEREST INCOME		1,344	1,195	12	1,186	1,099	8
Commissions receivable		8	9	- 11	6	7	- 14
Commissions payable		- 141	- 133	6	- 126	- 120	5
Net profit on financial items at fair value	1	- 20	0	-	- 3	0	-
Other operating income		4	7	- 43	3	7	- 57
TOTAL INCOME		1,195	1,078	11	1,066	993	7
Staff costs		- 6	- 6	0	- 5	- 5	0
Other administrative expenses		- 10	- 8	25	- 10	- 8	25
Depreciation of tangible fixed assets		- 2	- 2	0	- 2	- 2	0
Other operating expenses		0	0	-	0	0	-
TOTAL EXPENSES BEFORE LOAN LOSSES		- 18	- 16	13	- 17	- 15	13
Loan losses	2	0	0	-	0	0	-
OPERATING PROFIT		1,177	1,062	11	1,049	978	7
Tax on profit for the period		- 330	- 297	11	- 294	- 274	7
PROFIT FOR THE PERIOD		847	765	11	755	704	7
Earnings per share, SEK		36.83	33.26				

Based on 23 million shares

The operating profit according to previous accounting principles as of March 31, 2004 corresponds to the operating profit as of March 31, 2004 according to IFRS.

Balance sheet

SEK million	Not	GROUP			AB SPINTAB		
		March 31 2005	March 31 2004	Dec 31 2004	March 31 2005	March 31 2004	Dec 31 2004
Assets							
Treasury bills		-	349	50	-	349	50
Loans to credit institutions	3	39,555	35,841	43,492	63,584	58,980	68,511
Loans to the public	3	434,411	400,930	428,628	406,463	375,634	401,224
Other assets		13,870	7,793	5,435	12,287	9,664	7,572
TOTAL ASSETS		487,836	444,913	477,605	482,334	444,627	477,357

SEK million	Not	GROUP			AB SPINTAB		
		March 31 2005	March 31 2004	Dec 31 2004	March 31 2005	March 31 2004	Dec 31 2004
Liabilities							
Amounts owed to credit institutions		74,985	48,542	70,022	75,055	48,542	70,022
Debt securities in issue							
Bonds		303,477	288,660	285,001	302,426	288,660	285,001
Commercial paper, other		63,950	67,477	83,204	63,160	67,477	83,204
Other liabilities		21,955	16,778	15,514	17,243	16,688	15,436
Subordinated liabilities		4,912	5,037	5,024	5,025	5,037	5,024
TOTAL LIABILITIES		469,279	426,494	458,765	462,909	426,404	458,687
Untaxed reserves		-	-	-	-	138	-
Shareholders' equity							
Subscribed capital		11,500	11,500	11,500	11,500	11,500	11,500
Restricted reserves		3,250	3,353	3,250	3,100	3,100	3,100
Profit brought forward		2,960	2,801	776	4,070	2,781	654
Profit for the period		847	765	3,313	755	704	3,416
TOTAL SHAREHOLDERS' EQUITY		18,557	18,419	18,840	19,425	18,085	18,670
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		487,836	444,913	477,605	482,334	444,627	477,357

Group receivables from							
Parent Company		39,413	34,463	38,584	39,401	34,354	38,288
Subsidiaries		-	-	-	26,091	25,289	25,877
Group liabilities to							
Parent Company		98,305	75,742	93,185	98,305	75,742	93,185
Contingent liabilities							
Other guarantees		1,260	-	1,296	1,260	-	1,296
Asset pledged							
Assets pledged for own liabilities		698	3,427	-	698	3,427	-
Securities pledged as collateral for forward contracts		-	350	50	-	350	50
Commitments							
Loans to the public, amount granted but not utilized		5,026	8,078	6,228	4,188	7,422	5,428
Interest rate and currency - related contracts		326,149	339,684	341,829	326,149	339,684	341,829

Notes

1 Specification of net profit on financial items at fair value

January – March SEK million	GROUP		AB SPINTAB	
	2005	2004	2005	2004
Capital gains/losses				
Interest-bearing instruments classified as held for trading and derivatives	- 3	0	- 3	0
Other interest-bearing instruments at fair value	122	-	-	-
Total	119	0	- 3	0
Unrealized changes in value				
Interest-bearing instruments classified as held for trading and derivatives	- 138	-	-	-
Other interest-bearing instruments at fair value	- 1	-	-	-
Total	- 139	-	-	-
Changes in exchange rates	0	0	0	0
TOTAL	- 20	0	- 3	0

2 Loan losses, net

January – March SEK million	GROUP		AB SPINTAB	
	2005	2004	2005	2004
Claims assessed individually				
The period's write-off for established loan losses	20	23	20	23
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	- 17	- 21	- 17	- 21
The period's provisions for anticipated loan losses	1	3	1	3
Recoveries from previous years' established loan losses	- 1	- 1	- 1	- 1
Recovered provisions for anticipated loan losses	- 4	- 14	- 4	- 14
THE PERIOD'S NET EXPENSE	- 1	- 10	- 1	- 10
Collective provisions for claims assessed individually				
Allocation to/withdrawal from collective provisions	- 1	9	- 1	9
Collectively assessed homogenous groups of claims with limited value and similar credit risk				
The period's write-off for established loan losses	3	4	3	4
Recoveries from previous year's established loan losses	0	- 1	0	- 1
Allocations to/ withdrawal from loan loss reserve	- 1	- 2	- 1	- 2
THE PERIOD'S NET EXPENSE FOR COLLECTIVELY ASSESSED CLAIMS	2	1	2	1
THE PERIOD'S NET LOAN LOSS EXPENSE	0	0	0	0

3 Claims

(Loans to credit institutions and loans to the public)

SEK million	GROUP			AB SPINTAB		
	March 31 2005	March 31 2004	Dec 31 2004	March 31 2005	March 31 2004	Dec 31 2004
Accrued acquisition value (before accounting for provisions)	474,141	437,083	472,317	470,220	434,924	469,930
Specific provisions for individually assessed claims	- 73	- 175	- 93	- 71	- 173	- 91
Collective provisions for claims assessed individually	- 79	- 98	- 80	- 79	- 98	- 80
Provisions for collectively valued homogenous groups of claims with limited value and similar credit risk	- 23	- 39	- 24	- 23	- 39	- 24
TOTAL PROVISIONS	- 175	- 312	- 197	- 173	- 310	- 195
BOOK VALUE	473,966	436,771	472,120	470,047	434,614	469,735
Total provision ratio for doubtful claims, %	79.3	78.8	73.3	80.4	79.5	74.0
Provision ratio for individually identified doubtful claims, %	43.5	54.1	43.6	43.8	54.4	43.8
Doubtful claims						
Book value of doubtful claims (unsettled)	124	182	151	121	178	148
Doubtful claims as % of total lending	0.03	0.05	0.04	0.03	0.05	0.04
Unsettled claims for which interest has been entered as income						
Book value of unsettled claims not included in doubtful claims and for which accrued interest has been entered as income	231	199	193	198	185	174
Restructured and reclassified claims						
Book value of claims restructured during the financial period before restructuring	12	42	184	12	42	184
Book value of claims restructured during the financial period after restructuring	7	2	122	7	2	122
Book value of doubtful claims returned in status to normal claims during the financial period	15	4	49	15	4	49

3 Specification: Loan receivables

Sector SEK million	Accrued acquisition value before provisions	Specific provisions for claims assessed individually	Collective provisions for claims assessed individually	Provisions for collectively valued homogenous groups	Book value for claims taking provisions into account	Book value of doubtful claims (unsettled)	Book value of non-performing loans where interest is entered as income
Private individuals	333,698	- 11		- 23	333,664	45	205
Real estate management	85,801	- 49	- 79		85,673	76	26
Other corporate lending	8,085	- 13			8,072	3	
Municipalities	7,002				7,002		
TOTAL	434,586	- 73	- 79	- 23	434,411	124	231
Credit institution	39,555				39,555		
TOTAL	474,141	- 73	- 79	- 23	473,966	124	231

Changes in shareholders' equity

SEK million	GROUP				AB SPINTAB			
	Subscribed capital	Other reserves	Non-restricted reserves	Total	Subscribed capital	Other reserves	Non-restricted reserves	Total
CLOSING EQUITY BALANCE DEC.31, 2004	11,500	3,250	4,090	18,840	11,500	3,100	4,070	18,670
Adjustment according to IAS 39			- 1,130	- 1,130				
OPENING BALANCE JAN.1, 2005	11,500	3,250	2,960	17,710				
Profit for the period			847	847			755	755
CLOSING BALANCE MARCH 31, 2005	11,500	3,250	3,807	18,557	11,500	3,100	4,825	19,425
Of which conditional shareholder's contribution			2,400	2,400			2,400	2,400
CLOSING BALANCE DEC. 31, 2003	11,500	3,353	2,801	17,654	11,500	3,100	2,781	17,381
Profit for the period			765	765			704	704
CLOSING BALANCE MARCH 31, 2004	11,500	3,353	3,566	18,419	11,500	3,100	3,485	18,085
Of which conditional shareholder's contribution			1,400	1,400			1,400	1,400

The introduction of IFRS did not cause any difference between the closing equity balance as of Dec 31, 2003 and opening equity balance as of Jan 1, 2004. Equity balance as of March 31, 2004 according to previous accounting principles corresponds to equity balance as of March 31, 2004 according to IFRS.

Specification of adjustments at the introduction of IAS 39, Financial Instruments

TABLE 1

SEK million	Shareholder's equity
Reported Dec. 31, 2004	18,840
Reporting of derivatives	- 10,111
Currency revaluation of financial liabilities	8,427
Discontinuation of hedge accounting	205
Hedge accounting at fair value	- 91
Tax on above changes in value	440
Financial position as of January 1, 2005	17,710

Statement of cash flows

January – March SEK million	GROUP		AB SPINTAB	
	2005	2004	2005	2004
LIQUID ASSETS AT BEGINNING OF PERIOD*	17,332	2,407	17,036	2,324
Liquid assets FARMS Securitisation Ltd.	188	-	-	-
Operating activities				
Operating profit	1,177	1,062	1,049	978
Adjustment for non-cash items**	7,028	1,802	2,203	1,793
Taxes paid	- 111	- 1	- 111	- 1
Increase/decrease in loans to credit institutions	- 2,940	- 1,863	- 3,126	- 1,468
Increase/decrease in loans to the public	- 5,783	- 2,177	- 5,239	- 1,608
Increase/decrease in holdings of securities classified, as current assets	-	- 348	-	- 348
Increase/decrease in borrowings from the public including retail bonds	-	- 757	-	- 757
Increase/decrease in amounts owed to credit institutions	6,022	9,613	5,033	9,613
Change in other assets and liabilities, net	- 13,811	- 6,604	- 5,306	- 6,605
CASH FLOW FROM OPERATING ACTIVITIES	- 8 418	727	- 5,497	1,597
Investing activities				
Change in fixed assets	-	1	-	- 99
CASH FLOW FROM INVESTING ACTIVITIES	-	1	-	- 99
Financing activities				
Issuance of interest-bearing securities	45,926	122,421	45,926	119,421
Redemption of interest-bearing securities	- 28,488	- 103,905	- 28,488	- 103,905
Shareholders' contribution	-	-	-	-
Increase/decrease in other funding	- 18,105	- 20,222	- 20,741	- 17,222
Group contribution paid	-	-	-	-
CASH FLOW FROM FINANCING ACTIVITIES	- 667	- 1,706	- 3,303	- 1,706
Cash flow for the period	- 9,085	- 978	- 8,800	- 208
LIQUID ASSETS AT END OF PERIOD*	8,435	1,429	8,236	2,116
*of which securities pledged:				
at beginning of period	50	-	50	-
at end of period	-	350	-	350

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

**Specification of adjustments for non-cash items in operating activities.

	GROUP		AB SPINTAB	
	2005	2004	2005	2004
Unrealized translation differences from bonds	4,801	2	- 13	3
Accrued income and prepayments	13	- 113	- 24	- 157
Accruals and deferred income	2,214	1,913	2,240	1,947
TOTAL	7,028	1,802	2,203	1,793

Specification of derivatives in the Group on March 31, 2005

Spintab trades in derivatives for the purpose of hedging certain positions with regard to the value of interest rates and foreign currencies. The following table is prepared in accordance with the directives of the Financial Supervisory Authority and includes all derivatives in the Group.

SEK million	Interest rate-related	Foreign exchange-related	Others
	Book value	Book value	Book value
Derivatives with positive values	2,122	2,384	-
Derivatives with negative values	4,022	2,725	1

Financial position as of January 1, 2005

The opening balance sheet as of January 1, 2005 differs from the closing balance sheet as of December 31, 2004 through the introduction of IAS 39 in the form now adopted by the EU. The differences are primarily attributable to the following points:

- ◆ Derivatives, which were previously reported according to the principle for deferred hedge accounting, are now taken up in the balance sheet at fair value. Fair value changes are reported directly against profit.
- ◆ Financial liabilities in foreign currency, which are financially hedged with derivatives and were previously valued at the currency's acquisition rate, are now valued at the currency's closing day rate. Fair value changes are reported directly against profit.
- ◆ According to previous accounting principles, cash instruments also constituted hedging instruments to hedge interest rate risks, as a result of which realized exchange rate differences on hedged items and hedging instruments were accrued over the remaining maturity of the hedged item. Such exchange rate differences are now reported directly against profit.
- ◆ For some liabilities where the interest rate risk has been hedged with derivatives, hedge accounting at fair value will be applied. Hedge accounting means that the hedged risk component in the liability is valued at fair value. Fair value changes are reported directly against profit.

	IFRS Dec 31, 2004	Restatement IAS 39	IFRS Dec 31, 2004
SEK million			
Assets			
Treasury bills and other bills eligible for refinancing with central banks	50	0	50
Loans to credit institutions	43,492	1,460	44,952
Loans to the public	428,628	0	428,628
Other assets	5,435	1,810	7,245
TOTAL ASSETS	477,605	3,270	480,875
Liabilities			
Amounts owed to credit institutions	70,022	- 1,058	68,964
Debt securities in issue			
Bonds	285,001	- 3,613	281,388
Commercial paper, other	83,204	- 1,848	81,356
Other liabilities	15,514	11,180	26,694
Subordinated liabilities	5,024	- 261	4,763
TOTAL LIABILITIES	458,765	4,400	463,165
Shareholder's equity	18,840	- 1,130	17,710
TOTAL SHAREHOLDER'S EQUITY	18,840	- 1,130	17,710
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	477,605	3,270	480,875

SPINTAB'S RATINGS

	S&P	Moody's	Fitch
Long-term	–	Aa3	AA–
Short-term	A-1	P-1	F1+

Stockholm, April 28, 2005



Jan Lilja
President and Chief Financial Officer

Auditors' review

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

Stockholm, April 28, 2005

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