

2006:1

Interim report

January – March 2006



Spintab

Spintab

JANUARY – MARCH 2006 IN SUMMARY

- Lending increased by nominal SEK 42,638 million during the last four quarters (33,481) and amounted to SEK nominal 477,049 million (434,411)
- Operating expenses decreased to SEK 12 million (18)
- Increased market shares for new household lending

The Spintab Group, "Spintab," comprises the Parent Company, AB Spintab (publ), and the wholly owned subsidiary FöreningsSparbanken Jordbrukskredit AB. 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.

Profit

Operating profit amounted to SEK 910 million (1,037). Net interest income amounted to SEK 1,021 million (1,344). The strategic decision to improve terms for current and new customers in a competitive market has led to an increase in market shares for new household lending, but has also reduced net interest income due to lower lending margins. The return on equity was 11.7 percent (15.7).

Commission expenses

The volume of business with savings banks and partly owned banks has continued to increase, although commission expenses decreased by SEK 20 million due to lower margins on brokered loans.

Net gains and losses on financial items at fair value

Net gains and losses on financial items at fair value amounted to SEK 17 million (-160). The difference compared with the corresponding period of the previous year is due to the positions taken after the introduction of the fair value option, which has reduced the volatility of financial items at fair value.

Operating expenses

Operating expenses decreased and amounted to SEK 12 million (18).

Loan losses

Loan losses amounted to SEK 5 million (0), where established loan losses accounted for SEK 5 million (23). Provisions for anticipated loan losses totaling SEK 138 million (175) as of March 31, 2006. Specifications of loan losses and claims are shown in Notes 2 and 3.

Lending

Loans for private homes rose by nominal SEK 39,531 million during the last 12 months and agricultural loans by SEK 3,004 million. Loans for commercial properties rose by SEK 102 million. Spintab's loan to the public amounted to SEK 478,709 million (440,261) as of March 31, 2006, of which the fair value changes on lending amounted to SEK -4,189 million. Spintab's total market share was 30 percent (30) as of February 28, 2006. The share of new household lending rose to 28 percent during the first quarter of 2006 (23).

Funding

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

Capital adequacy

As of March 31, 2006 the capital adequacy ratio was 9.9 percent (10.4), of which the primary capital ratio was 8.4 percent (8.4).

Interest rate risk

An increase in market interest rates of one percent as of March 31, 2006

would have reduced the value of Spintab's interest-bearing assets and liabilities, including derivatives, by approximately SEK 527 million (380).

A one-percent increase in market interest rates would have increased net gains and losses on financial items at fair value by SEK 50 million (-131).

Accounting policies

The interim report for the Group is prepared according to IAS 34 "Interim Financial Reporting", which means that it follows the same accounting principles as in the most recent annual report with the exception of the changes described in the report. Spintab changed accounting policies during 2005, according to the fair value option in IAS 39 the EU approved in November 2005. The changes are due to use of the fair value option for delimited portfolios of lending and debt securities in issue. The restated Income statements and Balance sheets were published in the preliminary year-end report, and all comparable figures are restated in this report.

IFRS as it is included in the Annual Accounts Act, do not contain the fair value option. Therefore the Parent Company, with approval from the Financial Supervisory Authority, is following FFFS 2002:22 again in 2006.

Financial reporting

Spintab's interim report for the first six months of 2006 will be released on August 10, 2006.

Spintab Group – Key financial highlights 2002–2006

	2006*	2005**	2005***	2004****	2003****	2002****
Lending						
Loans to the public, SEK m.	478,709	440,261	472,058	428,628	398,752	367,645
Profitability						
Operating profit, SEK m.	910	1,037	4,815	4,602	4,255	3,839
Investment margin, %	0.77	1.09	0.98	1.11	1.17	1.22
Return on equity, %	11.7	15.7	17.1	17.0	16.5	15.9
Earnings per share, SEK	28.48	32.48	150.74	144.04	133.17	120.18
Capital						
Capital base, SEK m.	26,072	24,381	26,116	23,673	22,723	20,048
Equity, SEK m.	22,721	19,345	22,065	18,840	17,654	16,251
Number of shares at beginning/end of period, million	23	23	23	23	23	23
Equity per share, SEK	987.87	841.09	959.35	819.13	767.57	706.59
Capital adequacy ratio, %	9.9	10.4	10.1	10.3	11.0	10.8
Primary capital, %	8.4	8.4	8.5	8.2	8.5	8.8
Credit quality						
Loan losses, SEK m.	-5	0	-18	-46	18	129
Loan loss level, %	0.00	0.00	-0.00	-0.01	0.005	0.04
Provision ratio for impaired loans, %	101.1	79.3	96.6	73.3	70.2	73.4
Share of impaired loans, according to loans to the public, %	0.02	0.02	0.02	0.04	0.04	0.04

* As of March 31, 2006 according to IFRS

** As of March 31, 2005 according to IFRS

*** As of December 31, 2005 according to IFRS

**** According to previously applied accounting principles. To satisfy the requirements according to IFRS, 2002-2004 would have to be adjusted according to IAS39. See the accounting principles in the annual report for a more detailed description.

Income statement

Group, according to IFRS

SEK million	Note	Jan - Mar 2006	Jan - Mar 2005	Change %
Interest income		4,714	4,994	-6
Interest expenses		-3,694	-3,650	1
NET INTEREST INCOME		1,020	1,344	-24
Commission income		8	8	5
Commission expenses		-121	-141	-14
NET COMMISSION INCOME		-113	-133	-14
Net gains and losses on financial items at fair value	1	17	-160	
Other operating income		3	4	-25
TOTAL INCOME		927	1,055	-12
Staff costs		-4	-6	-35
Other general administrative expenses		-5	-10	-50
TOTAL ADMINISTRATIVE EXPENSES		-9	-16	-44
Depreciation/amortization and impairment of tangible and intangible fixed assets		-3	-2	50
TOTAL EXPENSES		-12	-18	-33
PROFIT BEFORE LOAN LOSSES		915	1,037	-12
Loan losses	2	-5	0	
OPERATING PROFIT		910	1,037	-12
Tax expense for the period		-255	-290	-12
PROFIT FOR THE PERIOD		655	747	-12
Earnings per share, before and after dilution, SEK		28.48	32.48	

AB Spintab, according to ÅRKL

SEK million	Note	Jan - Mar 2006	Jan - Mar 2005	Change %
Interest income		4,698	4,986	-6
Interest expenses		-3,667	-3,800	-4
NET INTEREST INCOME		1,031	1,186	-13
Commission income		6	6	0
Commission expenses		-108	-126	-14
NET COMMISSIONS INCOME		-102	-120	-15
Net gains and losses on financial items at fair value	1	-10	-3	
Other operating income		3	3	0
TOTAL INCOME		922	1,066	-14
Staff costs		-4	-5	-20
Other general administrative expenses		-13	-10	30
TOTAL ADMINISTRATIVE EXPENSES		-17	-15	13
Depreciation/amortization and impairment of tangible and intangible fixed assets		-2	-2	0
TOTAL EXPENSES		-19	-17	12
PROFIT BEFORE LOAN LOSSES		903	1,049	-14
Loan losses	2	-5	0	-
OPERATING PROFIT		898	1,049	-14
Tax expense for the period		-251	-294	-15
PROFIT FOR THE PERIOD		647	755	-14

Balance sheet

SEK million	Note	According to IFRS			According to ARKL		
		Group			AB Spintab		
		March 31 2006	March 31 2005	Dec 31 2005	March 31 2006	March 31 2005	Dec 31 2005
Assets							
Treasury bills eligible for refinancing with central banks		199	-	100	199	-	100
Loans to credit institutions	3	45,477	39,555	35,921	72,574	63,584	62,417
Loans to the public	3	478,709	440,261	472,058	446,096	406,463	438,250
Derivatives	4	6,977	5,319	7,997	2,190	1,805	1,692
Other assets		3,724	8,247	2,760	5,626	10,482	4,685
TOTAL ASSETS		535,086	493,382	518,836	526,685	482,334	507,144
Liabilities and equity							
Liabilities							
Amount owed to credit institutions		71,576	74,984	79,472	71,569	75,055	79,414
Debt securities in issue		420,418	372,188	398,375	414,592	365,586	390,207
Derivatives	4	4,503	7,549	5,462	1,778	2,353	1,845
Other liabilities		11,674	14,404	9,222	12,257	14,890	9,834
Subordinated liabilities		4,194	4,912	4,240	4,198	5,025	4,199
TOTAL LIABILITIES		512,365	474,037	496,771	504,393	462,909	485,499
Equity							
Shareholders' equity		22,721	19,345	22,065	22,291	19,425	21,645
TOTAL EQUITY		22,721	19,345	22,065	22,291	19,425	21,645
TOTAL LIABILITIES AND EQUITY		535,086	493,382	518,836	526,685	482,334	507,144

Financial instruments distributed by valuation category according to IAS 39

SEK million	March 31, 2006
Assets	
Treasury bills and other bills eligible for refinancing with central banks	199
valuation category, Fair value through profit or loss, trading	199
Loans to credit institutions	45,477
valuation category, Loans and receivables	45,477
Loans to the public	478,709
valuation category, Loans and receivables	103,967
valuation category, Fair value through profit or loss	374,742
Liabilities	
Amount owed to credit institutions	71,576
valuation category, Other financial liabilities	69,240
valuation category, Fair value through profit or loss, other	2,336
Debt securities in issue	420,418
valuation category, Fair value through profit or loss, other	420,418
Subordinated liabilities	4,194
valuation category, Other financial liabilities	4,177
changes in the value according to hedge accounting	17

Cash flow statement

SEK million	Group		AB Spintab	
	Jan-Mar 2006	Jan-Mar 2005	Jan-Mar 2006	Jan-Mar 2005
Cash and cash equivalents at beginning of period*	6,547	17,520	6,311	17,036
Cash flow from operating activities	-11,536	-8,418	-11,495	-5,497
Cash flow from financing activities	20,672	-667	20,672	-3,303
CASH FLOW FOR THE PERIOD	9,136	-9,085	9,177	-8,800
CASH AND CASH EQUIVALENTS AT END OF PERIOD*	15,683	8,435	15,488	8,236
* of which securities pledged for OMX AB				
at beginning of period	100	50	100	50
at end of period	200	-	200	-

Statement of changes in equity

Group

SEK million	Equity attributable to shareholders of AB Spintab	
	Shareholders' equity	Total
Closing balance December 31, 2004	18,840	18,840
Change in accounting policies relating to IAS 39 Financial instruments: Recognition and Measurement	-242	-242
Opening balance January 1, 2005	18,598	18,598
Profit for the period	747	747
CLOSING BALANCE MARCH 31, 2005	19,345	19,345
Opening balance January 1, 2006	22,065	22,065
Profit for the period	655	655
CLOSING BALANCE MARCH 31, 2006	22,721	22,721

AB Spintab

SEK million	Restricted equity	Non-restricted equity	Total
Opening balance January 1, 2005	14,600	4,070	18,670
Profit for the period		755	755
CLOSING BALANCE MARCH 31, 2005	14,600	4,825	19,425
of which conditional shareholders' contributions		2,400	2,400
Opening balance January 1, 2006	14,600	7,045	21,645
Profit for the period		647	647
CLOSING BALANCE MARCH 31, 2006	14,600	7,692	22,291
of which conditional shareholders' contributions		2,400	2,400

1) The condition for repayment is that it is defensible in light of the requirements that the nature, scope and risks of operations place on the size of equity as well as the company's consolidation requirements, liquidity and financial position in other respects. Repayment decisions are made by Spintab's Annual General Meeting.

Notes

1 Net gains and losses on financial items at fair value

Group	Jan - March	Jan - March
SEK million	2006	2005
Valuation category, Fair value through profit or loss		
<i>Trading and derivatives</i>		
Interest-bearing securities	-593	-142
TOTAL	-593	-142
<i>Other</i>		
Interest-bearing securities	585	-44
TOTAL	585	-44
<i>Hedge accounting at fair value</i>		
Hedging instruments	-10	20
Hedged item	14	-21
TOTAL	4	-1
Interest income compensation, loans valued at cost	21	27
Change in exchange rates	0	0
TOTAL NET PROFIT ON FINANCIAL ITEMS AT FAIR VALUE	17	-160

AB Spintab	Jan - March	Jan - March
SEK million	2006	2005
Capital gains/losses		
Interest-bearing securities	-10	-3
TOTAL	-10	-3
Changes in exchange rates	0	0
TOTAL NET PROFIT ON FINANCIAL ITEMS AT FAIR VALUE	-10	-3

2 Loan losses, net

Group

SEK million	Jan-March 2006	Jan-March 2005
Loans assessed individually		
The period's write-off for established loan losses	4	20
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	-1	-17
The period's provisions for anticipated loan losses	3	1
Recoveries from previous years' established loan losses	0	-1
Recovered provisions for anticipated loan losses	-3	-4
THE PERIOD'S NET EXPENSE FOR LOANS ASSESSED INDIVIDUALLY	3	-1
Collective provisions for loans assessed individually		
Allocation to/withdrawal from collective provisions	1	-1
Collectively assessed homogenous groups of loans with limited value and similar credit risk		
The period's write-off for established loan losses	1	3
Recoveries from previous year's established loan losses	0	0
Allocations to/ withdrawal from loan loss reserve	-1	-1
THE PERIOD'S NET EXPENSE FOR COLLECTIVELY ASSESSED LOANS	1	2
THE PERIOD'S NET LOAN LOSS EXPENSE	5	0
Loan losses distributed by valuation category		
Loans and receivables	1	0
Fair value through profit or loss	4	0
TOTAL	5	0

Loan losses distributed by borrower category

SEK million	Jan-March 2006	Jan-March 2005
General public		
Write-off and provisions	9	22
Reversal and recoveries from previous years' established loan losses	-4	-22
TOTAL	5	0

AB Spintab

SEK million	Jan-March 2006	Jan-March 2005
Loans assessed individually		
The period's write-off for established loan losses	4	20
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	-1	-17
The period's provisions for anticipated loan losses	3	1
Recoveries from previous years' established loan losses	0	-1
Recovered provisions for anticipated loan losses	-3	-4
THE PERIOD'S NET EXPENSE FOR LOANS ASSESSED INDIVIDUALLY	3	-1
Collective provisions for loans assessed individually		
Allocation to/withdrawal from collective provisions	1	-1
Collectively assessed homogenous groups of loans with limited value and similar credit risk		
The period's write-off for established loan losses	1	3
Recoveries from previous year's established loan losses	0	0
Allocations to/ withdrawal from loan loss reserve	-1	-1
THE PERIOD'S NET EXPENSE FOR COLLECTIVELY ASSESSED LOANS	1	2
THE PERIOD'S NET LOAN LOSS EXPENSE	5	0

3 Loans to credit institutions and loans to the public

SEK million	Group			AB Spintab		
	March 31 2006	March 31 2005	Dec 31 2005	March 31 2006	March 31 2005	Dec 31 2005
Book value (before accounting for provisions)	524,324	479,991	508,118	518,807	470,220	500,804
Specific provisions for individually assessed loans	-44	-73	-45	-42	-71	-43
Collective provisions for loans assessed individually	-76	-79	-75	-76	-79	-75
Provisions for collectively valued homogenous groups of loans with limited value and similar credit risk	-18	-23	-19	-18	-23	-19
TOTAL PROVISIONS	-138	-175	-139	-136	-173	-137
BOOK VALUE	524,186	479,816	507,979	518,671	470,047	500,667
of which valuation category Loans and receivables	149,444	130,873	140,348			-
of which valuation category Fair value through profit or loss, other	374,742	348,943	367,631			-
TOTAL	524,186	479,816	507,979			-
Total provision ratio for impaired loans, %	101.1	79.3	96.6	106.6	80.4	101.6
Provision ratio for individually identified impaired loans, %	45.2	43.5	44.2	46.9	43.8	45.8
Impaired loans						
Book value of impaired loans (unsettled)	75	124	80	68	121	73
Impaired loans as % of total lending, %	0.02	0.03	0.02	0.02	0.03	0.02
Past due loans for which interest is recognized as income						
Book value of past due loans that are not included in impaired loans and in respect of which accrued interest is recognized as income	156	231	149	145	198	123
Restructured* and reclassified loans						
Book value before restructuring of loans, restructured during the financial period	0	12	30	0	12	30
Book value after restructuring of loans, restructured during the financial period	0	7	23	0	7	23
Book value of impaired loans returned in status to normal loans during the financial period	2	15	56	2	15	56

* A loan is considered restructured if the lender has granted some form of concession due to financial problems on the part of the borrower.

Specification: Loans and receivables

Sector SEK million	Group				Book value of loans after provisions	Book value of impaired loans	Book value of past due loans for which interest has been recognized
	Book value before provisions	Specific provisions for individually assessed loans	Collective provisions for individually assessed loans	Provisions for collectively assessed homogenous groups			
Private individuals	377,356	-8		-18	377,330	28	134
Real estate management	86,829	-32	-76		86,721	40	22
Other corporate lending	8,136	-4			8,132	7	
Municipalities	6,526				6,526		
TOTAL	478,847	-44	-76	-18	478,709	75	156
Credit institutions	45,477				45,477		
TOTAL LOANS TO CREDIT INSTITUTIONS AND PUBLIC	524,324	-44	-76	-18	524,186	75	156

4 Specification of derivatives in the Group as of March 31, 2006

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 Swedish 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	1,917	4,081	-
Derivatives with negative values	2,244	1,280	0

5 Memorandum items

SEK million	Group			AB Spintab		
	March 31 2006	March 31 2005	Dec 31 2005	March 31 2006	March 31 2005	Dec 31 2005
Assets pledged for own liabilities	3,732	698	100	3,732	698	100
Contingent liabilities	1,203	1,260	1,218	1,203	1,260	1,218
Commitments	4,603	5,026	3,804	4,160	4,188	2,840

Spintab's ratings

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

Stockholm, April 28, 2006



Jan Lilja
President

Review Report

We have reviewed the interim report for the period January 1 to March 31, 2006, for AB Spintab (publ). The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information for AB Spintab (publ) is not, in all material aspects, in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and IAS 34.

Deloitte AB

Jan Palmqvist
Authorized Public Accountant

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