

# Annual Report 2002



Spintab

# Financial information 2003

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Spintab's financial reports can be accessed on its own home page at [www.spintab.se](http://www.spintab.se)

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While every care has been taken in the translation of this Annual Report, readers are reminded that the original Annual Report, signed by the Board of Directors, is in Swedish.



# Spintab 2002 at a glance

- ◆ SEK 26.6 billion, Spintab's highest volume growth in a single year
- ◆ Operating profit SEK 3.8 billion, an increase of 10 percent
- ◆ Low loan losses – 0.04 percent of the loan portfolio
- ◆ Scandinavia's largest issuer in the euro market
- ◆ Continued high ratings
- ◆ Successful marketing of Interest Cap product
- ◆ Spintab is market leader for single-family homes
- ◆ Jordbrukskredit remains successful, raising its market shares
- ◆ Acquisition of municipal loan portfolio of approximately SEK 1.2 billion

# About Spintab

Spintab is a Swedish mortgage institution with a leading position in the domestic market. With over a million customers in the area of long-term mortgage lending, Spintab finances more than one of every three single-family homes in Sweden. As a wholly owned subsidiary of FöreningsSparbanken, it has access to a nationwide sales organization of local bank branches.

## Business concept

By utilizing high cost efficiency and low funding costs, Spintab provides customers of FöreningsSparbanken, its partly owned banks and Sweden's independent savings banks with competitive loans for the long-term financing of housing, municipal property holdings, agricultural properties and businesses with ties to the agricultural and forestry sectors.

## Vision

Spintab's vision is to meet the various needs and wishes of every customer, whenever they contact us. Via FöreningsSparbanken, its partly owned banks and the independent savings, Spintab will provide the right products and services in a way that is convenient for customers. In addition, Spintab will provide:

- ◆ the market's best information to meet customers' needs,
- ◆ the market's best business support for local banks, independent savings banks and other cooperating banks,
- ◆ customized and innovative products and services,
- ◆ services and products that provide value-added,
- ◆ low funding costs through high credit ratings.

## The Spintab Group

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

## Efficient refinancing

Spintab is a credit market institution refinanced through the issuance of bonds, commercial paper and other securities in the Swedish and international capital markets.

## High credit quality

Spintab is well consolidated and maintains a high rating from ratings agencies in the money and capital markets. Its high credit quality allows Spintab to offer attractive terms to its customers.

## Focus on service quality

Spintab is quality certified according to the international ISO 9001 standard. Its quality policy, quality certification and frequent quality surveys at sales locations and with customers help Spintab to maintain the consistently high level of service customers demand.

Spintab mortgages are sold primarily through the branch networks of FöreningsSparbanken, its partly owned banks and the independent savings banks. This gives Spintab access to the largest bank-owned network in Sweden, totaling 857 branches. Local customer advisors are the key to the company's sales work.

In recent years great effort has been placed on improving sales support for these key persons in terms of practical routines and technical systems. Effective support frees up time for advisors, who instead can use it to establish a stronger dialogue with customers.

## Spintab on the Internet

With over 1.3 million customers, FöreningsSparbanken's Internet bank is the market leader in Sweden and has continued to grow at an annual rate of around 200,000 customers. This gives Spintab access to an excellent sales channel. The functionality of the online bank is improved continuously based on customer demand. Besides applying for loans, online customers can lock in variable interest rates 24 hours a day, seven days a week. Spintab also has its own website – [www.spintab.se](http://www.spintab.se) – with financial information on the company, a description of its products and an online loan application.

## Spintab by telephone

FöreningsSparbanken by Telephone is the market leader in Sweden with approximately two million registered customers. Customers of the service can have their questions answered and receive information about their Spintab loans.

# Sales strategy

A strong branch network with skilled, motivated employees, close cooperation between Spintab and bank branches, and attractive products create good opportunities for continued growth.

## Sales channels

One of the main reasons for Spintab's strong position in the Swedish mortgage lending market is its efficient distribution network. Of the company's total lending volume of SEK 367.6 billion, the FöreningsSparbanken branch network originates approximately 75 percent. The independent savings banks and partly owned banks account for about 25 percent.

The branches are an important explanation why Spintab has increased its lending, despite a change in the competitive landscape characterized by new niche players and sales channels. Spintab expects the branches to remain an important sales channel. For buyers and sellers, the process just before closing on a house or apartment sale is crucial. At such times personal interaction still plays a decisive role. With the support of its broad-based branch network, Spintab can adapt on an individual and local level to borrowers' needs.

Spintab's activities in the corporate market are targeted toward professional property owners who purchase financing services, primarily for multi-family housing purposes. Spintab is building its business through a local presence and local know-how. Certainly, the strong branch network is a significant advantage in this customer segment as well.

## Attractive product range

Spintab's products and services are offered via bank branches, which maintain contact with borrowers and make loan decisions. Two prerequisites for success are that the borrowers feel Spintab's products are attractive

and that the branches receive adequate sales support. This raises the importance of quality and professionalism at Spintab, and on its understanding of geographic differences. It also necessitates a range of products adapted to the needs of various customers and that the information between Spintab and the branches works well and maintains a high quality.

During the year two major marketing activities involving the Interest Cap product were highlighted, resulting in positive customer reactions and increased sales.

## New channel strategies

Spintab is successful because the branches offer a strong competitive advantage. At the same time there is a growing interest in standardized solutions and Internet sales to renew loans, lock in interest rates or increase loan amounts. Spintab began its own online mortgage sales in 2000 and has continued to develop well last year. The Internet effort is designed partly to add convenience for customers and partly to meet the competition from standardized solutions offered by pure-play Internet banks. Access to FöreningsSparbanken by Telephone also creates value-added for mortgage customers, as well as a competitive boost. The channels complement each other and ensure that we are available whenever customers want to contact us.

## Changing competition

Competition in the mortgage lending market again grew in 2002. Marketing activity among niche and pure Internet banks has leveled off slightly, however, due in part to profitability problems. In December 2002, for example, a recent Internet banking startup specializing in mortgage sales went bankrupt.

One of the highlights during the year was FöreningsSparbanken's acquisition of HSB Bank. Final approval of the deal was handed down by regulatory authorities in December 2002. We believe that Spintab's strategic focus, with flexible products, close, local customer relationships, experience and competence in its field, stands up well to the competition.

# Key financial highlights 1998-2002

Key financial highlights 1998–2002					
For definitions see page 39.	2002	2001	2000	1999	1998
<b>Profitability</b>					
Interest margin, %	1.01	1.02	0.94	0.88	0.89
Investment margin, %	1.22	1.22	1.17	1.14	1.21
Cost-income ratio before loan losses	0.04	0.04	0.06	0.09	0.10
Cost-income ratio after loan losses	0.07	0.09	0.13	0.15	0.20
Return on equity %	15.9	14.5	13.1	12.3	11.6
Expense ratio, %	0.04	0.05	0.07	0.10	0.12
Earnings per share, SEK	120.18	109.17	97.87	91.04	87.43
<b>Capital</b>					
Capital base, SEK m.	20,048	21,879	21,922	22,704	23,271
Capital adequacy ratio, %	10.8	13.1	13.2	14.7	16.0
Primary capital ratio, %	8.8	9.7	9.8	10.5	11.1
No. of shares at start/end of period, million	23	23	23	23	23
Equity per share, SEK	706.59	706.30	705.39	704.61	704.00
<b>Credit quality</b>					
Loan loss level, %	0.04	0.06	0.08	0.07	0.13
Provision ratio for doubtful claims, %	73.4	77.4	61.5	54.9	42.7
Share of doubtful claims, %	0.05	0.04	0.10	0.24	0.66
<b>Other</b>					
Number of employees as of December 31	20	26	136	162	197



# Five-year summary 1998-2002

Spintab, condensed profit and loss account over five years					
SEK million	2002	2001	2000 *	1999	1998
Interest receivable	21,449	20,520	20,416	20,750	22,544
Interest payable	- 16,902	- 16,319	- 16,503	- 17,013	- 18,867
<b>NET INTEREST INCOME</b>	<b>4,547</b>	<b>4,201</b>	<b>3,913</b>	<b>3,737</b>	<b>3,677</b>
Commissions receivable	42	43	45	31	38
Commissions payable	- 483	- 426	- 386	- 389	- 361
Other operating income	8	28	6	33	30
<b>TOTAL INCOME</b>	<b>4,114</b>	<b>3,846</b>	<b>3,578</b>	<b>3,412</b>	<b>3,384</b>
Staff costs	- 23	- 35	- 52	- 106	- 120
Other operating expenses	- 123	- 130	- 164	- 187	- 214
<b>PROFIT BEFORE LOAN LOSSES</b>	<b>3,968</b>	<b>3,681</b>	<b>3,362</b>	<b>3,119</b>	<b>3,050</b>
Loan losses	- 129	- 194	- 246	- 218	- 360
<b>OPERATING PROFIT</b>	<b>3,839</b>	<b>3,487</b>	<b>3,116</b>	<b>2,901</b>	<b>2,690</b>
Appropriations	0	0	2	2	2
Taxes	- 1,075	- 976	- 867	- 809	- 681
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>2,764</b>	<b>2,511</b>	<b>2,251</b>	<b>2,094</b>	<b>2,011</b>

\* Staff costs include a surplus insurance refund from Alecta of SEK 55 million.

Spintab, condensed balance sheet over five years					
SEK million	2002	2001	2000	1999	1998
<i>Assets</i>					
Loans to credit institutions	6,597	1,650	5,229	7,309	10,355
Loans to the public	367,645	340,997	321,332	307,777	296,386
Interest-bearing securities	100	50	10	10,005	20
Other assets	5,021	5,314	5,402	6,682	10,210
<b>TOTAL ASSETS</b>	<b>379,363</b>	<b>348,011</b>	<b>331,973</b>	<b>331,773</b>	<b>316,971</b>
<i>Liabilities</i>					
Amounts owed to credit institutions	12,717	17,524	11,422	28,565	4,701
Borrowings from the public	-	-	-	-	487
Debt securities in issue	333,577	295,649	285,455	266,730	271,620
Other liabilities	12,818	12,079	12,514	13,003	16,262
Subordinated liabilities	4,000	6,514	6,358	7,269	7,709
<b>TOTAL LIABILITIES</b>	<b>363,112</b>	<b>331,766</b>	<b>315,749</b>	<b>315,567</b>	<b>300,779</b>
Shareholders' equity	16,251	16,245	16,224	16,206	16,192
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>379,363</b>	<b>348,011</b>	<b>331,973</b>	<b>331,773</b>	<b>316,971</b>

## President's statement

# Strong volume growth during the year

The year was distinguished by weak economic development and volatile interest rates. Spintab nevertheless managed to achieve its highest lending growth ever in a single year. Lending volume rose by SEK 26.6 billion. Volume growth was strongest in the private segment, which accounted for approximately two thirds of the year's growth. Spintab's market share was approximately 30 percent.

### Market 2002

The key to Spintab's operations is its ability to combine efficient funding with a clearly defined, highly competitive package of mortgage loan products. One of its strengths is an extensive sales network. The cooperation with FöreningsSparbanken, its partly owned banks and Sweden's independent savings banks makes Spintab's products available at more than 850 bank branches around the country. The sales network is complemented by telephone and online loan services.

Spintab is the market leader in mortgage lending for residential housing. During the year more private customers took advantage of low interest rates in the residential real estate market to increase the size of their first mortgages and amortize more expensive second mortgages. Another trend is that more customers are choosing to fix their loans for longer periods.

In 2002 Spintab acquired a portfolio of approximately SEK 1.2 billion in loans in the municipal sector. The acquisition strengthens Spintab's position in an important part of the loan market by increasing its presence with municipal customers.

The operations of Jordbrukskredit also produced good growth in 2002. Lending volume rose by 2.6 billion to a total of SEK 21 billion. This represents an increase of 14 percent. As with Spintab, a broad-based local presence is an important success factor for Jordbrukskredit. In addition, sales efforts have been strengthened

through a new work model whereby more authority is delegated to local customer advisors.

### Strong volume growth

The main reasons for our success during the year were a substantial increase in lending volume and the efficiency of the treasury management operations. Spintab's operating profit was SEK 3,839 million (3,487). During the year the average loan loss level was 0.04 percent (0.06). As a result, loan losses were held to a very low level.

Ensuring credit quality is a continuous effort requiring monitoring and analysis as well as the transfer of knowledge and experience to local customer advisors. Established concepts have produced concrete results, as clearly evidenced by the gradual decline in loan losses over a number of years.

Spintab is working actively to improve its capital adequacy. One example is its new rules to comply with Basel II. Spintab intends to take advantage of the opportunities that are created to further improve efficiency in its use of capital.

Spintab's refinancing is based on a broad financial base and covers both Swedish and international money and capital markets. Thanks to this diversification, 48 percent (48) of funding was raised outside Sweden in 2002. This international emphasis remains important, especially as the capacity of investors in the Swedish mortgage bond market gradually declines. During the year Spintab worked, for example, on a new commercial paper program for the French market.

Spintab is a well-known issuer in international capital markets. Among other things, it has larger outstanding volumes than any other issuer in these markets in the Nordic region. Spintab's funding program primarily focuses on markets in Europe and the U.S. Over the years it has therefore established strong relationships with important players in capital markets around the world. In essence, its strategy is to base funding on the entire balance sheet, which has proven highly successful to date. This approach is continuously reevaluated, however, to ensure optimal funding at any given time.

### Future outlook

One internal project especially relevant right now is EMU harmonization. This work is coordinated through a comprehensive project in the FöreningsSparbanken



Mikael Inglander, President

Group. Each business unit is responsible for its own projects, however, which in Spintab's case mainly involves a harmonization of technical systems. This resource-demanding work was begun in 2002 and will accelerate in the years to come.

Another project looking forward will be to bolster sales efforts in select markets. Large cities and major college towns are expected to be Sweden's biggest growth markets, and Spintab intends to increase its focus on Stockholm. The cooperation with local banks will be further enhanced and more resources for customer sales will be devoted to this important residential mortgage market. Spintab will continue to benefit from its internal sales support, comprehensive sales network, competitive loan products and customers' interest in turnkey solutions and personal advice. A number of new challenges face us and will or could affect Spintab's operations. Among them are:

- ◆ Draft of new capital adequacy rules, Basel II.
- ◆ New international accounting rules, including IAS 39.
- ◆ Swedish referendum on EMU.

- ◆ Draft bill on covered bonds.
- ◆ Draft of new European consumer credit directive.

Spintab can put another successful year in the books, with lending volume and results at their best levels ever. Our fine performance during the year was achieved thanks to the many competent and committed employees in the bank branches and at Spintab, who can be proud of their efforts. We have now begun a new year where we will work together to create new opportunities to meet our customers' financing needs to our mutual benefit.

Stockholm, February 4, 2003

Mikael Inglander  
President

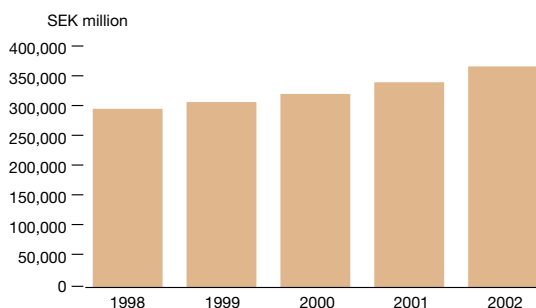
# Market

A number of events in the market in 2002 greatly affected mortgage rates, housing costs, and Spintab's refinancing and risk situation.

## Credit market

Loan demand in Sweden rose significantly in 2002. The mortgage market grew by approximately 5.4 percent. Spintab's lending totaled SEK 367.6 billion (341.0) at year-end, and its number of loans rose by slightly over 58,000.

Diagram 1: Spintab's lending volume, 1998-2002



The main reasons for the growing loan demand in recent years are rising home prices, low interest rates and a favorable trend in disposable income. Partly this is a shift through a transfer from bank-mortgage portfolios. A high volume of home and apartment sales has also affected lending. In 2002 approximately 55,000 single-family homes were sold in Sweden, against 54,000 in the previous year.

Table 1: Spintab's gross lending (average amount)

Sector	Number of loans 2002	Number of loans 2001	Average loan amount SEK 000s	
			2002	2001
Single-family homes	904,589	873,010	241	233
Condominiums	99,037	84,599	240	216
Agricultural real estate	55,691	44,151	377	416
Multi-family housing	21,330	20,475	3,639	3,602
Commercial properties, other	2,305	2,601	394	381

## Economy

Hopes of an international economic rebound in 2002 were dashed, and there are several indications that a recovery will have to wait. In the U.S., prospects of a domestically driven recovery are still relatively good, although a protracted downturn in the stock market and concerns about a possible war in the Middle East have held both consumer and capital spending in check, particularly in the last half year.

In Europe, 2002 started with a weak, export-led recovery, but the positive effects wore off during the year and were offset to some extent by the slowdown in the German economy.

Sweden has not seen a recovery, either, partly due to weaker export demand, which has resulted in lower order bookings and declining industrial production.

## Interest rates

Early in 2002, after signs of rising inflation in Sweden, the Riksbank raised its repo rate on two occasions by a combined 0.5 percentage points. During the autumn inflationary pressures subsided, giving the Riksbank cause to use monetary measures to stimulate the economy, which it did by cutting the repo rate by 0.5 percentage points overall. The inflation rate finished the year at around 2 percent, meeting the Riksbank's long-term target. In the euro zone, inflation was relatively high, due in part to the short-term effects of the introduction of euro bank notes and rising workforce expenses. This limited the opportunities of the European Central Bank, ECB, to stimulate the economy through monetary policy. Representatives of the ECB have repeatedly stated that the EU is in need of structural reform. The ECB cut interest rates by 0.5 percentage points, however, based on the EU's growth prospects for 2003.

In the U.S., the Federal Reserve continued to reduce interest rates, to a record low 1.25 percent at year-end 2002.

Table 2: The Riksbank's interest rate decisions in 2002

December 11	Repo rate 3.75 %	change - 0.25 %
November 20	Repo rate 4.00 %	change - 0.25 %
May 2	Repo rate 4.25 %	change + 0.25 %
March 20	Repo rate 4.00 %	change + 0.25 %

## The European Central Bank reduced interest rates once in 2002

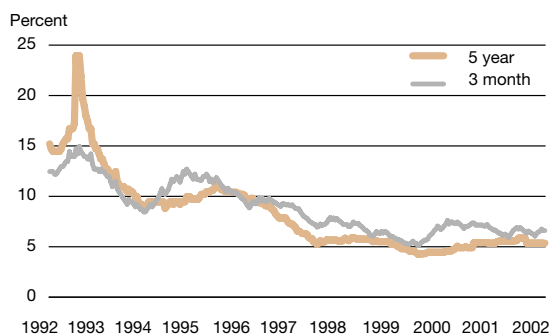
December 5	0.50 %	Reduction from 3.25% to 2.75 %
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## Swedish krona stronger in 2002

The value of the Swedish krona continued to fluctuate in 2002, but strengthened gradually to a level of 8.77 kronor against USD and 9.15 against the euro at year-end. The declining value of the dollar relative to European currencies was attributable partly to the short-term interest margin and partly to a risk aversion to investments in USD as well as concerns about financing for the U.S. budget deficit.

In November 2002 the parliament resolved that Sweden would hold a national referendum in September 2003 on whether to join or not the European Monetary Union, EMU. If the outcome referendum yes to join, Sweden probably would not become a member until 2006.

**Diagram 2: Spintab's 3-month and 5-year mortgage rates for single-family homes, 1992-2002**



A vote in favor of the euro would place major demands on Spintab's internal routines. Spintab already offers loans in euro, and if Sweden decides to join EMU it would be fair to assume that Swedish borrowers would increasingly demand euro loans while interest rates converge, in order to take advantage of a lower euro rate.

One effect of tying the krona to the euro is that it places greater demands on developing a well-diversified funding base outside Sweden's borders. This is a competitive advantage for Spintab, which is already an established player in the international credit market.

### Residential market

Prices of single-family homes continued to rise in 2002, and have risen without interruption since the mid-1990s. The strongest price gains during the year were in large cities and university cities, where the annual rate of increase was approximately 10 percent. Prices were weakest in Sweden's northernmost counties, where the annual rate of increase was approximately 3 percent.

Late in the year prices leveled off and in the fourth quarter half of all counties in Sweden were reporting stagnant or falling prices compared with the previous quarter.

Prices of multi-family housing leveled off in 2002. In Stockholm, Gothenburg and Malmö, prices were stagnant or slightly falling.

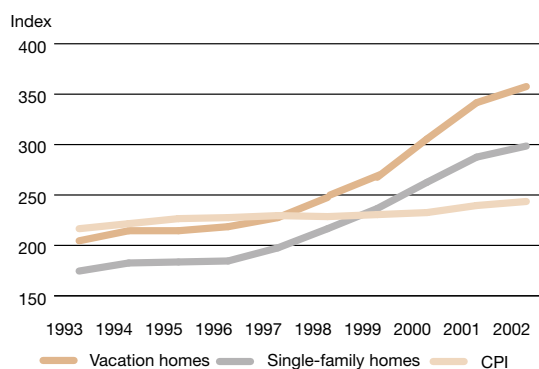
### Housing costs

Oil prices rose in late 2002 on the heels of the growing threat of war in the Middle East. For Swedish households, electricity prices also rose, which, together with higher energy taxes, will raise housing costs in 2003. Another reason for higher housing costs is property taxes.

The parliament cut the property tax on apartments from 0.7 to 0.5 percent and for single-family homes from 1.2 to 1.0 percent of their tax assessment value. But with substantially higher assessments, this still represents an increase in property taxes, particularly in large cities and certain popular coastal areas.

It is still too early to determine the long-term effect of higher taxes and energy prices on the real estate market. But it is likely to slow the market when also taking into account that disposable income will decline in the years ahead, primarily due to rising municipal and county taxes. Weaker real estate prices could lead to slower growth in demand for mortgages.

**Diagram 3: Trend in real estate prices, single-family and vacation homes, 1993-2002**



### New housing construction

Housing construction in Sweden remains at a low level. In recent years construction has been the lowest since before the First World War. From a trough in 1998 and 1999 of approximately 11,500 completed units per year, construction rose to about 15,500 units in 2001. Preliminary figures for 2002 point to an increase to approximately 17,000 units, which is still only a quarter of what housing construction was in the early 1990s.

Single-family homes have accounted for essentially the entire increase in recent years. The share of new rental apartments continues to decline. Of the apartments built in 2001, rentals accounted for 30 percent. In the early 1990s the corresponding figure was approximately 55 percent.

New housing construction is unevenly divided within the country, with the majority taking place in large cities and college towns. In 2001 these areas accounted for 75 percent of all apartments built.

# Loan portfolio

Spintab's loan portfolio is well diversified with a good geographic spread across the country. In general, operations have low exposure to credit and interest rate risks. The year's low loan losses are primarily attributable to efficient credit risk analysis and to the composition of the loan portfolio.

## Components of the loan portfolio

At year-end Spintab's loan portfolio consisted entirely of domestic loans. The portfolio, distributed by remaining interest fixing period, is shown in Table 3.

**Table 3: Spintab's loan portfolio distributed by remaining interest fixing period**

	Dec. 31, 2002		Dec. 31, 2001	
	SEK m.	percent	SEK m.	percent
< 1 year	196,248	53	162,355	48
1-2 years	69,080	19	66,836	19
2-3 years	34,740	10	46,381	14
3-4 years	29,652	8	23,240	7
4-5 years	19,795	5	22,117	6
> 5 years	18,130	5	20,068	6
<b>TOTAL</b>	<b>367,645</b>	<b>100</b>	<b>340,997</b>	<b>100</b>

## Lending distributed by collateral

Spintab's loans are granted to solvent borrowers against collateral in the form of real estate or individual condominiums as well as directly to communities and municipalities or to other borrowers with municipal guarantees as collateral. The large part of Spintab's operations involves single-family home financing. Approximately 60 percent of the total loan portfolio consists of such mortgages. Table 4 shows a distribution of the loan portfolio by types of collateral.

**Table 4: Spintab's loan portfolio in 2002 vs. 2001 on the basis of collateral, SEK million**

	Dec. 31, 2002		Dec. 31, 2001	
	SEK m.	percent	SEK m.	percent
Single-family homes	217,742	59	203,384	60
Individual condominiums	23,788	6	18,288	5
Agricultural real estate	20,982	6	18,355	5
Multi-family housing, incl. housing cooperatives	75,507	21	71,205	21
Municipalities, incl. govt. and municipal guarantees	27,822	8	27,713	8
Commercial properties, other	1,804	0	2,052	1
<b>TOTAL</b>	<b>367 645</b>	<b>100</b>	<b>340 997</b>	<b>100</b>



Martin Berne  
Chief loan officer

## Good geographical risk distribution

Spintab's lending has a good geographical risk spread throughout the country, as indicated by the comparison between each county's share of Sweden's population and Spintab's loan portfolio by county in Table 5.

**Table 5: Spintab's loan portfolio distributed by county**

County	Share of Spintab's loan portfolio, %	Share of Sweden's population, %
Stockholm	22.6	20.7
Uppsala	4.0	3.3
Södermanland	2.8	2.9
Östergötland	3.9	4.6
Jönköping	4.2	3.7
Kronoberg	2.1	2.0
Kalmar	3.2	2.6
Gotland	0.5	0.6
Blekinge	1.8	1.7
Skåne	12.6	12.8
Halland	3.2	3.1
Västra Götaland	15.8	16.9
Värmland	2.8	3.1
Örebro	3.2	3.1
Västmanland	3.6	2.9
Dalarna	2.9	3.1
Gävleborg	2.8	3.1
Västernorrland	1.7	2.7
Jämtland	1.2	1.4
Västerbotten	2.9	2.9
Norrbottn	2.2	2.8
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

A relatively low average loan amount and large number of loans positively affect the spread of risks in Spintab's loan portfolio.

## Loan losses

Spintab's aggregate loan losses in 2002 amounted to SEK 129 million (194), of which SEK 190 million (280) consisted of established losses. Provisions for anticipated loan losses decreased during the year to a net reversal of SEK 23 million (17). Recoveries from previous years' established losses amounted to SEK 38 million (70); see Table 6 on page 13 and Note 8.

## Loans to single-family home market

The single-family home market is Spintab's most



**Table 6: Loan losses distributed by category**

SEK million	Established 2002	Anticipated * 2002	Total 2002	Total 2001
Single-family homes	25	- 12	13	34
Condominiums	1	1	2	2
Multi-family housing	162	- 13	149	225
Agricultural real estate	2	1	3	3
Writedown of the value of properties taken over	0	-	0	0
Recoveries of previous years' established losses	- 38	-	- 38	- 70
<b>TOTAL</b>	<b>152</b>	<b>- 23</b>	<b>129</b>	<b>194</b>

\* Net change

important business area. Loan losses in this market are relatively limited. Spintab generally grants loans up to 75 percent of a property's estimated long-term market value.

The ratio of nonperforming loans to total loans in the private market is a good measure of private customers' solvency. The percentage of problem loans has decreased substantially since 1992-1993, when it reached its peak. According to Statistics Sweden, the household debt-to-asset ratio has fallen since 1990, when it was 0.86, to 0.6 on September 30, 2002. This indicates that households have a better margin to handle financial pressure today than they did a little over a decade ago.

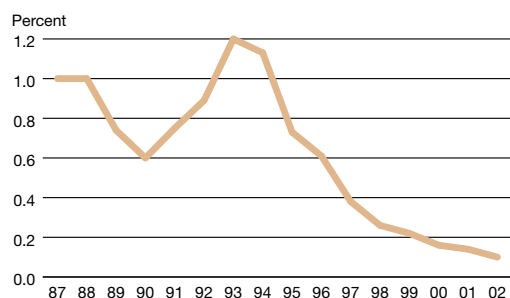
#### Problem loans

The volume of doubtful claims, after the deduction of provisions of SEK 462 million (484), amounted to SEK 167 million (142) as of December 31, 2002, corresponding to 0.05 percent (0.04) of total loans. In addition, loans with interest concessions amounted to SEK 31 million (82). Doubtful claims and loans with interest concessions together are defined as problem loans according to the Financial Supervisory Authority's regulations. See the definitions on page 39 and in Note 12

#### Nonperforming loans

Nonperforming loans in Spintab's loan portfolio, which have collateral whose value exceeds the Company's

**Diagram 4: Nonperforming loans as a percentage of total loans**



claim by a safe margin, are not classified as problem loans. At the same time, however, there are loans in the portfolio that are classified as problem loans but are not nonperforming – in other words, the borrower is currently paying both interest and installments on the principal. When the Company sets aside a provision against such a loan, it is reported in its entirety as a problem loan.

The total volume of problem and nonperforming loans, net, is shown in Table 7.

**Table 7: Spintab's problem and nonperforming loans, net**

Loan amount, SEK million	2002	2001	2000	1999
Single-family homes	190	260	288	427
Individual condominiums	18	11	8	12
Multi-family housing/ Commercial properties	97	115	258	806
Agricultural real estate	23	23	21	35
<b>TOTAL NONPERFORMING LOANS</b>	<b>328</b>	<b>409</b>	<b>575</b>	<b>1,280</b>
Doubtful but performing claims	194	140	205	309
Loans with interest concessions	31	82	106	127
Nonperforming and problem loans, net of which	553	631	886	1,716
housing cooperatives	204	255	286	727

Spintab's basic principle for managing nonperforming loans and doubtful claims is to avoid repossessing properties to protect claims. At year-end Spintab therefore had a small portfolio of such properties and condominiums with a total book value of SEK 1 million (1).

#### Credit control

Spintab has a well-developed support system and follow-up routines for monitoring credit risks at an aggregate level and by segment or geographic region. The close, active cooperation with FöreningsSparbanken, its partly owned banks and the independent savings banks helps to quickly identify and forestall potential credit risks. Through the FöreningsSparbanken Group's local presence, Spintab receives risk signals early on, when it has an opportunity to take action to reduce such risks. Spintab is responsible for ensuring that credit records maintain a high level of quality and that established policies and rules are followed.

#### New capital adequacy rules

Spintab has been working since the start of the year to develop new credit risk models based on the Basel Committee's draft of new capital adequacy rules. The new rules enter into force in 2006. The goal at Spintab is to report in accordance with the draft's IRB method. Another aim of developing new credit risk models is to be able to more clearly price the risks in individual commitments

# Funding

Spintab has been engaged in funding activities in Sweden and internationally for years. As a result, it is well known in international capital markets. By borrowing capital on its own, Spintab can benefit from its strong ratings, which is the result of the high quality of its loan portfolio. In the process, funding costs can be kept to a low level.

Spintab matches its funding primarily against the corresponding maturity dates of its lending. In recent years the interest fixing periods of its funding have become shorter due to customers' preference for loans with shorter fixed interest periods. This trend was reinforced by the perception during the year that short-term financing is more advantageous from an interest rate perspective than longer-term funding.

As a whole, this has significantly increased annual refinancing volumes for both funding and lending and meant that Spintab today has a markedly shorter interest fixing period than in its loan portfolio in the mid-1990s. In the long term Spintab expects household mortgage lending to continue to shift toward shorter maturities. In the short term the trend is dependent on economic prospects and the yield curve. In 2002 Spintab issued a total of SEK 128.8 billion (105.1) in securities with a maturity of more than one year.

## Well-diversified and efficient funding

Spintab is Scandinavia's largest issuer of bonds in international capital markets.

At year-end 2002 Spintab's funding was raised in around ten different currencies and is therefore well diversified, in line with the objective of maintaining a mix of 50 percent SEK funding and 50 percent other currencies. The outcome of the national referendum on EMU in 2003 could naturally lead to changes in this objective.

Spintab is also working to increase its funding in Hong Kong and Japan, markets with high demand for bonds from foreign issuers with high ratings.

Trading in bond markets around the world is facilitated by Spintab's stock exchange listings in Stockholm and London and its good ratings.



Jan Lilja  
Chief Financial Officer

## Ratings as of January 31, 2002

- ◆ Long-term ratings: Aa3 from Moody's Investors Service, AA- from Fitch.
- ◆ Short-term ratings: P-1 from Moody's Investors Service, A-1 from Standard & Poor's and F-1+ from Fitch.

The majority of Spintab's bond loans are listed on the Stockholm Stock Exchange. Certain bond loans are also listed in London. This means that Spintab has access to funding in all major international currencies. This has been a benefit in recent years, when domestic demand for bond loans has decreased due to the major changes in the National Pension Insurance Fund (AP) system and insurance companies' investment focus, among other factors.

On December 31, 2002 Spintab's outstanding bond loans totaled SEK 247 billion (212); see Note 20. The corresponding total for outstanding subordinated loans was SEK 4.0 billion (6.5).

Spintab's total funding distributed on the basis of the remaining interest fixing period is shown in Table 8.

Table 8: Funding distributed by interest fixing period \*

Interest fixing period	Dec. 31, 2002		Dec. 31, 2001	
	SEK m.	percent	SEK m.	percent
< 1 year	205,200	59	188,877	59
1-2 years	62,019	18	44,086	14
2-3 years	29,604	8	41,695	13
3-4 years	25,990	7	18,068	6
4-5 years	11,575	3	13,780	4
> 5 years	15,906	5	13,181	4
<b>TOTAL</b>	<b>350,294</b>	<b>100</b>	<b>319,687</b>	<b>100</b>

\* Book value excluding derivatives

A list of outstanding bonds and subordinated loans as of year-end 2002 is included in the annual report; see page 42.

## No exchange rate risks

Due to the portion of funding it raises internationally in foreign currency, Spintab assumes a potential exchange rate risk. However, all funding in foreign currency is combined with swap contracts that convert the foreign currency to SEK. Thus, the exposure to exchange rate



risks, despite extensive international funding in foreign currencies, is very limited. As of December 31, 2002 Spintab does not have any open currency positions.

Currency	Book value, SEK m.	percent
USD	86,340	54
EUR	48,438	30
GBP	14,985	9
HKD	6,177	4
JPY	2,227	1
NOK	1,972	1
CHF etc.	1,096	1
<b>TOTAL</b>	<b>161,235</b>	<b>100</b>

\* Liabilities are swapped in their entirety to SEK

### New instruments

The synthetic securitization of slightly over SEK 14 billion of the subsidiary FöreningsSparbanken Jordbrukskredit's loan portfolio in 2001 has provided valuable experience. Opportunities to implement various forms of securitization in Sweden and the demand for securitized Swedish assets have improved substantially in recent years. This form of financing helps to ensure that Spintab's capital is used efficiently and may well be utilized again.

The Ministry of Finance continued in 2002 to draft legislation on covered bonds. From Spintab's standpoint, the introduction of this instrument, which is similar to Germany's Pfandbrief system, would provide better security for bondholders. This is a benefit in that it creates greater competition neutrality in Europe. With today's market conditions, however, other funding alternatives are more cost effective.

### Capital adequacy

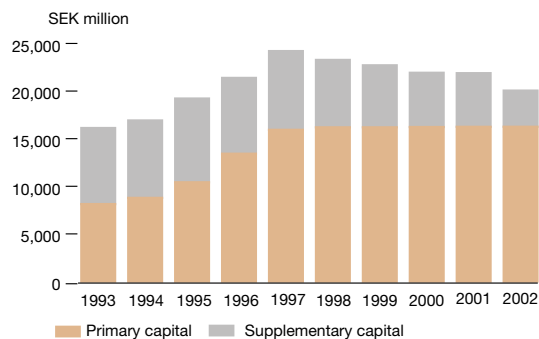
Spintab's Board of Directors decided to revise the capital adequacy objectives for 2002, which as of year-end was 11.0 percent (12.0). Of the total capital adequacy ratio, primary capital should account for 8.5-9.5 percent with a target of 9.0 (previously 9.0-10.0 with a target of 9.5). This change has been communicated with the rating agencies which have confirmed new capital ratio target adequate with current ratings.

Capital adequacy divided between primary and supplementary capital over the past ten years is illustrated in Diagram 5, which indicates that capital has been more efficiently used since 1997.

### Counterparty risks

Spintab's funding operations require a number of different counterparties for different types of financial transactions. All counterparties undergo a credit evaluation and are assigned a credit limit that is regularly monitored in relation to the risk exposure. In most cases, Spintab's counterparties have the same or better ratings than Spintab itself.

Diagram 5: Spintab's capital base 1993-2002



### Liquidity risks

Spintab's liquidity is relatively easy to forecast, since the due dates of its receipts and disbursements are known in advance. Liquidity exposure is also limited and is monitored regularly by Spintab and the FöreningsSparbanken Group. Spintab utilizes derivatives to reduce interest rate and exchange rate risks. By using interest rate swaps and forward contracts, the maturity structures of its funding and lending can be better matched and interest rate exposure reduced.

Table 10: Spintab's capital base and risk-weighted investments as of December 31, 2002, SEK million

Group:					
Capital base					
Total primary capital					16,252
Total supplementary capital					3,796
Total capital base					20,048
Calculation of risk-weighted investments					
Risk category	Balance sheet items	Off-balance sheet items <sup>1)</sup>	Total investments	Weighting ratio	Risk weighted amount
A	35,339	1,571	36,910	0%	-
B	12,759	5,370	18,129	20%	3,626
C	295,956	107	296,063	50%	148,031
D	33,715	-	33,715	100%	33,715
<b>TOTAL</b>	<b>377,769</b>	<b>7,048</b>	<b>384,817</b>		<b>185,372</b>

Capital adequacy ratio in percent = 10.81.

<sup>1)</sup> See Note 29.

### AB Spintab:

Capital base					
Total primary capital					16,079
Total supplementary capital					3,796
Total capital base					19,875

Calculation of risk-weighted investments

Risk category	Balance sheet items	Off-balance sheet items <sup>1)</sup>	Total investments	Weighting ratio	Risk weighted amount
A	54,143	1,571	55,714	0%	0
B	1,400	5,370	6,770	20%	1,354
C	295,956	107	296,063	50%	148,031
D	26,037	-	26,037	100%	26,037
<b>TOTAL</b>	<b>377,536</b>	<b>7,048</b>	<b>384,584</b>		<b>175,422</b>

Capital adequacy ratio in percent = 11.33.

<sup>1)</sup> See Note 29.

In a corresponding way, the exchange rate risks that arise from Spintab's funding in foreign currency are eliminated with the help of foreign exchange swaps and forward contracts.

#### Credit risks

The extent of Spintab's credit risk exposure to various counterparties arising through the use of derivatives can be estimated as the cost of replacing the derivatives at a specific point in time with their corresponding underlying instruments. Derivatives with a positive market value entail an increased counterparty exposure, as indicated in Note 28B.

#### Interest rate risks

In Spintab's operations, interest rate risks arise primarily as a result of differences in interest fixing periods in lending and funding. By matching the flow of capital and interest rates for the interest fixing periods it faces and by using derivatives, Spintab can reduce its interest rate risks to a limited net value. In spite of this, the operations still create a slight interest rate risk. This risk is limited, however, to within a range determined by the Board of Directors and is regularly monitored.

In principle, changes in interest rates and margins will gradually affect Spintab's profit as old loans are renewed at new terms or new loans are granted. Changes in the expense level and in loan losses naturally have a direct impact on profit, although their size in relation to revenues is limited.

**Table 11: Interest rate exposure with a parallel shift in the yield curve of +1 percentage point, distributed by maturing capital as of December 31, 2002**

SEK million	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total and thereafter
Lending	- 599	- 1,019	- 859	- 951	- 778	- 355	- 204	- 93	- 51	- 39	- 136	- 5,084
Interest rate swaps SEK	- 25	84	115	138	175	137	108	70	5	47	50	904
Funding	492	912	690	734	422	25	432	4	5	5	91	3,812
Subordinated debt	7	2	8	58	-	-	-	-	-	-	-	75
Portfolios	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL INTEREST RATE EXPOSURE</b>	<b>- 125</b>	<b>- 21</b>	<b>- 46</b>	<b>- 21</b>	<b>- 181</b>	<b>- 193</b>	<b>336</b>	<b>- 19</b>	<b>- 41</b>	<b>13</b>	<b>5</b>	<b>- 293</b>

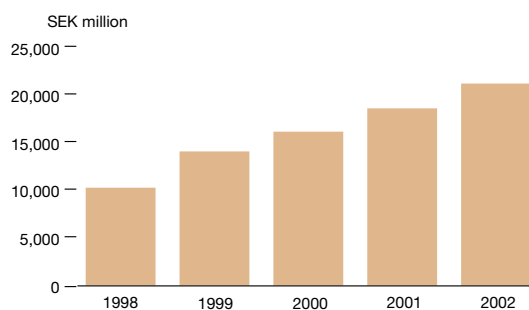
# Jordbrukskredit

FöreningsSparbanken Jordbrukskredit AB is a wholly owned subsidiary of AB Spintab. The company is an integral part of Spintab's operations, with responsibility for fixed-rate loans to the agricultural and forestry sectors.

The distribution network is essential to Jordbrukskredit's continued expansion and long-term profitability. For agricultural and forestry customers, the large number of local, specialized customer representatives is a major competitive factor. The branch network provides unmatched geographic distribution in Sweden as well.

Jordbrukskredit's funding is handled by Spintab. The synthetic securitization of approximately SEK 14 billion of Jordbrukskredit's loan portfolio in 2001 helped to bring to light the low risk level in the portfolio.

Diagram 6: Lending, net



## Growing market share

Jordbrukskredit has expanded rapidly in recent years. In 2002 lending rose by approximately SEK 2.6 billion to SEK 21 billion, and the market share continued to increase. The increase in first mortgage-like loans to Swedish forestry and agricultural customers is estimated at SEK 4 billion in 2002, of which Jordbrukskredit's share is about two thirds. Of total reported first mortgages of approximately SEK 53 billion, the company's market share is about 40 percent.

FöreningsSparbanken, together with its partly owned banks and the independent savings banks, remains the largest player in this segment.

## Market development

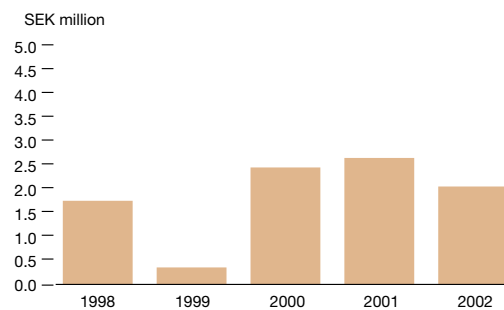
Loan demand in the agricultural and forestry sectors has



developed strongly in recent years, mainly as a result of an ongoing restructuring that is leading to larger, more mechanized units. In recent years several billion kronor have been invested in facilities for the production of animals. This has led to higher productivity and a better environment for employees and the animals they tend.

Increased demand for small farms within convenient distances of large cities has also contributed to demand for loans.

Diagram 7: Reported loan losses



## High credit quality

The market's development is affected to some extent by the EU's agricultural policies, which in some places has led to higher prices for farmland. In the loan application process, consideration is given to known changes and indications of future EU agricultural policy. Risk exposure has not been affected adversely and loan losses remained very low in 2002.

## Jordbrukskredit's Board of Directors

The President of the company is Sven-Erik Selerud.

The Board of Directors in 2002 consists of the Chairman, Mikael Inglander, and the following members: Frans Bergstrand, Göran Hogstadius, Krister Steen, Hans Birgersgård, Ulf Christoffersson, Lars-Erik Larsson, Hans Wennberg and Sven-Erik Selerud (President).





# Board of Directors' report

The Board of Directors and President of AB Spintab (publ), registration number 556003-3283, Stockholm, herewith submit their report for the year 2002, the Company's 117th year of business.

## The Spintab Group

AB Spintab (publ) is a wholly owned subsidiary of FöreningsSparbanken AB (publ), registration number 502017-7753, Stockholm. The Spintab Group consists of the Parent Company, AB Spintab (publ), and the wholly owned subsidiary FöreningsSparbanken Jordbrukskredit AB, registration number 556061-5592.

## Business concept

By utilizing high cost efficiency and low funding costs, Spintab provides customers of FöreningsSparbanken, its partly owned banks and Sweden's independent savings banks with competitive loans for the long-term financing of housing, municipal property holdings, agricultural properties and businesses with ties to the agricultural and forestry sectors.

## Board work during the year

During the year the Board of Directors held six meetings. The Board's work, which is governed by special instructions, was devoted during the year to, among other things, the following issues:

- ◆ Strategic business and sales issues,
- ◆ Activities and development issues,
- ◆ Operational and profit follow-ups,
- ◆ Strategic IT issues,
- ◆ EMU, and
- ◆ Instructions.

## Market

Loan demand in Sweden continued to rise significantly in 2002. There are several reasons for the increase, including rising housing prices, low interest rates and gains in disposable income. A high volume of home and apartment sales also affected lending. In 2002 approximately 55,000 single-family homes were sold in Sweden.

Prices of multi-family housing leveled off in 2002. In Stockholm, Gothenburg and Malmö, prices were stagnant or slightly falling. Late in the year oil prices rose on the heels of the growing threat of war in the Middle East. For Swedish households, electricity prices also rose,

which, together with higher energy taxes, will raise housing costs in 2003.

Hopes of an international economic rebound in 2002 were dashed, and indications are that a recovery will have to wait. In Sweden's case as well, a recovery has failed to materialize, due to, among other things, weaker export demand, which has caused lower order bookings and declining industrial production. The inflation rate fell within the Riksbank's long-term target at year-end. In the euro zone, inflation was relatively high, partly because of the short-term effects of the introduction of euro bank notes. The value of the Swedish krona continued to fluctuate in 2002, but strengthened gradually to 8.77 against USD and 9.15 against the euro.

## Sales

One of the main reasons for Spintab's strong position in the Swedish mortgage lending market is its effective sales network. Spintab's mortgages are sold primarily through the branches of FöreningsSparbanken, its partly owned banks and Sweden's independent savings banks, giving Spintab access to a network totaling 857 branches in Sweden. Local advisors are the key to sales. Their close relationships to customers, experience and competence in mortgage lending are vital to Spintab's business relations. It is also important that Spintab utilizes new sales opportunities, such as the Internet and telephone. To renew loans, lock in interest rates or increase loan amounts, the Internet bank is a good alternative for many customers. Spintab's online mortgage sales began in 2000 and continued to develop well last year.

## Products

For sales to be successful also requires a well-diversified product range adapted to the needs of various customers. Two major marketing activities involving the Interest Cap product were highlighted in 2002, resulting in positive customer reactions and increased sales.

## Competition

Competition in the mortgage lending market is high. Activity among niche and pure Internet banks has leveled off slightly, however. Spintab's strategic focus, with flexible products, widespread accessibility and close, local customer relationships, stands up well to the competition.

## Loan Portfolio

During the year Spintab's lending volume rose by SEK 26.6 billion, its highest volume growth ever in a single year. Spintab's outstanding loans totaled SEK 367.6 billion (341.0) at year-end. The number of loans increased by



slightly over 58,000. Lending distributed by sector is indicated in Table 12.

Spintab's loan portfolio is well spread across Sweden. In general, operations have low exposure to credit and interest rate risks and loans are granted only to solvent borrowers. The large part of Spintab's operations involves single-family home financing, its most important business area. Approximately 60 percent of the total loan portfolio consists of such mortgages. Spintab's loan losses decreased during the year and are now at the lowest level for the last ten years i.e SEK 129 million (194).

#### Funding

Spintab has been engaged in funding activities in Sweden and internationally for years and is a well-known issuer in international capital markets. Funding is matched primarily against the corresponding maturity dates of lending. At year-end 2002 Spintab's funding was raised in around ten different currencies and is therefore well diversified. Work continued in 2002 on draft legislation for covered bonds. From Spintab's standpoint, the introduction of this instrument would be a benefit in that it creates greater competition neutrality in Europe.

#### Exchange rate risks

Spintab eliminates the potential exchange rate risk that arises due to its international funding with swap con-

tracts that convert foreign currency to SEK. Thus, the exposure to exchange rate risks, despite extensive international funding in foreign currencies, is very limited. Spintab does not have any open currency positions as of December 31, 2002.

#### Interest rate risks

In Spintab's operations, interest rate risks arise primarily as a result of differences in interest fixing periods in lending and funding. By matching the flow of capital and interest rates by time for interest fixing periods and by using derivatives, Spintab can reduce its interest rate risks to a limited net value.

#### Liquidity risks

Spintab's liquidity is relatively easy to forecast, since the due dates of its receipts and disbursements are known in advance. Liquidity exposure is also limited and is monitored regularly by Spintab and the FöreningsSparbanken Group.

#### Capital adequacy

Spintab's Board of Directors decided to revise the capital adequacy objective. At year-end the objective for Spintab was 11.0 percent. Of the total capital adequacy ratio, primary capital should account for 8.5-9.5 percent with a target of 9.0.

Table 12: 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	268,883	22		52	268,809	26	183
Real estate management	80,962	265	101		80,596	238	151
Other corporate lending	7,683	7			7,676	5	22
Municipalities	7,649				7,649		
Other	2,930	15			2,915		
<b>TOTAL</b>	<b>368,107</b>	<b>309</b>	<b>101</b>	<b>52</b>	<b>367,645</b>	<b>269</b>	<b>356</b>

Spintab works actively to ensure efficient capital adequacy. One example is its new rules to comply with Basel II. Spintab intends to take advantage of the opportunities that are created to further improve efficiency in its use of capital.

#### **Profit analysis**

Operating profit for the Spintab Group amounted to SEK 3,839 million (3,487). The return on equity was 15.9 percent (14.5). Operating and profit trends during the last five years are indicated in the key ratios and condensed profit and loss account and balance sheet on pages 6-7.

Net interest income rose by 8 percent to SEK 4,547 million. The interest margin has declined slightly, so the increase is the result of a larger loan portfolio. Commissions payable rose by SEK 57 million due to higher commissions paid to the independent savings banks and partly owned banks for loans they arranged. Other income declined by SEK 19 million mainly because a reimbursement of value-added tax from 1995 was reported as income in 2001.

Operating expenses declined by SEK 19 million from 2001, which is due largely to lower staff costs after the large part of the personnel was transferred to Förenings-Sparbanken, which now handles most business functions on behalf of Spintab. Staff costs and the number of employees are specified in Note 5. Other administrative expenses were also lower in 2002. A distribution of these expenses is specified in Note 6.

Loan losses amounted to SEK 129 million, a decrease of SEK 65 million compared with 2001. The loan loss level is low by historical standards at 0.04 percent of the outstanding loan volume, compared with 0.06 percent in 2001. Loan losses are further specified in Note 8.

#### **Highlights following the conclusion of the year**

- ◆ A new EUR 2.5 billion commercial paper program has been prepared for the French domestic market.
- ◆ The ECP program was updated to a limit of EUR 6 billion.
- ◆ A new bond loan with a volume of SEK 3 billion, Spintab 173, reached benchmark status.

# Profit and loss account

SEK million	Note	Group		AB Spintab	
		2002	2001	2002	2001
Interest receivable		21,449	20,520	21,184	20,283
Interest payable		- 16,902	- 16,319	- 16,924	- 16,321
<b>NET INTEREST INCOME</b>	<b>1</b>	<b>4,547</b>	<b>4,201</b>	<b>4,260</b>	<b>3,962</b>
Dividends received from Group companies		-	-	250	201
Commissions receivable	2	42	43	36	37
Commissions payable	3	- 483	- 426	- 445	- 393
Net profit on financial operations	4	- 3	- 2	- 3	- 2
Other operating income		11	30	11	28
<b>TOTAL INCOME</b>		<b>4,114</b>	<b>3,846</b>	<b>4,109</b>	<b>3,833</b>
Staff costs	5	- 23	- 35	- 22	- 30
Other administrative expenses	6	- 108	- 117	- 105	- 114
Depreciation of tangible fixed assets	7	- 14	- 8	- 14	- 8
Other operating expenses		- 1	- 5	- 1	- 4
<b>TOTAL EXPENSES</b>		<b>- 146</b>	<b>- 165</b>	<b>- 142</b>	<b>- 156</b>
<b>PROFIT BEFORE LOAN LOSSES</b>		<b>3,968</b>	<b>3,681</b>	<b>3,967</b>	<b>3,677</b>
Loan losses, net	8	- 129	- 194	- 127	- 191
<b>OPERATING PROFIT BEFORE APPROPRIATIONS AND TAXES</b>		<b>3,839</b>	<b>3,487</b>	<b>3,840</b>	<b>3,486</b>
Appropriations					
Change in tax allocation reserve		-	-	5	405
Taxes	9	- 1,075	- 976	- 1,077	- 1,089
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>2,764</b>	<b>2,511</b>	<b>2,768</b>	<b>2,802</b>



# Balance sheet

SEK million	Note	Group		AB Spintab	
		2002	2001	2002	2001
<i>Assets</i>					
Cash and bank balances					
Treasury bills and other bills eligible for refinancing with central banks					
	10	100	50	100	50
	11	6,597	1,650	26,094	18,738
	12	367,645	340,997	346,655	322,633
	13	2	2	2	2
	14	–	–	1,150	950
	15	32	14	32	14
	16	1,692	2,149	1,937	2,342
	17	3,295	3,149	3,159	3,052
<b>TOTAL ASSETS</b>		<b>379,363</b>	<b>348,011</b>	<b>379,129</b>	<b>347,781</b>
Group receivables					
	18				
Parent Company		5,512	1,861	5,421	1,750
Subsidiaries		–	–	21,017	18,395
Assets pledged					
		2,657	674	2,657	674
		100	50	100	50
Commitments					
		6,135	4,852	5,738	4,632
<i>Liabilities, provisions and shareholders' equity</i>					
<i>Liabilities</i>					
Amounts owed to credit institutions					
	19	12,717	17,524	12,717	17,524
Debt securities in issue					
	20	333,577	295,649	333,577	295,644
Other liabilities					
	21	6,252	6,368	6,236	6,360
Accruals and deferred income					
	22	6,526	5,666	6,480	5,622
Provisions					
	23	40	45	1	4
Subordinated liabilities					
	24	4,000	6,514	4,000	6,514
<b>TOTAL LIABILITIES AND PROVISIONS</b>		<b>363,112</b>	<b>331,766</b>	<b>363,011</b>	<b>331,668</b>
Untaxed reserves					
	25	–	–	138	143
Shareholders' equity					
	26				
		11,500	11,500	11,500	11,500
		3,353	3,357	3,100	3,100
		– 1,366	– 1,123	– 1,388	– 1,432
		2,764	2,511	2,768	2,802
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>16,251</b>	<b>16,245</b>	<b>15,980</b>	<b>15,970</b>
<b>TOTAL LIABILITIES, PROVISIONS AND SHAREHOLDERS' EQUITY</b>		<b>379,363</b>	<b>348,011</b>	<b>379,129</b>	<b>347,781</b>
Group liabilities to Parent Company					
	18	35,956	36,072	35,956	36,072
Contingent liabilities					
	29	249,096	248,814	249,096	248,814

# Condensed statement of cash flows

SEK million, January-December	Group		AB Spintab	
	2002	2001	2002	2001
<i>Liquid assets at beginning of period*</i>	1,143	3,361	18,232	18,122
<b>Operating activities</b>				
Operating profit	3,839	3,487	3,839	3,485
Adjustments for non-cash items, including taxes paid	728	- 6	768	17
Increase/decrease in loans to the public	- 26,777	- 19,859	- 24,150	- 17,408
Increase/decrease in holdings of securities classified as current assets	-	-	-	-
Increase/decrease in borrowings from the public, including retail bonds	254	- 706	1,254	- 706
Increase/decrease in amounts owned to credit institutions	- 6,797	7,423	- 6,797	7,431
Change in other assets and liabilities, net	89	- 511	26	- 563
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>- 28,664</b>	<b>- 10,172</b>	<b>- 25,060</b>	<b>- 7,744</b>
<b>Investing activities</b>				
Change in fixed assets	- 33	- 1	- 233	- 101
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>- 33</b>	<b>- 1</b>	<b>- 233</b>	<b>- 101</b>
<b>Financing activities</b>				
Issuance of interest-bearing securities	128,838	105,921	127,843	105,921
Redemption of interest-bearing securities	- 96,134	- 116,449	- 96,134	- 116,449
Increase/decrease in other funding	2,458	21,583	2,458	21,583
Group contributions paid	- 3,459	- 3,100	- 3,459	- 3,100
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>31,703</b>	<b>7,955</b>	<b>30,708</b>	<b>7,955</b>
Cash flow for the period	3,006	- 2,218	5,415	110
<b>LIQUID ASSETS AT END OF PERIOD *</b>	<b>4,149</b>	<b>1,143</b>	<b>23,647</b>	<b>18,232</b>
* Of which securities pledged for OM, etc.				
- at beginning of period	50	10	50	10
- at end of period	100	50	100	50

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, other bills and mortgage bonds eligible for refinancing with Sveriges Riksbank, taking into account repos and short-selling.

# Accounting principles

The Spintab Group's annual financial statements have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulations of the Swedish Financial Supervisory Authority.

## Consolidated accounting

The consolidated accounts have been prepared in accordance with the purchase method of accounting and comprise AB Spintab (publ) and the wholly owned subsidiary FöreningsSparbanken Jordbrukskredit AB.

## Transaction day accounting

In the case of trades in, or the issuance of, financial instruments, transactions are reported as of the point in time when the significant risks and rights are transferred between parties. This principle does not apply, however, to demand loans and repurchase agreements.

## Hedge accounting

With the exception of any holdings of financial instruments held for cash management purposes, Spintab consistently applies hedge accounting using acquisition values for financial assets and liabilities both on and off the balance sheet. With hedge accounting using acquisition values, the reporting of unrealized gains and losses is deferred. This method does, however, provide the fairest indication of Spintab's earnings and financial position.

## Financial current assets

Financial instruments not intended to be held until maturity are reported as current assets and are held partly for cash management purposes and partly to reduce interest rate risks in funding.

For financial instruments held as part of cash management operations, their book value is the market value at the end of each accounting period. To the extent Spintab's own bonds are included in cash management operations, they are not offset against the bond liability. Realized and unrealized exchange rate gains and losses are reported under "Net profit on financial operations."

Financial instruments that are held as a hedge against interest rate risks in fixed interest funding are valued at accrued cost. In their case, hedge accounting using acquisition values is applied.

Premiums and discounts that arise in the acquisition of fixed interest financial instruments are entered as income in such a way that a constant effective yield is obtained over their term corresponding to the market rate of interest on the date of acquisition. In addition, the accrued exchange rate difference is included as part of the value of the protected funding.

If the interest rate risk protection is divested prior to the funding it protects, the price differences realized through its sale are amortized over the remaining interest fixing period of the protected funding.

## Financial fixed assets

Loan receivables are classified as financial fixed assets and reported after the deduction of established and anticipated loan losses.

The interest income compensation that arises when fixed interest loan receivables are prepaid is accrued over the remaining maturity of the prepaid loan.

## Financial liabilities

Premiums and discounts that arise in the issuance of fixed interest financial instruments are entered as income in such a way that a constant effective yield is obtained over their term corresponding to the market rate of interest on the issue date.

Accrued premiums and discounts are included in the financial instrument's book value.

Financial liabilities in foreign currency are protected against movements in exchange rates through combined interest rate and currency swaps and forward exchange contracts. Due to hedge accounting, they are valued at the exchange rate on the date the currency hedge went into effect.

Price differences realized through the repurchase of the Company's own financial instruments in order to reduce the interest rate exposure in funding and lending are amortized over the remaining interest fixing period of the repurchased instruments.

## Derivatives

Hedge accounting is applied for derivatives held solely for the purpose of eliminating interest rate and exchange rate risks in fixed interest lending and funding. They are therefore reported at cost or, when applicable, accrued cost. Moreover, in the case of currency-related derivatives, they are valued at the exchange rate on the day they were acquired. If these derivatives are divested prior to the lending or funding they protect, the exchange rate gain or loss is accrued over the remaining interest fixing period of the protected financial asset or liability.

For derivatives held for cash management purposes, their book value is the market value on the closing date. Realized and unrealized exchange rate gains and losses are reported under "Net profit on financial operations."

#### **Provisions for anticipated losses**

Claims are reported at no more than the value at which they are expected to be recovered.

Writedowns of anticipated loan losses are made on doubtful claims if the solvency of the borrower is not expected to improve sufficiently within two years. A writedown is made to the amount expected to be recovered in light of the value of the collateral.

When determining provisions for loan losses, an individual assessment is made of loans and guarantees.

Collateral in the form of mortgages on real estate is valued with the help of a cash flow method based on market analyses, which are applied to a model in which cash flows during a specific calculation period, together with the future residual value, are discounted to present value.

For homogenous groups of claims with limited value and similar credit risks, collective valuations have been applied. Valuations are based on previous experience with actual loan losses and estimations of probable losses for the groups in question.

#### **Accrued interest on nonperforming loans and doubtful claims**

In cases of nonperforming loans where the value of the collateral covers both principal and unpaid interest by a satisfactory margin, the interest is entered as income up to a maximum of 15 percent of the outstanding principal.

Otherwise, no accrued or overdue interest is entered as income.

Of the mortgages valued collectively, a certain percentage, based on experience, is presumed to be doubtful claims, for which interest has not been entered as income. Accrued or unpaid interest on individual condominiums is not entered as income.

The writedown of accrued or overdue interest on doubtful claims entered as income in previous years' accounts is reported as a loan loss.

#### **Property taken over to protect claims**

Property taken over to protect claims has been valued at the lower of acquisition value and market value less sales expenses. Market value is determined by an internal appraiser. Each property is assessed individually.

#### **Depreciation**

Equipment is depreciated according to plan at 20 percent of cost.

#### **Taxes**

Deferred tax has been calculated based on temporary differences, tax loss carry forwards and other future tax deductions. A temporary difference is the difference between an asset or liability's reported value and its value for tax purposes.

#### **Other**

In cases where changes have been made in the principles for classifying items in the balance sheet and profit and loss account, comparable figures have been adjusted for previous years, unless otherwise indicated.

# Notes to the financial statements

## NOTE 1 – NET INTEREST INCOME

Group SEK million	2002		2001	
	Interest	Average balance	Interest	Average balance
<b>INTEREST RECEIVABLE</b>				
Credit institutions	630	14,055	374	7,714
SEK	630	14,055	374	7,714
Loans to the public	20,813	353,276	20,143	330,966
SEK	20,812	353,250	20,142	330,953
Foreign currency	1	27	1	13
Interest-bearing securities	6	140	3	74
SEK	6	140	3	74
Other	–	–	–	–
<b>TOTAL</b>	<b>21,449</b>		<b>20,520</b>	
SEK	21,448		20,519	
Foreign currency	1		1	
<b>INTEREST PAYABLE</b>				
Credit institutions	686	15,183	522	11,801
SEK	685	15,156	521	11,788
Foreign currency	1	27	1	13
Deposits and borrowings from the public	–	–	–	–
Debt securities in issue	15,827	325,488	15,335	300,286
SEK	8,632	160,100	9,629	171,810
Foreign currency	7,195	165,388	5,706	128,476
Subordinated liabilities	382		455	
SEK	3		3	
Foreign currency	379		452	
Other	7		6	
SEK	7		6	
<b>TOTAL</b>	<b>16,902</b>		<b>16,319</b>	
SEK	9,327		10,160	
utländsk valuta	7,575		6,159	
<b>TOTAL NET INTEREST</b>	<b>4,547</b>		<b>4,201</b>	
SEK	12,121		10,359	
Foreign currency	– 7,574		– 6,158	
<b>TOTAL AVERAGE BALANCE, ASSETS</b>		<b>374,841</b>		<b>344,349</b>
<b>TOTAL AVERAGE BALANCE, LIABILITIES</b>		<b>357,452</b>		<b>330,210</b>
Interest margin		1.01		1.02
Investment margin		1.22		1.22
Average interest rate on loans to the public		5.89		6.08
Interest receivable on securities classified as current assets		6		3

AB Spintab SEK million	2002		2001	
	Interest	Average balance	Interest	Average balance
<b>INTEREST RECEIVABLE</b>				
Credit institutions	1,463	32,340	1,112	23,623
SEK	1,463	32,340	1,112	23,623
Foreign currency	0	0	–	–
Loans to the public	19,715	332,286	19,168	313,897
SEK	19,714	332,259	19,167	313,884
Foreign currency	1	27	1	13
Interest-bearing securities	6	140	3	74
SEK	6	140	3	74
Other	–	–	–	–
<b>TOTAL</b>	<b>21,184</b>		<b>20,283</b>	
SEK	21,183		20,282	
Foreign currency	1		1	
<b>INTEREST PAYABLE</b>				
Credit institutions	686	15,183	522	11,801
SEK	685	15,156	521	11,788
Foreign currency	1	27	1	13
Deposits and borrowings from the public	–	–	–	–
Debt securities in issue	15,827	325,483	15,337	300,281
SEK	8,632	160,095	9,631	171,805
Foreign currency	7,195	165,388	5,706	128,476
Subordinated liabilities	382		456	
SEK	3		4	
Foreign currency	379		452	
Other	29		6	
SEK	29		6	
<b>TOTAL</b>	<b>16,924</b>		<b>16,321</b>	
SEK	9,349		10,162	
Foreign currency	7,575		6,159	
<b>TOTAL NET INTEREST</b>	<b>4,260</b>		<b>3,962</b>	
SEK	11,834		10,120	
Foreign currency	– 7,574		– 6,158	
<b>TOTAL AVERAGE BALANCE, ASSETS</b>		<b>371,900</b>		<b>344,086</b>
<b>TOTAL AVERAGE BALANCE, LIABILITIES</b>		<b>355,239</b>		<b>330,210</b>
Interest margin		0.93		0.95
Investment margin		1.15		1.15
Average interest rate on loans to the public		5.93		6.11
Interest receivable on securities classified as current assets		6		3

## NOTE 2 – COMMISSIONS RECEIVABLE

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Payment commissions	42	43	36	37
<b>TOTAL</b>	<b>42</b>	<b>43</b>	<b>36</b>	<b>37</b>

## NOTE 3 – COMMISSIONS PAYABLE

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Commissions payable to independent savings banks and partly owned banks	442	384	404	351
National Housing Credit Guarantee Board fees	13	15	13	15
Market maker fees	20	21	20	21
Other	8	6	8	6
<b>TOTAL</b>	<b>483</b>	<b>426</b>	<b>445</b>	<b>393</b>

**NOTE 4 – NET PROFIT ON FINANCIAL OPERATIONS**

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
<i>Capital gains/losses</i>				
Other financial instruments	1.2	- 1.7	1.2	- 1.7
<b>TOTAL</b>	<b>1.2</b>	<b>- 1.7</b>	<b>1.2</b>	<b>- 1.7</b>
<i>Unrealized changes in value</i>				
Other financial instruments	- 3.7	-	- 3.7	-
<b>TOTAL</b>	<b>- 3.7</b>	<b>-</b>	<b>- 3.7</b>	<b>-</b>
Changes in exchange rates	- 0.5	0.1	- 0.5	0.1
<b>TOTAL</b>	<b>- 3.0</b>	<b>- 1.6</b>	<b>- 3.0</b>	<b>- 1.6</b>

**NOTE 5 – STAFF COSTS**

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Wages, salaries and remuneration				
To the Board of Directors, President and Executive Vice President	4	5	4	4
of which, bonuses	0	0	0	0
Other senior executives	10	16	9	14
Social insurance charges	5	8	5	7
Pension costs	3	2	3	2
Training costs	1	1	1	1
Other staff costs	0	3	0	2
<b>TOTAL</b>	<b>23</b>	<b>35</b>	<b>22</b>	<b>30</b>

An allocation of SEK 0.3 million was made to the Kopparmyntet employee profit-sharing fund for the Group and SEK 0.3 million for AB Spintab (including special employer's contribution). Costs for pension commitments for the current and former President and Executive Vice President amounted to SEK 0.9 million in the Group and SEK 0.7 million in AB Spintab. Pension benefits for the President apply from age 60 at 70 percent of salary. Pension commitments have been secured through insurance policies or pension funds. If terminated by the Company, the President will receive his salary during a 12-month term of notice. To this is added severance pay for 12 months. A settlement is made if he obtains new employment. The average number of employees in the Group in 2002, based on hours worked (with normal working hours per year of 1,570) was 19, of whom 18 were employed by AB Spintab. Of the Group's employees, 13 were men and six women, of whom 12 men and six women were employed by AB Spintab.

**NOTE 6 – OTHER ADMINISTRATIVE EXPENSES**

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Rents and other expenses for premises	22	18	22	17
IT expenses	34	35	34	35
Telecommunications, postage	16	16	16	16
Consulting fees	11	16	11	16
Advertising, public relations, marketing	4	7	3	6
Other	21	25	19	24
<b>TOTAL</b>	<b>108</b>	<b>117</b>	<b>105</b>	<b>114</b>

Spintab pays compensation to FöreningsSparbanken in accordance with an outsourcing agreement. The compensation covers costs for personnel administration, premises, IT and other administrative expenses.

Expenses for premises have been paid for outsourced personnel.

Compensation paid to the Group's auditors for accounting work and consultations

SEK million	Group		AB Spintab	
	2002	2002	2002	2002
	Accounting	Consultation	Accounting	Consultation
Deloitte & Touche	0.7	0.4	0.7	0.4
Ernst & Young	0.1	-	0.1	-
PMAC AB	0.1	-	0.1	-
<b>TOTAL</b>	<b>0.9</b>	<b>0,4</b>	<b>0.9</b>	<b>0.4</b>

**NOTE 7 – DEPRECIATION OF TANGIBLE FIXED ASSETS**

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Equipment	14	8	14	8
<b>TOTAL</b>	<b>14</b>	<b>8</b>	<b>14</b>	<b>8</b>

## NOTE 8 – LOAN LOSSES, NET

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
<b>Claims assessed individually</b>				
The year's write-off for established loan losses	164	240	163	238
Reversal of previous provisions for anticipated loan losses reported in the year's accounts as established	- 87	- 160	- 87	- 160
The year's provisions for anticipated loan losses	25	135	24	134
Recoveries from previous years' established loan losses	- 33	- 65	- 33	- 65
Recovered provisions for anticipated loan losses	- 51	- 108	- 51	- 108
<b>The year's net expense</b>	<b>18</b>	<b>42</b>	<b>16</b>	<b>39</b>
<b>Collective provisions for claims assessed individually</b>				
<b>Allocation to/withdrawal from collective provisions</b>	<b>101</b>	<b>121</b>	<b>101</b>	<b>121</b>
<b>Collectively assessed homogenous groups of claims with limited value and similar credit risk</b>				
The year's write-off for established loan losses	26	40	26	40
Recoveries from previous years' established loan losses	- 5	- 5	- 5	- 5
Allocation to/withdrawal from loan loss reserve	- 11	- 4	- 11	- 4
<b>The year's net expense for claims assessed collectively</b>	<b>10</b>	<b>31</b>	<b>10</b>	<b>31</b>
<b>The year's net loan loss expense</b>	<b>129</b>	<b>194</b>	<b>127</b>	<b>191</b>

## NOTE 9 – TAXES

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Income tax for the period	2	119	2	114
Tax related to previous years	2	5	2	5
Deferred tax on Group contributions paid	1,072	969	1,072	969
Deferred tax on change in tax allocation reserve	- 2	- 118	-	-
Deferred tax on contractual pension allocations	1	1	1	1
<b>TOTAL</b>	<b>1,075</b>	<b>976</b>	<b>1,077</b>	<b>1,089</b>

### Group

The tax charge represents 28.0 percent of the Group's profit before tax.

The difference between the Group's tax charge and the tax charge based on current tax rates is explained below:

SEK million	SEK million	Percent
Tax charge	1,075	28.0
Tax charge, 28% of profit before tax	1,075	28.0
<b>DIFFERENCE</b>	<b>0</b>	<b>0.0</b>
The difference consists of the following items		
Additional tax for previous years	2	
Tax-exempt income/non-deductible expenses	- 2	
<b>TOTAL</b>	<b>0</b>	

### AB Spintab

The tax charge represents 28.0 percent of AB Spintab's profit before tax.

The difference between AB Spintab's tax charge and the tax charge based on current tax rates is explained below:

SEK million	SEK million	Percent
Tax charge	1,077	28.0
Tax charge, 28% of profit before tax	1,077	28.0
<b>DIFFERENCE</b>	<b>0</b>	<b>0.0</b>
The difference consists of the following items		
Additional tax for previous years	2	
Tax-exempt income/non-deductible expenses	- 2	
<b>TOTAL</b>	<b>0</b>	



**NOTE 10 – TREASURY BILLS AND OTHER BILLS ELIGIBLE FOR REFINANCING WITH CENTRAL BANKS, CURRENT ASSETS**

SEK million	Accrued acquisition	Fair value	Book value	Nominal value
<b>Group, 2002</b>				
Treasury bills (listed)	100	100	100	100
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Group, 2001</b>				
Treasury bills (listed)	50	50	50	50
<b>TOTAL</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>AB Spintab, 2002</b>				
Treasury bills (listed)	100	100	100	100
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>AB Spintab, 2001</b>				
Treasury bills (listed)	50	50	50	50
<b>TOTAL</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>

**NOTE 11 – LOANS TO CREDIT INSTITUTIONS**

SEK million	Group		AB Spintab	
Current assets	2002	2001	2002	2001
Banks	6,597	1,650	6,506	1,539
Credit market companies	–	–	10,438	11,299
<b>TOTAL</b>	<b>6,597</b>	<b>1,650</b>	<b>16,944</b>	<b>12,838</b>
Fixed assets				
Credit market companies	–	–	9,150 <sup>1)</sup>	5,900 <sup>1)</sup>
<b>TOTAL</b>	<b>–</b>	<b>–</b>	<b>9,150</b>	<b>5,900</b>
<b>TOTAL</b>	<b>6,597</b>	<b>1,650</b>	<b>26,094</b>	<b>18,738</b>

<sup>1)</sup> Of which, SEK 410 million consists of subordinated assets in both 2001 and 2002.

**NOTE 12 – LOANS TO THE PUBLIC, FIXED ASSETS**

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Accrued acquisition value (before accounting for provisions)	368,107	341,481	347,114	323,115
Specific provisions for claims assessed individually	– 309	– 300	– 306	– 298
Collective provisions for claims assessed individually	– 101	– 121	– 101	– 121
Provisions for collectively valued homogenous groups of claims with limited value and similar credit risk	– 52	– 63	– 52	– 63
<b>TOTAL PROVISIONS</b>	<b>– 462</b>	<b>– 484</b>	<b>– 459</b>	<b>– 482</b>
<b>BOOK VALUE</b>	<b>367,645</b>	<b>340,997</b>	<b>346,655</b>	<b>322,633</b>
Total provision ratio for doubtful claims, %	73.4	77.3	73.9	77.8
Provision ratio for doubtful claims identified individually, %	57.3	57.6	57.6	58.2
Book value of doubtful claims (unsettled)	269	263	264	258
Share of doubtful claims, %	0.05	0.04	0.05	0.04
Book value of nonperforming loans not included in doubtful claims and where interest is entered as income	356	407	334	384
<b>Restructured and reclassified claims:</b>				
Book value of claims restructured during the fiscal period before restructuring	135	130	135	130
Book value of claims restructured during the fiscal period after restructuring	88	98	88	98
Book value of doubtful claims returned in status to normal claims during the fiscal period	84	157	84	157

The number of loans on December 31, 2002 was 1,085,282 (1,027,485), with 1,029,591 (983,334) in AB Spintab. Outstanding loans to the President and Executive Vice President amount to SEK 2,030,000 (2,030,000) in the Group and SEK 900,000 (900,000) in AB Spintab. The corresponding amounts for Board members and deputies are SEK 11,686,000 (15,525,000) in the Group and SEK 4,209,000 (6,011,000) in AB Spintab. All loans are secured by mortgages on real estate or condominiums.

**NOTE 13 – SHARES AND PARTICIPATING INTERESTS**

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Current assets				
Condominiums purchased for protection of claims	1	1	1	1
Fixed assets				
Condominium shares	1	1	1	1
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

**NOTE 14 – SHARES IN GROUP COMPANIES, FIXED ASSETS**

Shares in subsidiaries SEK million AB Spintab's shareholdings, Dec. 31, 2002	Number	Par, SEK/share	Book value
FöreningsSparbanken Jordbrukskredit AB <sup>1)</sup> 100 %	1,240,000	500	1,150
<b>TOTAL</b>	<b>1,240,000</b>	<b>500</b>	<b>1,150</b>

<sup>1)</sup> Credit institution with registration number 556061-5592, Stockholm.

**NOTE 15 – TANGIBLE ASSETS**

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Fixed assets				
Equipment				
Acquisition value	94	62	94	62
– of which, purchased equipment	32	1	32	1
– of which, sold equipment	–	– 13	–	– 13
Accumulated depreciation	– 62	– 48	– 62	– 48
– of which, depreciation for the year	– 14	– 8	– 14	– 8
– of which, sold equipment	–	– 13	–	– 13
<b>TOTAL</b>	<b>32</b>	<b>14</b>	<b>32</b>	<b>14</b>

There were no properties taken over to protect claims as of year-end 2002.

**NOTE 16 – OTHER ASSETS**

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Group contributions from subsidiaries	–	–	250	201
Accrued interest, derivatives	1,414	1,515	1,414	1,515
Other	278	634	273	626
<b>TOTAL</b>	<b>1,692</b>	<b>2,149</b>	<b>1,937</b>	<b>2,342</b>

**NOTE 17 – ACCRUED INCOME AND PREPAYMENTS**

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Accrued interest	3,249	3,072	3,113	2,975
Other accrued income	1	14	1	14
Prepayments	45	63	45	63
<b>TOTAL</b>	<b>3,295</b>	<b>3,149</b>	<b>3,159</b>	<b>3,052</b>

## NOTE 18 – GROUP RECEIVABLES AND LIABILITIES

Transactions with FöreningsSparbanken AB fall under the following items in the profit and loss account and balance sheet:

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Group receivables				
Loans to credit institutions	5,336	1,650	5,245	1,539
Other assets	176	211	176	211
<b>TOTAL</b>	<b>5,512</b>	<b>1,861</b>	<b>5,421</b>	<b>1,750</b>
Group liabilities				
Amounts owed to credit institutions	12,717	17,524	12,717	17,524
Debt securities in issue	18,460	13,977	18,460	13,977
Other liabilities	4,344	4,034	4,344	4,034
Accruals and deferred income	435	537	435	537
<b>TOTAL</b>	<b>35,956</b>	<b>36,072</b>	<b>35,956</b>	<b>36,072</b>
Profit and loss account				
Interest receivable	610	378	607	370
Interest payable	1,083	1,165	1,083	1,165
Commissions payable	23	21	23	21
Other administrative expenses	25	25	25	25

Transactions with the subsidiary FöreningsSparbanken Jordbrukskredit AB fall under the following items in the profit and loss account and balance sheet:

SEK million	AB Spintab	
	2002	2001
Group receivables		
Loans to credit institutions	19,588	17,200
Shares in Group companies	1,150	950
Group contributions from subsidiary	250	201
Accrued income and prepayments	29	44
<b>TOTAL</b>	<b>21,017</b>	<b>18,395</b>
Group liabilities		
No liabilities		
Profit and loss account		
Interest receivable	841	746

## NOTE 19 – AMOUNTS OWED TO CREDIT INSTITUTIONS

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Banks	12,717	17,524	12,717	17,524
<b>TOTAL</b>	<b>12,717</b>	<b>17,524</b>	<b>12,717</b>	<b>17,524</b>

## NOTE 20 – DEBT SECURITIES IN ISSUE, PROMISSORY NOTES

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Bonds	247,351	212,262	247,351	212,262
Commercial paper	82,741	80,471	82,741	80,471
Other	3,485	2,916	3,485	2,911
<b>TOTAL</b>	<b>333,577</b>	<b>295,649</b>	<b>333,577</b>	<b>295,644</b>

## NOTE 21 – OTHER LIABILITIES

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Illiquid repurchase of Spintab's own securities	–	13	–	13
Group contributions to Parent Company	3,830	3,459	3,830	3,459
Accrued interest, derivatives	2,249	2,579	2,249	2,578
Other	173	317	157	310
<b>TOTAL</b>	<b>6,252</b>	<b>6,368</b>	<b>6,236</b>	<b>6,360</b>

**NOTE 22 – ACCRUALS AND DEFERRED INCOME**

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Accrued interest	5,769	4,839	5,769	4,839
Other accruals and deferred income	757	827	711	783
<b>TOTAL</b>	<b>6,526</b>	<b>5,666</b>	<b>6,480</b>	<b>5,622</b>

**NOTE 23 – PROVISIONS**

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Provisions for pensions	1	4	1	4
Provisions for deferred tax	39	41	–	–
<b>TOTAL</b>	<b>40</b>	<b>45</b>	<b>1</b>	<b>4</b>

**NOTE 24 – SUBORDINATED LIABILITIES**

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Dated subordinated debentures	–	749	–	749
Undated subordinated debentures (perpetuals)	3,981	5,738	3,981	5,738
Guarantee fund certificates	19	27	19	27
<b>TOTAL</b>	<b>4,000</b>	<b>6,514</b>	<b>4,000</b>	<b>6,514</b>

**AB Spintab**

With regard to the undated subordinated debt, the following applies:

The debt instrument and interest are treated pari passu with all other undated subordinated liabilities of the Company. In the event of the Company's bankruptcy or liquidation, the debt instrument carries the right to payment from the Company's assets junior to other claims against the Company, including subordinated debt (debt with subordinated modes of payment) with dated maturities, but pari passu with other debt with subordinated modes of payment and undated maturities. The Company has the right to use all or parts of the debt to cover losses and thereby prevent liquidation.

The interest rate on the debt is constructed such that it rises in connection with the interest payments in October 2005 and August 2006.

AB Spintab has the right, after advance notification of no less 30 days and no more than 60, to terminate and repay the debt on any interest payment date that falls on or after the dates stipulated in the previous paragraph for each loan. The Company also has the right to prepay the debt if changes in tax regulations in Sweden force the Company contractually to pay tax for the holder of the debt instruments.

Prepayment or termination by the Company requires the consent of the Swedish Financial Supervisory Authority. A request for prepayment by the holder of the debt instruments may only be made if the Company defaults.

With regard to other conditions, see the list of debts on pages 46.

Interest expenses during the financial year amounted to SEK 382 million (455), including interest and currency swaps.

**NOTE 25 – UNTAXED RESERVES**

SEK million	AB Spintab	
	2002	2001
Tax allocation reserve, taxation 2002	138	143
<b>TOTAL</b>	<b>138</b>	<b>143</b>

**NOTE 26 – SHAREHOLDERS' EQUITY**

SEK million	Group		AB Spintab	
	2002	2001	2002	2001
Subscribed capital	11,500	11,500	11,500	11,500
Other reserves				
Legal reserve	3,250	3,250	3,100	3,100
Equity portion of untaxed reserves	103	107	–	–
<b>TOTAL, OTHER RESERVES</b>	<b>3,353</b>	<b>3,357</b>	<b>3,100</b>	<b>3,100</b>
Non-restricted equity				
Profit brought forward	– 1,366	– 1,123	– 1,388	– 1,432
Profit for the financial year	2,764	2,511	2,768	2,802
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>16,251</b>	<b>16,245</b>	<b>15,980</b>	<b>15,970</b>

Group, 2002	Subscribed capital	Other reserves	Non-restricted equity	Total
Balance brought forward	11,500	3,357	1,388	16,245
Group contributions paid	-	-	- 3,830	- 3,830
Tax reduction due to Group contributions paid	-	-	1,072	1,072
Change in tax allocation reserve	-	- 4	4	-
Profit for the financial year	-	-	2,764	2,764
<b>BALANCE CARRIED FORWARD</b>	<b>11,500</b>	<b>3,353</b>	<b>1,398</b>	<b>16,251</b>

Group, 2001	Subscribed capital	Other reserves	Non-restricted equity	Total
Balance brought forward	11,500	3,659	1,065	16,224
Group contributions paid	-	-	- 3,459	- 3,459
Tax reduction due to Group contributions paid	-	-	969	969
Change in tax allocation reserve	-	- 302	302	-
Profit for the financial year	-	-	2,511	2,511
<b>BALANCE CARRIED FORWARD</b>	<b>11,500</b>	<b>3,357</b>	<b>1,388</b>	<b>16,245</b>

AB Spintab, 2002	Number of shares	Subscribed capital	Other reserves	Non-restricted equity	Total
Balance brought forward	23 milj.	11,500	3,100	1,370	15,970
Group contributions paid	-	-	-	- 3,830	- 3,830
Tax reduction due to Group contributions paid	-	-	-	1,072	1,072
Profit for the financial year	-	-	-	2,768	2,768
<b>BALANCE CARRIED FORWARD</b>	<b>23 milj.</b>	<b>11,500</b>	<b>3,100</b>	<b>1,380</b>	<b>15,980</b>

AB Spintab, 2001	Number of shares	Subscribed capital	Other reserves	Non-restricted equity	Total
Balance brought forward	23 milj.	11,500	3,100	1,059	15,659
Group contributions paid	-	-	-	- 3,459	- 3,459
Tax reduction due to Group contributions paid	-	-	-	969	969
Profit for the financial year	-	-	-	2,802	2,802
<b>BALANCE CARRIED FORWARD</b>	<b>23 milj.</b>	<b>11,500</b>	<b>3,100</b>	<b>1,370</b>	<b>15,970</b>

## NOTE 27 A – REMAINING INTEREST FIXING PERIOD, ASSETS AND LIABILITIES

### Group

Interest-bearing assets and liabilities including interest rate related derivatives (SEK million) distributed by remaining interest fixing periods:

SEK million

Assets, nominal amount	< 3 mos.	3 mos.–1 yr.	1–2 yrs.	2–3 yrs.	3–4 yrs.	4–5 yrs.	5–10 yrs.	> 10 yrs.	Total
Treasury bills and other bills eligible for refinancing with central banks	100	-	-	-	-	-	-	-	100
Other assets	87	-	-	-	-	-	-	-	87
Loans to credit institutions	6,597	-	-	-	-	-	-	-	6,597
Loans to the public	137,084	59,165	69,079	34,740	29,652	19,795	15,408	2,722	367,645
<b>TOTAL ASSETS</b>	<b>143,868</b>	<b>59,165</b>	<b>69,079</b>	<b>34,740</b>	<b>29,652</b>	<b>19,795</b>	<b>15,408</b>	<b>2,722</b>	<b>374,429</b>
Liabilities, nominal amount	< 3 mos.	3 mos.–1 yr.	1–2 yrs.	2–3 yrs.	3–4 yrs.	4–5 yrs.	5–10 yrs.	> 10 yrs.	Total
Amounts owed to credit institutions	3,032	9,675	-	10	-	-	-	-	12,717
Debt securities in issue	146,442	44,406	60,183	29,334	24,289	11,710	14,427	1,407	332,198
Subordinated liabilities	1,063	1,065	14	-	1,862	-	2	-	4,006
<b>TOTAL LIABILITIES</b>	<b>150,537</b>	<b>55,146</b>	<b>60,197</b>	<b>29,344</b>	<b>26,151</b>	<b>11,710</b>	<b>14,429</b>	<b>1,407</b>	<b>348,921</b>
<b>NET</b>	<b>- 6,669</b>	<b>4,019</b>	<b>8,882</b>	<b>5,396</b>	<b>3,501</b>	<b>8,085</b>	<b>979</b>	<b>1,315</b>	<b>25,508</b>
Derivatives, positive, nom. amount	200,207	22,627	9,028	5,149	2,926	719	3,115	-	243,771
Derivatives, negative, nom. amount	- 189,313	- 12,487	- 9,796	- 8,872	- 6,916	- 5,281	- 10,282	- 825	- 243,772
<b>NET, INCLUDING DERIVATIVES</b>	<b>4,225</b>	<b>14,159</b>	<b>8,114</b>	<b>1,673</b>	<b>- 489</b>	<b>3,523</b>	<b>- 6,188</b>	<b>490</b>	<b>25,507</b>

## AB Spintab

Interest-bearing assets and liabilities including interest rate related derivatives (SEK million) distributed by remaining interest fixing periods:

SEK million

Assets, nominal amount	< 3 mos.	3 mos.–1 yr.	1–2 yrs.	2–3 yrs.	3–4 yrs.	4–5 yrs.	5–10 yrs.	> 10 yrs.	Total
Treasury bills and other bills eligible for refinancing with central banks	100	–	–	–	–	–	–	–	100
Other assets	87	–	–	–	–	–	–	–	87
Loans to credit institutions	17,194	1,615	3,150	775	1,475	1,135	625	125	26,094
Loans to the public	127,065	56,216	65,530	33,456	28,282	18,805	14,768	2,533	346,655
<b>TOTAL ASSETS</b>	<b>144,446</b>	<b>57,831</b>	<b>68,680</b>	<b>34,231</b>	<b>29,757</b>	<b>19,940</b>	<b>15,393</b>	<b>2,658</b>	<b>372,936</b>
Liabilities, nominal amount	< 3 mos.	3 mos.–1 yr.	1–2 yrs.	2–3 yrs.	3–4 yrs.	4–5 yrs.	5–10 yrs.	> 10 yrs.	Total
Amounts owed to credit institutions	3,032	9,675	–	10	–	–	–	–	12,717
Debt securities in issue	146,442	44,406	60,183	29,334	24,289	11,710	14,427	1,407	332,198
Subordinated liabilities	1,064	1,065	14	–	1,861	–	2	–	4,006
<b>TOTAL LIABILITIES</b>	<b>150,538</b>	<b>55,146</b>	<b>60,197</b>	<b>29,344</b>	<b>26,150</b>	<b>11,710</b>	<b>14,429</b>	<b>1,407</b>	<b>348,921</b>
<b>NET</b>	<b>– 6,092</b>	<b>2,685</b>	<b>8,483</b>	<b>4,887</b>	<b>3,607</b>	<b>8,230</b>	<b>964</b>	<b>1,251</b>	<b>24,015</b>
Derivatives, positive, nom. amount	200,206	22,627	9,028	5,149	2,926	719	3,115	–	243,770
Derivatives, negative, nom. amount	– 189,313	– 12,487	– 9,796	– 8,872	– 6,916	– 5,281	– 10,282	– 825	– 243,772
<b>NET, INCLUDING DERIVATIVES</b>	<b>4,801</b>	<b>12,825</b>	<b>7,715</b>	<b>1,164</b>	<b>– 383</b>	<b>3,668</b>	<b>– 6,203</b>	<b>426</b>	<b>24,013</b>

## NOTE 27 B – REMAINING MATURITY, ASSETS AND LIABILITIES

Group	Payable on demand	< 3 mos.	> 3 mos. – 1 yr.	> 1 yr. – 5 yrs.	> 5 yrs. – 10 yrs.	> 10 yrs.	Total	Average maturity
Assets								
Treasury bills and other bills eligible for refinancing with central banks	–	100	–	–	–	–	100	0.04
Other assets	–	–	–	–	–	87	87	60.84
Loans to credit institutions	6,597	–	–	–	–	–	6,597	0.00
Loans to the public	–	137,083	59,165	153,267	15,408	2,722	367,645	1.53
<b>TOTAL ASSETS</b>	<b>6,597</b>	<b>137,183</b>	<b>59,165</b>	<b>153,267</b>	<b>15,408</b>	<b>2,809</b>	<b>374,429</b>	<b>1.52</b>
Liabilities								
Amounts owed to credit institutions	–	3,032	9,675	10	–	–	12,717	0.58
Debt securities in issue	–	146,073	44,297	127,302	14,402	1,503	333,577	1.52
Subordinated liabilities	–	1,057	1,065	1,876	2	–	4,000	2.63
<b>TOTAL LIABILITIES</b>	<b>–</b>	<b>150,162</b>	<b>55,037</b>	<b>129,188</b>	<b>14,404</b>	<b>1,503</b>	<b>350,294</b>	<b>1.50</b>
<b>AB Spintab</b>								
Book value after maturity, SEK million	Payable on demand	< 3 mos.	> 3 mos. – 1 yr.	> 1 yr. – 5 yrs.	> 5 yrs. – 10 yrs.	> 10 yrs.	Total	Average maturity
Assets								
Treasury bills and other bills eligible for refinancing with central banks	–	100	–	–	–	–	100	0.04
Other assets	–	–	–	–	–	87	87	60.84
Loans to credit institutions	16,944	250	1,615	6,535	625	125	26,094	0.89
Loans to the public	–	127,065	56,216	146,073	14,768	2,533	346,655	1.55
<b>TOTAL ASSETS</b>	<b>16,944</b>	<b>127,415</b>	<b>57,831</b>	<b>152,608</b>	<b>15,393</b>	<b>2,745</b>	<b>372,936</b>	<b>1.52</b>
Liabilities								
Amounts owed to credit institutions	–	3,032	9,675	10	–	–	12,717	0.58
Debt securities in issue	–	146,073	44,297	127,302	14,402	1,503	333,577	1.52
Subordinated liabilities	–	1,057	1,065	1,876	2	–	4,000	2.63
<b>TOTAL LIABILITIES</b>	<b>–</b>	<b>150,162</b>	<b>55,037</b>	<b>129,188</b>	<b>14,404</b>	<b>1,503</b>	<b>350,294</b>	<b>1.50</b>

## NOTE 28 A – FAIR VALUE

### Valuation techniques for determining fair value

For financial assets and liabilities listed on an authorized exchange or marketplace, the sales value on the most recent trading day is used.

If a price paid is not available, the most recent selling rate is used for assets and liabilities. For assets and liabilities other than those mentioned above but for which there is an active market, an average of the buying and selling rates on the most recent trading day is used. If special conditions exist, e.g. low liquidity, the sales price is adjusted

to an assumed sales price under normal conditions. For other financial assets and liabilities, a conservatively estimated sales value is used.

For the loan portfolio (loans to the public), which normally is not subject to trading, it is more difficult to estimate a correct sales value. The value has been calculated using the present value method, i.e. cash flows have been discounted to present value as of year-end.

The value is calculated using market rates on Spintab bonds as the discount rate.

### Group, 2002

Assets, SEK million		Book value	Fair value
Treasury bills and other bills eligible for refinancing with central banks	current assets	100	100
Loans to credit institutions			
Banks	current assets	6,597	6,597
Loans to the public	fixed assets	367,645	377,475 <sup>1)</sup>
Shares and participating interests	current assets	1	1
	fixed assets	1	1
Tangible assets			
Equipment	fixed assets	32	32
Buildings and land	current assets		
Other assets	current assets	1,605	1,592 <sup>2)</sup>
	fixed assets	87	87
Accrued income and prepayments	current assets	3,295	3,252
<b>TOTAL ASSETS</b>		<b>379,363</b>	<b>389,137</b>

Liabilities, SEK million		Book value	Fair value
Amounts owed to credit institutions			
Banks		12,717	12,758
Debt securities in issue		333,577	338,041 <sup>3)</sup>
Other liabilities		6,252	6,252
Accruals and deferred income		6,526	6,526
Provisions		40	40
Subordinated liabilities		4,000	4,080 <sup>4)</sup>
<b>TOTAL LIABILITIES AND PROVISIONS</b>		<b>363,112</b>	<b>367,697</b>

<sup>1)</sup> The fair value calculations take into account derivatives with positive values of SEK 98 million and negative values of SEK 4 million.

<sup>2)</sup> The fair value calculation takes into account derivatives with negative values of SEK 4 million.

<sup>3)</sup> The fair value calculation takes into account derivatives with negative values of SEK 1,564 million and negative values of SEK 9,041 million.

<sup>4)</sup> The fair value calculation takes into account derivatives with positive values of SEK 841 million and negative values of SEK 145 million.

## NOTE 28 B – DERIVATIVES

Group, 2002 SEK million	Interest-rate related			Foreign exchange-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Derivatives with positive values or nil value						
Derivatives reported partly or entirely on the balance sheet						
Forward contracts	–	–	–	–	–	–
Swaps	1,215	484	21,253	1,738	76	37,626
Options	2	12	4,430	–	–	–
<b>TOTAL</b>	<b>1,217</b>	<b>496</b>	<b>25,683</b>	<b>1,738</b>	<b>76</b>	<b>37,626</b>
of which, cleared	–	–	–	–	–	–
Derivatives not reported on the balance sheet						
Forward contracts	98	–	1,792	21	–	4,311
<b>TOTAL</b>	<b>98</b>	<b>–</b>	<b>1,792</b>	<b>21</b>	<b>–</b>	<b>4,311</b>
of which, cleared	–	–	–	–	–	–
<b>TOTAL POSITIVE</b>	<b>1,315</b>	<b>496</b>	<b>27,475</b>	<b>1,759</b>	<b>76</b>	<b>41,937</b>
of which, cleared	–	–	–	–	–	–

Derivatives with negative values or nil value	Interest-rate related			Foreign exchange-related		
	Fair value	Book value	Nominal value	Fair value	Book value	Nominal value
Derivatives reported partly or entirely on the balance sheet						
Forward contracts	4	4	4	-	-	-
Swaps	2,448	1,242	45,276	5,747	160	69,949
Options	4	1	4,873	-	-	-
<b>TOTAL</b>	<b>2,456</b>	<b>1,247</b>	<b>50,153</b>	<b>5,747</b>	<b>160</b>	<b>69,949</b>
of which, cleared	4	4	4	-	-	-
Derivatives not reported on the balance sheet						
Forward contracts	4	-	1,018	2,394	-	61,661
<b>TOTAL</b>	<b>4</b>	<b>-</b>	<b>1,018</b>	<b>2,394</b>	<b>-</b>	<b>61,661</b>
of which, cleared	4	-	1,018	-	-	-
<b>TOTAL NEGATIVE</b>	<b>2,460</b>	<b>1,247</b>	<b>51,171</b>	<b>8,141</b>	<b>160</b>	<b>131,610</b>
of which, cleared	8	4	1,022	-	-	-

#### Other derivatives

Credit Default Swap with a fair value of SEK 0 million, a book value of SEK -0.7 million and a nominal value of SEK 12,731 million.

All derivatives, with the exception of a naked forward contract with a book and fair value of SEK -4 million are covered by hedge accounting, since they are held to eliminate interest rate and exchange rate risks. As a result, a surplus value corresponding to SEK 2,502 million and an undervaluation corresponding to SEK 9,194 million have been deferred. These differences in value are matched, however, by equivalent offsetting differences between the book and fair values in Spintab's lending and funding.

#### Differences between book value and fair value

Because of the application of hedge accounting, certain financial assets have been reported at both a higher and lower value than their fair value. The scope of these deviations is indicated in the table above and corresponds in principle to equivalent offsetting deviations in other asset and liability items.

### NOTE 29 – SPECIFICATION OF OFF-BALANCE-SHEET COMMITMENTS

Group, 2002 SEK million	Nominal value	Converted amount	Risk-weighted amount
<b>Commitments</b>			
Interest rate-related contracts	75,549	1,709	329
Currency-related contracts	173,547	5,339	799
<b>TOTAL COMMITMENTS</b>	<b>249,096</b>	<b>7,048</b>	<b>1,128</b>



# Definitions

The definitions used here are based on the guidelines and general advice of the Swedish Financial Supervisory Authority and the recommendations of the Swedish Bankers' Association. Where appropriate, balance-sheet items in acquired companies have been weighted in relation to the time they were held.

## **Anticipated loan losses**

Write-downs of anticipated loan losses are made on doubtful claims if the solvency of the borrower is not expected to improve sufficiently within two years and the value of the collateral does not cover the loan amount.

## **Cost-income ratio after loan losses**

Operating expenses after loan losses as a ratio of operating income.

## **Cost-income ratio before loan losses**

Operating expenses before loan losses as a ratio of operating income.

## **Doubtful claim**

A loan which is deemed nonperforming or for which other circumstances have caused uncertainty as to its value and for which the value of the collateral does not cover both the principal and accrued interest by a safe margin.

## **Established loss**

A loss, the amount of which has been determined or is overwhelmingly probable because a receiver in bankruptcy has given an estimate of the distributions from a bankrupt estate, a negotiated settlement has been reached or concessions of the debt have been made in another manner.

## **Expense ratio**

Total expenses (excl. loan losses) as a ratio of average loans.

## **Interest margin**

Interest receivable as a ratio of average assets less interest payable as a ratio of average liabilities.

## **Investment margin**

Net interest income as a ratio of average total assets.

## **Loan loss level**

Loan losses as a ratio of total loans, gross, at the beginning of the year and property taken over to protect claims.

## **Loan with interest concession**

A loan on which an interest concession has been agreed. By interest concession is meant some form of allowance deviating from the original loan conditions due to solvency problems on the part of the borrower.

## **Nonperforming loan**

A loan on which interest or principal payments are overdue by more than 60 days.

## **Number of employees**

The average number of employees during the year is calculated as the total number of hours worked divided by the normal working hours per year (1,570 hours).

## **Problem loans**

Doubtful claims and loans with interest concessions.

## **Provision ratio for individually identified doubtful claims**

Specific provisions for loan receivables assessed individually and provisions for collectively assessed homogeneous groups of loan receivables as a ratio of total doubtful claims, gross.

## **Return on shareholders' equity**

Operating profit after tax as a ratio of average shareholders' equity.

## **Share of doubtful claims**

Doubtful claims, net, in relation to total lending.

## **Total provision ratio for doubtful claims**

All provisions for anticipated loan losses as a ratio of total doubtful claims, gross.

# Proposed distribution of profit

AB Spintab (publ)

The following amounts are at the disposal of  
the Annual General Meeting:

	SEK million
Retained earnings	1,370
Profit for the financial year	2,768
Group contributions paid	- 3,830
Tax reduction due to Group contributions paid	1,072
Total available	1,380

The Board of Directors proposes that the following amount  
be carried forward

	1,380
Total	1,380

The Group's unappropriated earnings amount to SEK 1,398 million.  
No transfers to restricted reserves are required.

Stockholm, February 10, 2003

Birgitta Johansson-Hedberg  
Chairman

Karl Gunnar Holmqvist  
First Deputy Chairman

Leif Zetterberg  
Second Deputy Chairman

Ove Bengtsson

Håkan Hellmo

Allan Karlsson

Lars-Erik Kvist

Nils-Fredrik Nyblæus

Anders Sundström

Ragnar Udin

Mikael Inglander  
President

Håkan Vestlund

Karita Yilmaz  
Employee representative

Ulla Håkansson  
Employee representative

# Auditors' report

To the Annual General Meeting of AB Spintab (publ), registration number 556003-3283.

We have audited the annual report, the consolidated financial statements, the accounting records and the administration by the Board of Directors and the President of AB Spintab (publ) for the year 2002. FöreningsSparbanken's internal auditing department reviewed the internal controls and accounting records on a consistent basis throughout the year and submitted its reports to us. The accounting records and the administration of the Company are the responsibility of the Board of Directors and the President. Our responsibility is to express an opinion of the annual report, the consolidated financial statements and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit in order to obtain reasonable assurance that the annual report and the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes an assessment of the accounting principles and their application by the Board of Directors and the President and an evaluation of the overall presentation of information

in the annual report and the consolidated financial statements. We have examined significant decisions, actions taken and the circumstances of the Company in order to determine the liability, if any, to the Company of any of the members of the Board of Directors or the President and whether they have acted in any other way in contravention of the Swedish Companies Act, the Act Governing Financial Operations, the Annual Accounts Act for Credit Institutions and Securities Companies or the Company's Articles of Association. We believe that our audit has provided us with a reasonable basis for our opinion set forth below.

The annual report and the consolidated financial accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and therefore provide a true and fair view of the Company's and the Group's profit and financial position in accordance with generally accepted auditing standards in Sweden.

We recommend that the Annual General Meeting adopt the profit and loss accounts and balance sheets of the Parent Company and the Group, deal with the profit in the Parent Company in accordance with the proposal in the Board of Directors' Report, and discharge the members of the Board of Directors and the President from liability for the financial year.

Stockholm, February 13, 2003

Ulf Egenäs  
Authorized Public Accountant

Torbjörn Hanson  
Authorized Public Accountant

Peter Markborn  
Authorized Public Accountant  
appointed by the Swedish Financial  
Supervisory Authority

# List of bond loans

see Note 20

Bonds issued in Sweden  
AB Spintab (publ)  
(senior unsecured bonds)

Issue no.	Original interest rate, %	Issue/final payment date, year/month/day	Issue/final payment year	Outstanding loan debt, book value in SEK 000s, Dec. 31, 2002
161	7.50	06-15	1994/04	56,591,738
166	6.75	05-05	1997/14	1,502,133
168	6.00	04-20	1997/09	9,621,071
169	5.50	09-17	1997/03	22,615,550
170	5.75	06-15	1999/05	26,988,770
171	5.00	06-21	2000/06	23,668,404
172	5.00	06-20	2001/07	10,555,879
1162	1)	94-01-04	1994/04	1,852,684
7162	1)	95-04-20	1995/04	33,159
7169	1)	00-05-02	2000/09	2,982
7170	1)	00-05-02	2000/14	1,667
8808	1)	98-05-04	1998/04	4,851
EURO	1)	99-01-25	1999/04	344
			TOTAL	153,439,232

see Note 20

Bonds issued in Sweden  
Föreningsbanken Kredit AB (merged with AB Spintab 1998)

Issue no.	Original interest rate, %	Issue/final payment date, year/month/day	Issue/final payment year	Outstanding loan debt, book value in SEK 000s, Dec. 31, 2002
310	1)	1994-08-01	1994/04	733,535
			TOTAL	733,535

1) Zero coupon bond

see Note 20

Bonds issued in Sweden  
Sparbankernas Inteckningsaktiebolag (merged with AB Spintab 1991)

Issue no.	Original interest rate, %	Issue/final payment date, year/month/day	Issue/final payment year	Outstanding loan debt, book value in SEK 000s, Dec. 31, 2002
114	12.75	01-15	1983/03	381,644
116	12.00	08-15	1983/03	19,714
117	12.00	12-10	1983/03	7,856
118	11.50	02-10	1984/04	29,568
119	11.00	06-10	1984/04	1,000
120	11.00	10-10	1984/04	85,780
121	11.00	03-10	1985/05	29,300
123	12.00	08-10	1985/05	2,550
124	11.50	09-10	1985/05	440,900
125	11.50	12-10	1985/05	256,880
			TOTAL	1,255,193

# List of bond loans

see Note 20

## Bonds issued in Sweden Kommunkredit AB (merged with AB Spintab 1991)

Issue no.	Original interest rate, %	Issue/final payment date, month/day	Issue/final payment year	Amortization type		Outstanding loan debt, book value in 000s, Dec. 31, 2002
				Redemption by repurchase = U	Redemption by drawing = L	
44	10.50	10-10	1978/03	A 20 U/L		2,965
50	13.25	06-15	1983/03	20 L		10,025
53	13.00	12-15	1983/03	20 L		13,600
				TOTAL		26 590

see Note 20

## Bonds issued abroad AB Spintab (publ)

Original interest rate, %	Issue date, year/month/day	Final payment date, year/month/day	Interest adjustment and redemption	Currency	Outstanding loan debt, book value in 000s, Dec. 31, 2002
1.843	02/01/10	03/01/10		USD	30,000
2.450	02/01/10	03/01/10		USD	15,000
4.360	01/07/18	03/01/18		HKD	100,000
3.410	02/01/21	03/01/21		EUR	40,000
3.963	02/01/24	03/01/24		GBP	75,000
1.780	02/01/28	03/01/28		USD	50,000
3.515	02/01/30	03/01/30		EUR	25,000
4.455	01/08/01	03/02/03		EUR	500,000
2.120	02/02/05	03/02/05		CHF	21,000
4.590	02/02/05	03/02/05		GBP	30,000
1.860	02/02/06	03/02/06		USD	50,000
3.349	02/02/06	03/02/06		EUR	10,000
3.357	02/02/07	03/02/07		EUR	50,000
3.989	02/02/07	03/02/07		GBP	15,000
4.585	02/02/07	03/02/07		GBP	10,000
2)	02/02/08	03/02/10		HKD	30,000
5.409	01/02/12	03/02/12		USD	100,000
5.438	01/02/14	03/02/14		USD	300,000
3.530	01/06/11	03/03/07		USD	20,000
7.240	00/03/27	03/03/20		HKD	100,000
4.095	02/03/21	03/03/21		GBP	45,000
4.095	02/03/21	03/03/21		GBP	50,000
4.540	98/03/25	03/03/25		DEM	10,000
3.970	02/04/03	03/04/03		EUR	31,500
4.900	02/04/03	03/04/03		GBP	10,000
4.870	02/04/04	03/04/04		GBP	10,000
4.790	02/04/18	03/04/08		GBP	20,000
4.690	02/05/02	03/05/02		GBP	15,000
1)	02/05/07	03/05/07		JPY	2,000,000

# List of bond loans

see Note 20

Bonds issued abroad  
AB Spintab (publ)

Original interest rate, %	Issue date, year/month/day	Final payment date, year/month/day	Interest adjustment and redemption	Currency	Outstanding loan debt, book value in 000s, Dec. 31, 2002
1.850	02/05/14	03/05/14		USD	50,000
4.700	02/05/15	03/05/15		GBP	30,000
3.433	02/05/21	03/05/21		EUR	40,000
2.730	02/05/22	03/05/22		USD	100,000
4.100	02/05/28	03/05/28		EUR	25,000
3.408	02/05/28	03/05/28		EUR	50,000
0.010	02/05/29	03/05/28		JPY	1,000,000
6.000	00/05/23	03/05/23		CZK	500,000
4.870	01/06/05	03/05/27		USD	12,000
4.040	02/06/06	03/06/06		EUR	21,000
1)	02/06/17	03/06/18		USD	10,000
2.380	02/06/24	03/06/24		HKD	200,000
3.407	02/06/27	03/06/27		EUR	90,000
1.860	02/07/03	03/07/03		USD	75,000
4.730	01/07/09	03/07/09		HKD	70,000
1.860	02/07/22	03/07/22		USD	25,000
3.710	01/07/27	03/07/23		USD	10,000
2.115	02/07/24	03/07/24		HKD	78,000
4.950	02/06/05	03/07/28		GBP	30,000
7.370	02/08/09	03/08/08		NOK	900,000
2.085	02/08/07	03/08/08		HKD	88,000
4.165	01/09/13	03/08/11		HKD	80,000
1.900	02/02/11	03/08/13		USD	500,000
3.352	02/02/14	03/08/14		EUR	200,000
3.660	02/08/16	03/08/16		HKD	100,000
7.130	00/08/24	03/08/24		HKD	103,000
4.315	01/08/29	03/08/29		EUR	200,000
4.585	02/08/30	03/08/29		SEK	190,000
1)	02/08/30	03/09/02		CAD	20,000
1.820	02/09/16	03/09/16		USD	13,000
4.150	01/09/18	03/09/18		HKD	150,000
3.412	02/03/22	03/09/22		EUR	200,000
1.820	02/09/23	03/09/23		USD	100,000
3.926	02/09/24	03/09/24		GBP	7,000
3.940	02/09/26	03/09/26		GBP	14,000
1.750	02/09/30	03/09/30		USD	30,000
1.760	02/10/02	03/10/02		USD	105,000
2.390	02/07/08	03/10/08		HKD	100,000
1.778	02/10/30	03/10/30		USD	100,000
1.620	02/11/07	03/10/30		USD	50,000
3.247	02/11/20	03/11/20		EUR	25,000
2.000	02/11/25	03/11/25		HKD	150,000
1.590	02/11/26	03/11/26		USD	12,000
3.513	02/05/28	03/11/28		EUR	500,000
1.430	02/11/27	03/11/28		USD	50,000
1.570	02/11/27	03/11/28		USD	51,500
3.026	02/12/04	03/12/04		EUR	25,000
1.600	02/12/05	03/12/05		USD	26,000
1.950	02/12/10	03/12/10		HKD	168,000
3.957	02/12/10	03/12/10		GBP	13,000
4.910	01/06/19	03/12/19		HKD	150,000
1.800	02/12/23	03/12/23		HKD	166,000
2.100	02/11/25	03/12/30		HKD	120,000
2.405	02/08/07	03/12/31		HKD	100,000
2)	02/08/28	04/02/09		JPY	2,000,000

# List of bond loans

see Note 20

## Bonds issued abroad AB Spintab (publ)

Original interest rate, %	Issue date, year/month/day	Final payment date, year/month/day	Interest adjustment and redemption	Currency	Outstanding loan debt, book value in 000s, Dec. 31, 2002
3.394	02/08/27	04/02/27		EUR	200,000
3.394	02/08/27	04/02/27		EUR	150,000
3.480	02/03/01	04/03/01		HKD	100,000
3.391	02/09/04	04/03/04		EUR	600,000
3.347	02/09/17	04/03/17		EUR	230,000
2.447	02/03/19	04/03/19		HKD	170,000
3.313	02/10/04	04/04/05		EUR	150,000
3.344	97/04/16	04/04/11		DEM	50,000
2.010	02/04/16	04/04/16		USD	50,000
5.940	97/04/28	04/04/28		USD	10,000
1.946	02/04/30	04/04/30		USD	500,000
5.823	98/01/02	04/05/02		USD	61,000
3.350	97/05/12	04/05/10		DEM	100,000
3.318	97/05/14	04/05/14		DEM	20,000
3.650	02/05/21	04/05/21		HKD	80,000
3.109	02/11/27	04/05/27		EUR	250,000
5.734	98/02/27	04/05/28		USD	300,000
2)	02/06/14	04/06/14		SEK	246,000
3.440	02/06/24	04/06/24		HKD	100,000
3.750	02/06/14	04/06/28		HKD	250,000
4.950	01/06/29	04/06/29		HKD	150,000
1.880	02/07/16	04/07/16		USD	200,000
4.850	01/08/09	04/08/09		HKD	200,000
2.915	02/08/13	04/08/13		HKD	200,000
3.381	02/08/16	04/08/16		EUR	50,000
3.460	01/08/30	04/08/30		HKD	180,000
4.770	01/08/31	04/08/31		HKD	156,000
6.110	02/10/15	04/10/15		NZD	60,000
2.335	02/11/22	04/11/22		USD	40,000
2.257	01/12/03	04/12/03		HKD	190,000
1)	02/02/01	04/12/30		HKD	35,000
4.560	02/01/18	05/01/18		HKD	150,000
2.680	02/02/21	05/02/21	RR U 2003	USD	24,000
4.450	02/05/09	05/05/09		USD	20,000
1)	01/11/20	05/08/09		USD	65,866
3.170	02/08/30	05/08/30		HKD	50,000
4.850	01/09/07	05/09/07		HKD	80,000
5.420	02/10/02	05/09/23		AUD	20,000
1)	02/03/04	05/12/29		HKD	80,000
1)	02/03/13	05/12/29		HKD	80,000
5.050	02/02/22	06/02/22		HKD	50,000
1)	02/12/04	06/10/31		USD	10,400
1)	98/11/27	06/11/27		NOK	201,749
5.030	02/02/11	07/02/11	U 2003	EUR	15,000
5.520	02/02/19	07/02/21		HKD	81,000
5.400	97/03/14	07/03/14	RR U 2002	DEM	50,000
2.572	02/03/19	07/03/19		HKD	156,000
2)	02/05/02	07/05/02	RR U 2003	USD	10,000
5.250	02/05/30	07/09/28		HKD	175,000
2)	02/09/30	07/09/28	U 2003	USD	35,000
1)	02/11/29	07/10/31		SGD	3,466
1.738	02/11/13	07/11/13		HKD	78,000
5.580	98/03/02	07/12/17		NOK	250,000
2)	02/12/12	08/12/01		SEK	100,000
6.098	01/11/29	08/12/18		SEK	216,200

# List of bond loans

see Note 20

Bonds issued abroad  
AB Spintab (publ)

Original interest rate, %	Issue date, year/month/day	Final payment date, year/month/day	Interest adjustment and redemption	Currency	Outstanding loan debt, book value in 000s, Dec. 31, 2002
7.948	01/11/29	08/12/18		SEK	251,920
4.375	99/05/12	09/04/20		EUR	500,000
3.270	02/05/13	09/05/13	RR U 2003	USD	10,000
1.870	00/05/11	10/05/11		JPY	2,000
7.050	02/04/05	10/12/15		NOK	180,000
6.281	01/01/25	11/01/25	RR U 2002	USD	10,000
4.900	01/08/08	11/08/08	U 2002	USD	25,000
2.721	01/11/28	11/11/28	U 2003	USD	10,000
6.910	02/07/11	12/07/11		NOK	110,000
TOTAL IN SEK					91,896,187
BONDS TOTAL					247,350,738

1) Zero coupon bond

2) Index bond

# List of undated subordinated loans

see Note 20

AB Spintab (publ)

Currency	Original interest rate, %	Issue date, year/month/day	Interest adjustment Redemption	Due dates for interest payments, month/day	Current interest rate	Outstanding loan debt, book value in 000s, Dec. 31, 2002
USD	9.040	90/09/27	RR U 05/10	03-29, 09-29	3.491	23,000
JPY	8.050	91/09/03	RR U 03/08	09-03	8.050	7,000,000
JPY	6.970	91/12/30	RR U 03/08	12-30	6.970	3,000,000
JPY	6.030	93/08/26	RR U 03/08/13/18	02-26, 08-26	6.030	5,000,000
USD	6.938	95/10/31	RR U 05/each year	01-31, 04-30 07-31, 10-31	3.270	125,000
USD	7.500	96/08/14	RR U 06/each year	02-14, 08-14	7.500	230,000
TOTAL IN SEK						3,980,969
SUBORDINATED LIABILITIES, TOTAL						3,980,969



# Board of Directors\*, Auditors and Executive Committee

## Board members appointed by the Annual General Meeting:

Birgitta Johansson-Hedberg  
Chairman of AB Spintab  
President and CEO of Förenings-  
Sparbanken, head of Retail business area  
Born 1947

Karl Gunnar Holmqvist  
First Deputy Chairman  
Born 1946

Leif Zetterberg  
Second Deputy Chairman  
President of the Federation of Swedish  
Farmers  
Born 1949

Mikael Ingländer  
President of AB Spintab  
Executive Vice President of  
FöreningsSparbanken and head of the  
Lending business area. Chairman of  
FöreningsSparbanken Jordbrukskredit AB  
Born 1963

Ove Bengtsberg  
Former Chairman of the Swedish Building  
Workers' Union  
Born 1938

Håkan Hellmo  
President of the Swedish Farmers'  
Purchasing and Marketing Association  
Born 1941

Allan Karlsson  
Former President of MKB Fastighets AB  
Born 1937

Lars-Erik Kvist  
Executive Vice President of Förenings-  
Sparbanken  
Born 1945

Nils-Fredrik Nyblaeus  
Deputy President and Chief Financial  
Officer of FöreningsSparbanken  
Born 1951

Anders Sundström  
Chairman of Sparbanken Nord  
Born 1952

Ragnar Udin  
President of Sparbanken Alingsås  
Born 1945

Håkan Vestlund  
Gävle  
Born 1942

## Employee representatives:

Karita Yilmaz  
Born 1958

Ulla Håkansson  
Born 1944

## Deputies:

## Appointed by the Annual General Meeting:

Jan Lilja  
Executive Vice President of AB Spintab  
Born 1957

## Employee representatives:

Eva Benckert  
Born 1947

Ulf Åsbrink  
Born 1953

## Auditors appointed by the Annual General Meeting:

Ulf Egenäs  
Authorized Public Accountant

Torbjörn Hansson  
Authorized Public Accountant

## Auditor appointed by the Swedish Financial Supervisory Authority:

Peter Markborn  
Authorized Public Accountant

## Deputy Auditors appointed by the Annual General Meeting:

Olof Cederberg  
Authorized Public Accountant

Jan Larsson  
Authorized Public Accountant

## The subsidiary Förenings-Sparbanken Jordbrukskredit AB

The Board of Directors is listed on page 17.

## Spintab's Executive Committee

Mikael Ingländer  
President, e-mail:  
mikael.inglander@foreningssparbanken.se

Jan Lilja  
Executive Vice President, Chief Financial  
Officer, e-mail:  
jan.lilja@foreningssparbanken.se

Sven-Erik Selerud  
President of FöreningsSparbanken  
Jordbrukskredit AB, e-mail:  
sven-erik.selerud@foreningssparbanken.se

Martin Berne  
Chief Loan Officer, e-mail:  
martin.berne@foreningssparbanken.se

Jan Sagen  
Chief Legal Counsel, e-mail:  
jan.sagen@foreningssparbanken.se

Pär Sandberg  
Head of Accounting, e-mail:  
par.sandberg@foreningssparbanken.se

\* Board members' shareholdings: Since AB Spintab is a wholly owned subsidiary of FöreningsSparbanken, Board members have no shareholdings in the Company.

# Sustainability report 2002

Economics, environment, community. Without long-term environmental and community development there can be no long-term economic development. For Spintab, the introduction of an ISO 14001 environmental management system is another step toward greater consideration for the environment.

## Sustainability work

Spintab's sustainability work is designed to strengthen the long-term relationships with various stakeholders: investors, customers, employees, owners and the community. This work will help to strengthen Spintab's profitability and brand and play a part in building a sustainable society.

Conserving resources is an increasingly important issue for society, and customers are less willing than ever to accept a lack of responsibility or unethical practices.

Working with sustainability issues therefore means more than taking a social responsibility. It is a way to reach more customers and increase their loyalty.

In 2002 FöreningsSparbanken was named the best Swedish bank and ranked third overall among banks and finance companies in the global Dow Jones Sustainability Index (DJSI).

## Environmental work

Spintab has been working actively with environmental issues since 1997. FöreningsSparbanken has decided to introduce an ISO 14001 environmental management system as a tool to organize environmental work in a business-like manner. The goal is to have Spintab environmentally certified according to ISO 14001 during the first half of 2003. Spintab's environmental work and ISO 14001 environmental management system are integrated with its ISO 9001 certification.

Spintab is included in the annual action plan for work environment activities within the bank's Lending business area. The goal is to positively impact the work environment.

## Environmentally friendly products and services

Spintab offers loans for property improvements with environmentally friendly aspects. On its website is a section with products and services that are environmentally related.

Among environmentally friendly services are online and telephone-assisted loan applications, renewals and interest binding agreements.

## Environmental analysis in lending

Loan applications from businesses are evaluated using an IT-based environmental analysis model with two parts: environmental management analysis and environmental risk analysis. For Spintab, the model serves as both a business tool and an element in its risk management.

## Environmental objectives for 2002

In the past year Spintab met its stated environmental objectives:

- ◆ Paper consumption was reduced, for example, through an electronic solution for storing credit records and an Internet solution for renewing loans and locking in interest rates.
- ◆ Spintab played a part in meeting the Group's objective of reducing electricity consumption by 2 percent.
- ◆ Increased car-pooling has reduced the impact of business travel on the environment and cut costs.
- ◆ Environmental competence has been increased after 95 percent of all employees completed basic environmental training.

## Environmental objectives for 2003

In 2003 Spintab will:

- ◆ Complete ISO 14001 environmental certification.
- ◆ Introduce environmental criteria in business, product and systems development.
- ◆ Establish and follow up environmental issues as part of competence development.
- ◆ Continue work with resource conservation.

## Community-oriented work

Spintab is represented on the steering committee of Bygga-Bo-Förvalta (Build-Live-Manage), an environmental project managed jointly by the Swedish state and the construction and real estate sectors.

## Employees

Spintab seeks to attract, recruit, develop and retain competent employees through competence development, a pleasant work environment, co-determination, diversity and good employee benefits.

## Diversity

Spintab offers a workplace where employees' abilities and competencies are valued regardless of gender. A diversity plan established in 2002 will provide a concrete guideline for efforts to promote equality between women and men.

## Competence development

As of year-end 2002, 91 percent of Spintab's employees had participated in review sessions and 63 percent have an individual development plan.



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